

Panama Report by Carlos Wesley

The fraud of privatization

The U.S.-installed narco-government officials fight among themselves for the right to fleece taxpayers.

One of the first measures adopted by the government of Guillermo Endara after it was installed in power by the bloody U.S. invasion of December 1989, was to ground Air Panamá, the national airline. Claiming that the state-owned airline was "inefficient" and a drain on resources, Endara ordered it sold to the private sector.

Endara assigned Treasury Minister Mario Galindo to handle the privatization of Air Panama in May of 1990. But despite the fact that several bids have been made for the company, it remains unsold. In a paid advertisement published in Panama in August, Air Panama's employees, who have been out of a job since Endara grounded the airline, charged that Galindo has deliberately dragged his feet for 16 months with the purpose of forcing the permanent demise of the company. Galindo, according to the employees, is a shareholder and the legal representative of COPA, a competing airline.

Unless Air Panama is up and flying again by Sept. 7, it will lose its international routes. These will then be assigned to whatever Panamanian airline is operating, presumably COPA, "without it having to make any investment whatsoever," charged the employees. In the meantime, Air Panama remains grounded, "costing the state millions of dollars in additional losses," they added.

Galindo is tied to drug banking. Along with current Chief Justice Carlos Lucas López, Attorney General Rogelio Cruz, and Jaime Arias Calderón, brother of First Vice President Ricardo Arias Calderón, Galindo was

on the board of directors of First Interamericas Bank, a drug-money laundering bank owned by Cali cocaine cartel capo Gilberto Rodríguez Orejuela in partnership with Medellín cocaine cartel kingpin Jorge Ochoa.

It is worth noting that the information about Galindo's connection to the competing COPA was leaked after Evergreen, a Taiwan-based shipping company, failed in its bid to buy Air Panama. Evergreen's representatives in Panama are the President's law firm, Solís, Endara, Delgado, and Guevara. Endara and his law partners were tied to the late Gonzalo Rodríguez Gacha, the former Medellín Cartel kingpin, through Banco Interoceanico. They are also tied to the Falcon-Majluta cocaine smuggling gang, now facing trial in Florida.

How Air Panama became a state-owned enterprise, is an interesting story. The line retailed by the high-priests of the idolatry of free enterprise in the Bush administration, is that ambitious government bureaucrats invested unwisely in areas that were best left to efficient private entrepreneurs.

But that was definitely not the case with Air Panama. According to Panamanian government documents obtained by EIR, Air Panama was set up by a group of private investors headed by the brothers Fernando and Carlos Eleta Almarán. One of the bagmen employed by the CIA to deliver funds to Endara's 1989 presidential campaign against General Noriega, Carlos Eleta, was arrested in Macon, Georgia on charges of plotting to smuggle 600 kilo-

grams of cocaine per month into the U.S. The charges against Eleta were dropped after the invasion by the U.S. Justice Department, headed by Attorney General Richard Thornburgh.

The Eletas and other investors, including Jorge Rubén Rosas, the current labor minister, and Juan David Morgan, a lawyer who was also part of the U.S. anti-Noriega campaign, obtained government loan guarantees through Cofina, the National Finance Corp. In no time, Air Panama went belly-up and Cofina was left holding the bag for \$6.5 million owed by Air Panama to the Spanish airliner Iberia, which owned 49% of the Panamanian carrier.

Cofina paid off Iberia and in exchange got Iberia's Air Panama stocks. That's how the Panamanian government ended up in the airline business.

As reported in the July 5 EIR, essentially the same group of investors (the Eleta brothers plus Morgan) pulled off another similar scam against Cofina for more than \$6 million with a fishing company, Promarsa, which they set up with Celso Barreiros, arrested on drug-trafficking charges last year in Spain. And they are not the only ones who raided the treasury in the name of encouraging private enterprise. Comptroller General Rubén Darío Carles, First Vice President Arias Calderón, his brother Jaime Calderón, and Galindo, all rabid proponents of ending state subsidies for the poor, are among those who have still not repaid Cofina for their government-guaranteed loans.

Ironically, Iberia, which helped to force Air Panama into becoming a state-owned company, just bought the controlling interests in the Argentine and Venezuelan international airlines being "privatized" by those governments. Iberia is owned by the Spanish state.