

*On December 31, 1999, the Channel will return to its rightful owners*

## ***Panama, the end of "American Century"***

*Born in 1903 as an U.S. protectorate for the construction of the passage between the Atlantic and Pacific, the state of Panama has long dreamed of genuine sovereignty.*

*A dream that seemed to fade after the Marines invasion to capture Noriega. But the long-awaited date is going to arrive and Panama experiences a period of great change with the election of Mireya Moscoso, the first female president in the history of the republic.*

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They leave. The demobilization began on military bases of Fort Howard and Clayton: aircraft, ground vehicles and installations. The last American soldier will leave the soil of Panama at noon on December 31, 1999. And then the Channel, a majestic building of human talent, born in the optimistic and visionary spirit of late nineteenth century, will be all of Panama. Entered the twentieth century as servants, leave it as masters, symbolically at least.

But perhaps the nationalist emphasis is not part of these lovable people, always ready to joke, used to seeing the funny side even in the most dramatic events.

Panama City is a little as Naples of the Pacific Ocean, harbor and bridge between the two Americas, now also between two centuries, two millennia. Prospects deceive here, beginning with the cardinal points, as the sun seems to rise from the Pacific and set to the Atlantic: something is born, something dies, but it does not mean that everything is as it appears at first sight. "It is a shame that Americans go away: there will be fewer dollars in circulation": the view of the classic taxi-driver is shared by many people, because Panama has a business side, from service country to advanced technology and ostentatious luxury, even if around the "offshore" companies, banks, "duty free", there is an agricultural and rainforest country.

With a population of only two and a half million inhabitants, Panama could be the Latin American Switzerland, a post-industrial miracle, all foreign capital and no taxes. But it is not.

Although the rates of human development place it at the 45th rank in the world, Panama has 46 percent of the population living below the poverty line, and the worst distribution of wealth behind Brazil.

You can clearly see the contrast between the skyscrapers of Avenida Balboa and the streets of Casco Viejo, the historic district that remains beautiful despite its decline, or the clusters, Chorrillo and Barraza, "off limits" areas where bands with imaginative names (such as "*Los Angeles de Dios*" or "*Madre Naturaleza*") act. The violence, however, is not the characteristic of this nation.

There has never been guerrillas, in Panama, and even the worst military dictatorship, that of Noriega, did not leave behind a trail of unpunished crimes.

The biggest shock in the history of the country is surely American invasion in 1989.

"Operation Just Cause" was presented to the world by President Bush as an international police action: for three years Manuel Noriega, called *Cara de Pina* ("Pineapple Face"), a mysterious Panamanian intelligence service chief, and a coup leader and president, was accused of being a member of the drug trafficking.

It was the New York Times to begin the campaign against the dictator, speaking of money laundering by banks in Panama City. The U.S. Congress subsequently also accused him of weapons trafficking and espionage in favor of Cuba, and to be the murder of Hugo Spadafora, a leading opposition politician.

Noriega played the nationalist card against American interference, and challenged the international boycott decision by the U.S..

On December 20, 1989, a body of 26 thousand U.S. soldiers occupied the capital of Panama, after a violent air raid over the military installations. After several days of fighting, Noriega, who had taken

refuge in Vatican embassy, surrendered. "Operation Just Cause" was minimized in its "side effects": actually, according to the Catholic Church sources, it is likely that a thousand Panamanians was killed (24 U.S. soldiers were killed).

For half Panama it was a liberation, for the other half it was a brutal invasion. People were somewhat accustomed to the military regime, which in fact had always held the power.

A tragicomic story, that of democracy in Panama, fortunately, far less violent than other Latin American countries. A story with two great players and a common denominator: Arnulfo Arias, ie civil society, and Omar Torrijos, ie the army, historical enemies united by the populist nationalism. Their fates met in 1968: Arnulfo Arias, a doctor of enormous charisma, authoritarian to the arrogance, with a paternalistic view of society, he wins for the third time in the history of the country's presidential election. And for the third time, he is overthrown by a coup.

The urban legend tells that the real coup leaders came to call Omar Torrijos, a second-ranking official, at his home and found him drunk, they needed a nominee to be presented to the public. Omar Torrijos obeyed: he was a man of humble origins and continued to feel one of the people. But he did not lack personality: he firmly reined the nation and left it only when he died in a plane crash in 1981 (someone claims it was not an accident).

