

## Panama Report by Carlos Wesley

### Creating a drug smugglers' paradise

*The proposed U.S.-Panama free trade pact would create runaway sweatshops and undermine America's economy.*

**P**anamanian President Guillermo "Porky" Endara proposed a free-trade agreement on his first official visit to the United States on April 29. "Such an agreement would eliminate all tariffs and levies on Panamanian-U.S. trade, and would attract Japanese investors who would use Panama as a gateway to the United States," reported the April 25 *Washington Times*.

It would also destroy what little industry Panama has, complained Panama's Industrialist Association (SIP) in an April 30 statement. "Why give away our domestic market to the U.S., when they have not asked for it? That's what the proposed free-trade agreement means," said the SIP.

This is what the Trilateral Commission wants. Their recent report said that the starving nations of Ibero-America have to abandon mercantilism and adopt free-trade policies if they want any assistance from the U.S. It hailed Chile, Mexico, and Bolivia for having adopted "tough . . . structural reforms."

Bolivia adopted the nostrums prescribed by Harvard's Jeffrey Sachs after 1985, wiping out any productive economic activity. That left drugs as Bolivia's major generator of foreign exchange.

The Trilateral report also lauded David Rockefeller and Henry Kissinger's Caribbean Basin Initiative, which was explicitly designed to transform the nations of the region into Hong Kong-modeled free-enterprise sweatshops, and to use the in-bond sweatshops established in Mexico, known as *maquiladoras*, as the model for Ibero-America. These programs, the report claimed, "offer sub-

stantial prospects of enhancing trade and promoting reform, and most significantly, heighten U.S. competitiveness."

Quite the opposite. American industry is unable to compete with the cheap goods produced by the *maquiladoras*, which, with their slave-labor wages, also force American workers onto the soup lines. And more drugs will flood the U.S.

As for the Hong Kong model of free enterprise proposed by the Trilaterals, it should be recalled that the British acquired Hong Kong as a result of their Opium Wars with China in the 18th and 19th century. Ever since then, the Crown Colony has been a haven for drug smugglers and drug-money laundering.

The Bush administration has been pushing the Ibero-American nations to adopt this model. Last February, there were secret negotiations to bring Mexico into a free-trade pact under the so-called North American Common Market. In December, Argentina, whose economy was totally dollarized at that time, was also on the verge of surrendering its economic sovereignty. Political opposition in those countries forced the free-trade forces to adopt a lower profile, temporarily.

U.S.-occupied Panama, planners believe, provides a more agreeable climate for a Hong Kong-style smugglers' paradise. More than one-third of the labor force is unemployed, thanks to the invasion and the preceding 30 months of U.S. economic warfare. The country has no currency, save the U.S. dollar, and 80% of its GNP is generated by foreign enclaves such as United Brands and the off-

shore banking center—the latter created by the same Eastern Establishment that now maligns Gen. Manuel Noriega as a drug trafficker.

We followed "the recommendations made by large U.S. economic organizations," Noriega said in 1986. It was they, he said, who demanded the banking secrecy that provided the "umbrella" for drug trafficking "to spread and grow."

Initially, Bush was very enthusiastic about Panama's free trade plan. But by the time of Endara's visit, the administration had decided to postpone any decision.

Why the delay? Bush will have to sell the plan to Americans who are not sure they want to complete the destruction of their nation's industry. He may have decided to dump the Panamanian government, nominally headed by Endara. On May 1, there was a failed coup attempt in Panama against Endara, reportedly led by First Vice President Ricardo Arias Calderón. And these days nothing happens in Panama without the U.S.

The U.S. has been unable to sell Porky as a credible President. Reporters at a May 1 luncheon at the National Press Club in Washington were amazed to see the corpulent Endara stuffing himself like a pig at the trough while being introduced for a formal news conference. "Didn't his mother teach him table manners?" asked one reporter.

Endara told the press he considered "traditional notions of national sovereignty obsolete," and said he was willing to surrender Panama's economic sovereignty in exchange for what he called "a Greater American Economic Union."

Also on May 1, an estimated 15,000 workers—three times more than organizers had expected—marched to protest the invasion and Endara's U.S.-installed government.