

Panama Report by Carlos Wesley

The El Chorrillo land-grab

Will American taxpayers subsidize a boondoggle to enrich members of U.S. President George Bush's family?

An emergency aid allocation intended by the U.S. Congress to help rebuild housing destroyed by the U.S. invasion of Panama last Dec. 20, will go instead to help set up a luxury tourist resort in a joint project with Japanese investors, according to sources in Panama. In February, Congress approved a \$42 million emergency package for Panama, which included \$12.5 million to rebuild the slum area of El Chorrillo, which was virtually flattened by the invasion, and to help rebuild other war-torn areas, including San Miguelito and the City of Colón.

That \$12.5 million will indeed be used to modernize the infrastructure of El Chorrillo, for building new water mains, sewers, and so forth. But, Raúl Figueroa, Minister of Housing of the U.S.-installed Panamanian government, confirmed during a hearing on March 14 before the Housing Committee of Panama's Legislative Assembly, that it is unlikely that housing will be built in Chorrillo for its former residents.

Figueroa indicated that the Endara troika would change the assessment laws established by the nationalist government of Gen. Omar Torrijos and continued by Gen. Manuel Noriega, which froze land prices in the area at \$40-80 per square meter. Once those assessments are liberalized, Figueroa said, the price per square meter is expected to quickly escalate to around \$900 per square meter. This price is quite a bit higher than the cost of land in the existing luxury development of Punta Paitilla, and will be out of reach for the estimated 15,000 per-

sons displaced by the invasion, indicated Figueroa.

The names of the Japanese investors in the proposed tourist resort have not yet been made public, but the betting is that it will be the Aoki Corp., which already controls a good chunk of Panama's tourist business. Aoki owns Panama City's top hotel, the Marriott, and a luxury resort on the island of Contadora, in the Bay of Panama.

According to an article in the *Los Angeles Times* on Dec. 30, 1989, "Prescott Bush, the President's brother is a partner in a business venture in China" with Aoki Corp. The Chinese project, to be built under an agreement signed on May 12, 1988, between Aoki, Shanghai Sports Services Corp., and Prescott Bush Resources Ltd., "will offer tennis, swimming, water sports, and fishing. But the main draw will be a championship 18-hole golf course," reported the *Times*.

The plans for El Chorrillo are very similar. Although a slum, El Chorrillo is located in beautiful surroundings, on the foot of Ancon Hill, the highest elevation in Panama City. It faces the waterfront, in the Bay of Panama, famous for its championship sport fishing, right at the Pacific Ocean entrance to the Panama Canal. It also borders on Fort Amador, in the former Canal Zone, where there is already a golf course for U.S. military personnel. The plans call for linking Chorrillo to Amador through a landfill.

Already in 1984, during the government of ex-President Nicolás Ardito Barletta, a former official of the World Bank, Panamanian business-

men and Arab investors were discussing establishing a tourist resort in El Chorrillo, along the lines of the one on the French-Dutch Caribbean island of St. Martin. A similar resort was planned for the area known as La Playita in Colón, which was also destroyed during the Dec. 20 invasion.

At that time the proposal met with stiff opposition from residents of El Chorrillo, who supplement their meager income from crabbing and fishing in the Bay of Panama, and who resisted all attempts to relocate them to the city's outskirts. Eventually, Barletta was forced to resign the presidency in 1985, because of massive resistance to his attempts to impose austerity measures dictated by the International Monetary Fund, and the refusal of General Noriega to deploy the Panamanian Defense Forces to repress the population on behalf of Barletta's unpopular cuts.

Thus, from the standpoint of the land speculators, the U.S. invasion has turned out to be a fortuitous development and a more efficient approach to slum-clearance than Barletta's unsuccessful efforts. What Americans might not know however, is that the reason for the sky-high land prices that prevail in Panama (and in the U.S.)—except in those areas of the city where the former government established price controls, such as El Chorrillo—is the drug trade, according to sources in Panama.

Investments in real estate, according to the experts, are one of the best ways to launder drug funds, and since drug traffickers are willing to pay a premium to quickly shift their drug profits, they tend to push up the price of land. Drug money deposited in banks accomplishes pretty much the same thing. Virtually every senior official of the U.S.-installed government of Panama is connected to drug banking.