If Arnulfo Arias had created social security and led the women voting rights, Omar Torrijos was the author of great social reforms and the right to study, with a policy of state intervention in the economy and nationalization, even if in the sign of deficit spending. His fame in the seventies came to compete, at least in Latin America, with that of Fidel Castro and reached its apotheosis with the Torrijos-Carter agreements of 1977, which abrogated the shameful treaty of 1903 and put a deadline (December 31 1999) to American sovereignty on the Channel.

Arnulfo Arias and Omar Torrijos, democratic authoritarianism against dictatorship with a human face. Amid the difficult acceptance of the electoral game, the always uncertain challenge of popular support, with a tradition of amazing tricks, intimidation, shameless fraud. Before his death in 1986, Arias had time to win his fourth election in 1984, but the "poker" will not never recognized, because the army gave the victory, for a handful of votes, to Nicolas Ardito Barletta (from that moment, called "*Ardito fraudito*": nicknames are a fun Panamanian craze).

The undisputed control of the army was disguised in a grotesque way, attitude that fed people's irony. There was even a president, Aristides Royo, who was "resigned" by Omar Torrijos for a sore throat ("*gargantazo*", according to the popular definition, that has remained in the collective memory).

This attitude of "live and let live", always somewhere between tragedy and farce, is interrupted by the invasion. The society is split in two, "Arnulfistas" benefited by American intervention and represented by the new President Endara seeking revenge for Torrijos' heirs, organized in the PRD (*Partido Revolucionario Democrático*), which no longer has the military shield, as the army was abolished.

The fracture, caused by American intervention, could become irreversible. But Panamanian political class, shocked by the ghost of civil war, began to seek a difficult reconciliation.

The first need is to find a third character, which is arbitrator and interlocutor between the two factions. This character is found in the Catholic Church, through the commission "*Justicia y Paz*", which begins to work for "build bridges" (see interview with Stanley Muschett). The "ethic- electoral pact" of 1993 leads to the first truly free and democratic elections in Panama in 1994.

The winner is the candidate of the PRD, Ernesto Balladares, nicknamed "*El Toro*". For the first time in the history of the country, all the candidates recognize the victory of the new president.

Among the losers there are the beloved singer, Ruben Blades, of the movement "*Papa Egorò*" (ironically dubbed "*Papa Engordò*" - ie "dad got fat"), but above all, Mireya Moscoso de Gruber, the widow of Arnulfo Arias, who gets 30 percent of the votes.

Mireya seems to come out from a political soap opera: Arnulfista young Party activist, she became secretary of Dr. Arias, in the late sixties. The two fall in love, and Omar Torrijos coup in 1968 accelerates their union: exiles in the United States, Arnulfo and Mireya marry, despite the age

difference: she is twenty-six, he, so far the largest Panamanian leader, is seventy years old.

They would almost celebrate the silver anniversary: as Arias died, Mireya inherits the leadership of the Arnulfista party, demonstrating immediately unquestionable authority.

While the opposition grows, "El Toro" Balladares pursues a policy of free trade, privatizing everything that General Torrijos had nationalized. His aggressive nature does not save him from the accusation that he had received 50 thousand dollars from a Colombian drug boss for the campaign of 1994.

Corruption is rampant in the country, the already large distance between rich and poor grows. The PRD is the far strongest and most organized party, but the wind of change is getting stronger, in Panama. The top of the party becomes aware about it in 1998, when it tries to reform the constitution in a referendum, to give the opportunity to reapply to Balladares (the classic Latin American *caudillo's* vocation, just think of Fujimori in Peru or Menem in Argentina).

The result is striking: over seventy percent of Panamanians rejected the proposal. For the "Bull" Balladares is a unsustainable slap, because he had totally personalized the referendum. they had to change, and do it quickly, given the approach of the elections; and who won in 1999, "won" the Channel and entered in the history.

So, new episode of the political soap opera, the candidacy of Martin Torrijos, 35, son of legendary (infamous for many) General Omar, emerges.

