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PANAMA

Panama Canal Expansion Begins

On 3 Sep, Panamanian President Martin Torrijos detonated an explosive charge to break ground for the expansion of the Panama Canal, thereby launching a construction project to double the transport capacity of the historic 51-mile interoceanic waterway.

More than 40,000 people—including former US president Jimmy Carter and presidents Alvaro Uribe of Colombia and Elias Saca of El Salvador, as well as other foreign and national dignitaries—watched as President Torrijos detonated 13,636 kilos of explosives that blasted away part of a hillside adjacent to the Pacific entrance of the canal, near Panama City.

The Panama Canal is the only central passage for ships between the Atlantic and Pacific oceans. An engineering milestone, it was welcomed by ship captains and crews previously forced to take the perilous journey around the southern tip of South America. The canal opened in 1914 in the US-controlled Panama Canal Zone, after 10 years of construction that cost thousands of people their lives from malaria and construction hazards.

Operated by the US government for more than 85 years—a condition for US support of Panamanian independence from Colombia in 1903—the government of Panama gained control of the canal for the first time on 31 Dec '99 under the provisions of the '77 Torrijos-Carter Treaty.

Between 13,000 and 14,000 ships transit the canal yearly. About two-thirds of the cargo that passes through the canal is headed to or from the US; China is the canal's second-largest user.

The first major expansion in the Panama Canal's 92-year existence will see the current passageway widened and a larger set of locks will be built at both ends of the canal, thereby accommodating post-Panamax ships and almost doubling the tonnage that can fit through the existing locks. The construction is projected to cost around \$5.25 billion and is scheduled for completion by '15.

Many modern ships, known as post-Panamax ships, are far larger than the existing locks can handle. This is the case for supertankers and the largest modern container ships and US Navy aircraft carriers.

On 22 Oct '06, Panamanian voters overwhelmingly endorsed the plan to modernize the Panama Canal, having been won over by arguments that the billion-dollar project would create jobs and improve the economy, and keep the canal relevant for future generations (Vol. 25, No. 11).

The Torrijos government favored the expansion, but critics have questioned the impact a larger canal will have on the poor, who number more than 40% of the country's 3.3 million people. They say most of the financial benefit of canal modernization project would not filter down to that level, and that the expansion would force thousands of poor farmers and villagers to relocate.

Opposition to the project also was vigorous from critics who questioned the government's cost estimates and its environmental impact study, and who raised fears that corruption and mismanagement would doom the project (Vol. 25, No. 10).

The Panama Canal Authority, the autonomous government agency that runs the canal, is borrowing up to \$2.3 billion between '09 and '11 to help finance the project. It expects to repay that by increasing ship tolls an average of 3.5% a year.

A New Cell for an Old Dictator

On 9 Sep, the 73-year-old former Panamanian military dictator, Gen. Manuel Antonio Noriega, finished serving 17 years in a federal detention facility in Miami for international drug trafficking. Having been granted prisoner-of-war status, he was able to live in relative comfort in the so-called "presidential suite," where he had two rooms with exercise equipment, a phone and a color television.

Upon finishing his sentence, Noriega had expected to return home to Panama, the country he ruled and ravaged in the '80s, despite convictions there for embezzlement, corruption and murder, including that of a political opponent who was decapitated. But the government of current President Martín Torrijos seems hesitant to accept Noriega. This President Torrijos is the son of Omar Torrijos, who ruled from '68 to '81 and was Noriega's mentor.

Although the Panamanian government has called for his extradition to Panama, many suspect that Torrijos would be happy to see Noriega extradited to France where he was convicted in '99 of laundering \$3 million in drug proceeds through French banks for the purchase of luxury apartments in Paris. French authorities say Noriega is entitled to a new trial once he is extradited.

President Torrijos is a member of the Revolutionary Democratic Party (PRD), as was Noriega. Critics of Torrijos say he would rather avoid the difficult questions that could be raised by Noriega's return to Panama. Torrijos and other senior officials do not harbor sympathy for Noriega and could be embarrassed by his return and genteel house arrest.

"His presence would be a reminder of what many in the government did before," said Mario Rognoni, Noriega's friend and confidant. "People have to learn to live with their pasts."

The US has made no secret of its desire to keep Noriega out of Central America. The former military intelligence chief is wealthy and astute enough to unsettle Panama's small ruling elite, an oligarchy of half-a-dozen families that includes many former regime cronies, such as Daniel Delgado Diamante, the Minister of Justice.

France has promised to allow the former dictator to continue to be treated as a prisoner of war. This cleared the way for US courts to reject a series of appeals by Noriega's lawyers. He faces a ten-year prison term in France, which makes it likely that he would die before returning home. Were he to go first to Panama, he could not be sent to France, because Panama's Constitution prohibits the extradition of its citizens.

For the moment, Noriega remains in a Miami prison cell, awaiting a final decision. As soon as Condoleezza Rice, the US Secretary of State, signs a letter of extradition, Noriega will be sent to Paris.

The extradition fight is the latest chapter of a spectacular downfall. Once Central America's alpha strongman and a paid CIA informant, Noriega lost favor with his "handlers" in Washington in the late '80s over his deals with cocaine cartels and increasing repression of political opponents. President George H. W. Bush ousted him in the notorious Dec '89 US military invasion of Panama, code-named "Operation Just Cause." Civilian casualties, looting and suspicion about US motives prompted critics to rename it "Operation Just 'Cuz."

While Noriega languished in a Miami prison, all US troops were withdrawn from Panama and the country was transformed from "a cowed, bankrupt backwater into a democratic, economic dynamo," according to Rory Carroll in *The Guardian*.

"Noriega's time [in power] brought a lot of pain and suffering, but we have been able to overcome that," said Samuel Lewis Navarro, Panama's vice-president and foreign minister. "Democracy is flourishing and the economy is producing jobs and prosperity."

Inequality and squalor endure in Panama but are largely invisible to the tourists who pack hotels and restaurants. "We're fashionable, everyone wants to come here to do business," stated Aristides Hernández, an economic consultant.

—Clifton L. Holland