

Reflections from my Panama Cruise, II

Our ports were Falmouth (Jamaica), Cartagena (Colombia), Gatun Lake (Panama), Limón (Costa Rica), and Grand Cayman. Reactions to each:

7. Falmouth had the most lavish port shopping area; I'd compare it to Reston, Virginia. The area beyond, though thinly inhabited, was fairly poor, but with quite a few middle-class homes mixed in. Our tour guide said that many Jamaicans spend years building their own homes so they can live rent-free (but not property-tax-free) for life. The many promising but half-built homes I saw seemed to confirm this. All this made me wonder: If the American poor were allowed to build rent-free shacks on public lands, how many would?

8. Cartagena's skyline sparkles; it's so uniformly new I'd compare it to the Gold Coast of Jersey City. The old town, however, looks markedly worse, with more than a few people sleeping on the streets and in the parks. A major public fountain was full of garbage. (Trash cans were a little hard to find, but not nearly enough to explain the severity of the littering). I was excited to see the Palace of the Inquisition, but the Naval Museum was far better. Using my sons as translators, I asked our cabbie a lot of questions about Venezuelan refugees. He was quite sympathetic to the incomers, and loathed Maduro. ("Is he Satan?" I inquired. "No, Satan is scared of Maduro!") My ability to distinguish Colombians from Venezuelans is near-zero, but the cabbie told us that refugees with money live in the city; the rest live on the streets or in refugee camps outside of town.

9. Panama was the highlight of our trip. Until we sailed through, I only vaguely understood how the Canal worked. Indeed, only after we were through did I discover that our ship was well over the old Panamax limit; we had sailed through the all-new Third Lock. Our tour guide amusingly asked us if we'd been following all the Canal news. When we furrowed our brows, he joked, "That's right, you haven't. When the U.S. handed over the Canal, everyone predicted disaster. So no news is good news!" Panama City was even more eye-popping than Cartagena, and the Miraflores museum was top-shelf. The most economically gripping display explained that the U.S. always ran the Canal on a cost basis (whatever that means for a project that opened in 1914), but Panama vowed to run it for profit. I suspect most economists would fret over the static efficiency losses, but would the Third Lock have ever been built without the carrot of profit? Both are state enterprises, of course, but it's probably far easier for a state-owned firm to operate like a business when almost all of the customers are foreigners. At the end of the day trip, we drove through the port city of Colón, where the poverty (and especially the trash) were disturbing. In Colón, the cruise line wouldn't even allow passengers to walk the town for fear of what might happen.

10. Jamaica's GDP per-capita is way lower than Costa Rica's: roughly \$5,000 versus

\$12,000. But Limón had the worst poverty I've ever witnessed; seriously, the best house I saw in Limón looked worse than the worst house I've seen in Fairfax. The best building on my tour route was clearly the McDonald's. A tour guide later told my sons that the locals are happy to bask inside this consumerist enclave for hours – and the restaurant permits this as long as you make a small purchase. Why the disparity between the statistics and my experience? A little googling informed me that I was in one of the poorest regions of the country, so that fits. In any case, our tour group drove on a dirt mountain road for about 45 minutes until we reached the Veragua Rainforest. Aside from Americans, the eco-tourists' most common nationality is... German. They're so green it's like a religious pilgrimage for them, though I can only imagine what the fastidious Germans think about the piles of litter in town. As an economist, my main thought was that Limón desperately needs more multinational businesses to manage the inhabitants to prosperity. That includes agro-business; while rain forest tourism is one vital industry, they could replace 80% of it with cash crops and the tourists would hardly notice. Last thought: Our tour guide told us that many Nicaraguans migrate to Limón in search of a better life; I shudder to think what they're leaving behind.

11. Grand Cayman naturally looks great. But with roughly \$1T offshore accounts, I expected skyscrapers. Instead, the island struck me as a cross between Key West and Lake Arrowhead.

12. Big Picture: Everywhere I went, the voice of Michael Clemens spoke in the background. The world is bursting with human talent. They're doing great things all over the world – the Third World included. Pre-assimilation runs rampant. But as long as migration barriers stay in place, everyone who chose the wrong parents is working with two arms and a leg tied behind their backs.