The young Martin grew according to the principles of his father, who sent him in Nicaragua to help the Sandinistas (symbolic experience). With a solid academic education, branded America, and an experience in management for "McDonalds" in Chicago, Martin has a place now in Balladares government, of which seems the heir (and in fact is immediately nicknamed "*el Ternero*" - "the calf" Balladares is "the bull").

But things are not that way: Martin is the next generation that asks for changes, he is clean, and he has a very good CV. Opinion polls give him a lead, but the "elders" of the PRD do not really help him.

On May 2, 1999, they vote in a thrilling atmosphere: the widow of Arnulfo Arias, the opposition, against the son of General Omar Torrijos, who represents the government in power. A political derby that collects the modern history of the country, gets heated discussions in bars and on buses, Panama turns into a carnival of colors, slogans, smiling faces in poster, waving flags from speeding cars. No one conceal one's self, the explanations of votes are explicit, no one escapes the lively but never violent discussions, thanks to the great sense of humor of everybody. During the campaign, the exchanges between the candidates are hard, but they are always clean. Rhetoric, literary quotations, words meant for effect: here they do not want to hear about discount rates, they want the thrill of emotion, the freedom to dream of Panama yet to come, the New Millennium.

Maybe they are the symptoms of political adolescence, but Sunday, May 2 becomes a "*verdadera fiesta democratica*", as young scrutineers of the poll stations repeat in chorus, in popular towns such as San Miguelito, where they traditionally cheated, where they clashed violently in the past, where someone died.

Now there is the time to laugh together, Arnulfista and PRD observers, of the lady who did not want to put her finger in the indelible ink not to damage her nails. The counting of votes, however, started in an atmosphere of religious silence, with dozens of people looking out the windows to hear the litany of nervous vow: "Martin, PRD; Mireya, Arnulfista ...."

In the evening, more or less surprisingly, Mireya wins, the opposition, the desire for change, the vote of women and the poor win. More than seventy percent of the population voted, international observers say that everything was done in the most transparent regularity.

On the streets of downtown it seems they have won the World Cup: carousels, cars, people dancing and singing, dreadful traffic jams, and when you hear the voices of children screaming in chorus, "*se siente, se siente, Mireya presidente*" you can not help but feel the emotion for another small, big victory for democracy in a so tormented Latin America, in a world so indifferent to politics. Tomorrow is another day, all problems return to their grey concreteness: first of all, the acquisition

of the Canal and the relationship with the United States. "On the technical, operational management levels, we are ready for a long time - Jaime Boccanegra explains, 39, office manager of administration of the Canal Commission - We have worked with Americans since 1990, the staff is almost exclusively from Panama. The Canal Authority will operate as a private company with public control, we must work according to the standards of the world market, which is extremely competitive, and this is perhaps the best guarantee for the efficiency of the new management".

No problem, then? "There's a certain nervousness, along with legitimate pride to the strong symbolic worth and the great psychological impact on the nation: we feel like a young man who leaves the parental home to live his independent life".

This is perhaps the best comparison to explain the feeling of Panamanians. The ties with the U.S. certainly will not end on December 31, considering the huge economic and political influence of Washington over the whole continent. Panama also has a "dollarized" economy: there is no Central Bank, the currency of Panama (Balboa) is used only for the tiniest amounts, the dollar is the real currency.

Panamanians are aware about that.

Yet, Americans "guardians" feel the need to further minimize the importance of the passage, but they struggle to hide a certain embarrassment. To the Press Office of the U.S. consulate they do not know how to present the matter: they speak of the Torrijos-Carter treaty of 1977 (which is still in favor of the United States, especially for the "neutrality clause" that provides for the possibility of a U.S. military intervention if free movement are threatened within the channel) as a "mistake" due to the fact that Carter "was ashamed to have a kind of colony. ."

A generous concession, in short, and not the result of a historical will of Panama to get what it deserved. Eventually, they opt for a "separation by mutual agreement" that puts an end to a "bittersweet" relationship. But just look at to all Latin America in order to perceive all the arrogance and hypocrisy of the rulers of the world, who deny any responsibility in the tragedies of their continent.

It is quite different for some sons of Uncle Sam who live here. Some, especially the Baptist "Confederates", have never mingled with the natives, living in total isolation. Many others, especially the children of many mixed family, grew up here and know almost nothing about life in the "States".

