

Panama Report by Carlos Wesley

Los Angeles-style riots erupt

Since the United States ousted Noriega and occupied the country, the place has been disintegrating.

On May 5, while the ashes from the rioting in Los Angeles, California were still warm, a mob in Colón, the second largest city in U.S.-occupied Panama, burned to the ground the governor's office and several other public buildings. Also attacked were the municipal palace and the telephone company. Several cops were wounded by gunfire during the disturbances, as were a number of protesters.

The situation in Colón is the result of the corrupt free-trade policies and policies to pay the debt at any cost that the Bush administration has imposed on Panama since the December 1989 invasion. The same policies are being applied virtually everywhere else in Ibero-America, with equally disastrous results.

The Colón riots capped several weeks of protests led by the Movement of the Unemployed (Modesco) in Colón, where the majority of the population is black. Although this city, the Caribbean terminus to the Panama Canal, is the site of an international Free Zone, where business (mostly drugs) is booming, 56% of Colón's work force are without a job. Since the dismantling of the Panamanian Defense Forces (PDF) following the invasion, Colón has become a virtual no man's land, with criminals having the run of the place. Housing destroyed by the invading forces has not been rebuilt. Infrastructure has collapsed to such an extent that city streets are flooded by raw sewage.

At the end of April, Modesco temporarily suspended all demonstrations on the promise of the U.S.-installed

President of Panama, drug banker Guillermo "Honeybuns" Endara, that he would visit the city on May 5 to discuss with the people a solution to their economic problems. But, the venue chosen by the corpulent President for the meeting was the exclusive Brazos Club, a super-chique establishment where membership is limited to very rich Panamanians from the upper classes, known locally as *rabiblancos* ("white asses"), and to high-ranking officers of the U.S. Armed Forces in Panama.

Despite pleas from the leaders of Modesco that the Brazos Club location (about 5 kilometers outside of Colón, next to the U.S. Army base at Fort Davis) would prevent people from attending, Endara refused to budge. To move the meeting into the city would "affect the dignity of the presidency," he said, thereby inciting the violence.

While Panama's Gross National Product last year grew by more than 9%, unemployment is also rising, and the middle class is disappearing.

Worse, until the beginning of May, the entire country was forced to live for nearly four weeks without water or electricity for up to six hours a day or more. It was one of the rare instances of functioning democracy seen in Panama since the U.S. occupation, said one source. While the poor sweltered in their slums, it was the rich in their high-rise offices and condominiums who had the worst of it. With no power to run the elevators or the air conditioning, stairs had to be climbed and, in many cases, not even a window could be opened, because there are none in the climate-

controlled luxury buildings.

This, in a country that not long ago was exporting electricity to neighboring nations.

The immediate cause for the power rationing has been a drought that curtailed the capacity of the country's reservoirs and hydroelectric generators. But the basic problem has been the steady deterioration of Panama's physical plant. Since 1987, when the Reagan-Bush administration declared economic war on Panama as part of the campaign to oust Gen. Manuel Noriega, there has been virtually no investment in infrastructure. Every available dollar since the invasion has gone to pay the foreign debt.

The situation is so bad that Panama, which until 1989 could brag of one of the cleanest water supplies in the world—equal or superior to the best available in the United States—can no longer assure its citizens that what comes out of the tap is safe to drink. More than 1,000 cases of cholera have been reported.

Tuberculosis is also climbing sharply. In just the 15 months from January 1991 to March 1992, there has been a 50% increase in the number of cases.

The United States insists that only by continuing to apply disastrous free-trade policies can Panama get the necessary "foreign investments" to solve its problems. One proposal is to privatize the state electricity company, IRHE, and to buy power from outside suppliers. One to benefit from this boondoggle is U.S. Col. James Steele (ret.), who ran part of Oliver North's drugs-for-arms Nicaraguan Contra resupply operations during the mid-1980s, and who led the U.S. Military Support Group in charge of the occupation of Panama. Using a surplus U.S. generating barge, Steele would sell IRHE for 15¢ per kilowatt-hour, the electricity it now costs IRHE 4¢ to generate.