American schools finished their final year of school, and at the prom tears flowed like water. Many people "emigrate" to the U.S., others will stay here. Difficult steps, life choices. Uncertain prospects like the sun of Panama, something is born, something dies, no one knows exactly what America will be in the next century.

But there is no real sadness in losing (and only partially) the protectors, the guardians of World Order (which is "New" only for the hypocritical term coined by George Bush). Panama may be a small, great example for many, too many countries with "limited sovereignty": what could be yet another insignificant "banana republic", will handle by itself one of the largest global connections, the passage between two oceans.

The message Panamanians give to the world at the dawn of the new century, is a peaceful, serene, gentle: "Yankee go home".

**Cesare Sangalli**

*The intervention of Muschett Stanley, chairman of the "Justicia y Paz"*

## **Democracy School**

He is one of the architects of the democracy miracle in Panama, but he will never make waves. The style is still very energetic, clear and direct words, as a person accustomed to dealing with the Power. Stanley Muschett Ibarra, 50, is the rector of the Catholic University "Santa Maria La

Antigua", known by everyone as "USMA", he is above all the chairman of the "Justicia y Paz", the organization for the defense of human rights created by Panamanian bishops in 1991 to rebuild a torn apart society, without a past and a true democratic culture.

Panama was not the same, after the American invasion: Noriega was overthrown, the army that had always commanded was abolished, restored the rule of institutional law, but at a huge price. Too many deaths, for an international police mission, too many grudges between "Arnulfistas" and Torrijos' heirs. It was necessary to "build bridges" between the two factions, and this was the work of "Justicia and Paz" for the first two years.

### **When was the turning point in political debate?**

- In 1993, when we proposed an ethical-electoral pact to the parties, for a campaign without violence, threats and insults, but rather centered on proposals for alternative governance. The parties agreed, making us the first guarantee of the democratic process. A solemn promise, which was largely respected. It was an absolute innovation for the country, which came from twenty-five years of military dictatorship. Panamanian people showed then its democratic maturity as early as last year's referendum. The referendum was a turning point, the consolidation of democracy, as we have seen during these last elections.

### **Who are, traditionally, the followers of Arnulfo Arias and those of Omar Torrijos?**

-It is not easy to identify exactly the ones and the others. Both Arias and Torrijos had great popular support, in the same time the strong support of economy sectors. Both of them played the nationalist and populist card, even if their heirs had to redefine their economic policies. Balladares, for example, won the elections with the slogan " people in power", but then he implemented the most liberal policy of all time.

### **But now everybody claims to be on the side of the poor people: even Alberto Vallarino, candidate of the financial sector, wants to be a leader of the right ...**

-The problem of poverty is undoubtedly a priority in our country. There are actually two Panama, now more alien than ever: the one of banks, finance, the "free zone" and the marginal one of the unemployed people, farmers, civil servants. The distance between rich and poor starts to worsen over the last years of the Noriega regime and now it is turning deeper, because the first goal in the nineties was to return to the levels of growth we had before the U.S. invasion.

### **Many people think Panama should insist on the model of "duty free" nation ...**

A-There is definitely a historical almost natural vocation of Panama to be a transit and trade center. Ours is a country that "jumped" almost imperatively the industrial phase to become service sector economy. This complicates the situation because we deal with international finance, with a wealth difficult to redistribute. The paradox is that the creation of "offshore" Panama was conceived by the government of Torrijos in 1979, with a strong U.S. opposition, because U.S. feared losing the monopoly of the business. But the 125 banks, anonymous investment companies and the register of ships, apart from a good number of jobs, bring little to the nation.

### **But now there seems to be the conditions for a change ...**

-Yes, Panama is ready for a deep change. Now there is a transparent and reliable political base, with the total recovery of national sovereignty. The management of the channel will bring new impulses for the economy, new unexplored possibilities first. For this, the only real goal is to fight poverty through solidarity. It requires a new social policy, which certainly passes through a new tax system.

There are citizens who pay more taxes than whole companies: the sovereignty that we have recovered at the international level should become an effective sovereignty, the political dream becomes a human dream. We are going in the right direction, and this makes me optimistic for my country.