



On a recent trip to Panama, I woke up to tropical birdcalls and dipped my toes in the Caribbean before breakfast. Within the next few hours, I would drive along the coast of the Pacific Ocean, lunch by the Panama Canal and dangle on an aerial tram in the middle of a rainforest. In just one day, I quickly realized why there's such a buzz about Panama having it all. And this was just the beginning.

#### PANAMA CANA

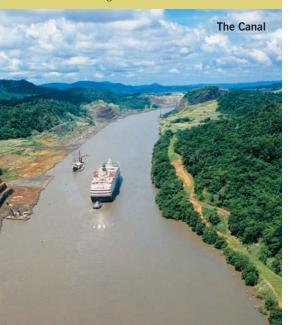
Have an extra day in Panama City? Camp out at the Miraflores Visitors Center (507/276-8325; www.pancanal.com; open daily 9 a.m.–5 p.m.), and watch Panamax ships, the largest vessels the Canal can accommodate, on their journey from



one ocean to another. Whether you view from the observation deck or from a table at the Miraflores Restaurant, you'll be mere meters from the number one tourist attraction in Panama, and you'll be captivated. The Panama Canal is particularly a source of pride for Americans, who built the 50-mile waterway across the isthmus between 1904 and 1914 and operated it until they turned it over to the Panama Canal Authority in 1999. The Miraflores Visitors Center, which includes a multistory museum, is the best place to learn about the canal and see it in action.

About 14,000 vessels use the Canal annually, carrying everything from passengers to papayas to parasols around the globe. A trip through the Canal averages eight hours, which is a fraction of the time it would take vessels to haul their cargo around Cape Horn at the tip of South America. The Canal is undergoing a \$5 billion expansion that will add a new set of locks and make it accessible to larger vessels.

For those who want to transit the Canal, Panama Marine Adventures (507/226-8917; www. pmatours.net) offers cruises—\$115 for a five-hour partial transit and \$165 for a nine-hour full transit (offered only once a month). There is also an hour-long trip on the historic Panama Canal Railway (507/317-6070; www.panarail.com; oneway tickets, \$22), which runs through rainforests and alongside the Canal's locks.



There are a number of practical reasons to visit Panama City: It's just a five-hour flight from Washington Dulles to Tocumen International Airport; the country is only an hour behind Eastern Standard Time; Panama's currency is the U.S. dollar; its tap water—unlike that in several other Latin American countries—is safe to drink; it's in a hurricane-free zone; and the climate is tropical year-round. (Even the rainy season, which is our summer, produces only intermittent showers.) It's also a bargain: Two empanadas and coffee cost about \$1.50, and it's easy to find a cold cerveza for less than 75 cents. All practicalities aside, Panama has grown from its canal-building days of the early 20th century into a bustling hub of commerce, travel, dining and adventure.

### **Extended Leave**

For a country that offers rainforests, mountains and beaches all within a few hours' drive, Panama's tourism engine is remarkably underdeveloped. Unlike Costa Rica, its neighbor to the west, Panama didn't ramp up its tourism promotion until fairly recently, with 2007 being the first year that more people visited the country for leisure than business.

But Americans have known for the past century—since they started building the Panama Canal in 1904—that Panama is not only a great place to visit, it's also a fine place to live. Many Americans remained in the country after the Canal was built, and generations of Yankee children grew up with their parents working in the American-run Canal Zone. During my trip, I met several Americans who either had purchased real estate or were there seeking investment

opportunities. There are dozens of high-rises in various stages of construction (targeted largely at American investors), including Donald Trump's 70-story Trump Ocean Club International Hotel & Tower, which will feature condos, a hotel, spa, yacht club, restaurants and shopping.

"After reviewing all of Central America, I chose Panama," said Chris White, a young corporate banking retiree from California whom I met in Bocas del Toro, an island community off the Caribbean coast. He said the natural beauty, diverse population, affordabil-

ity, stable government and great fishing were all factors in his decision to build an island home there.

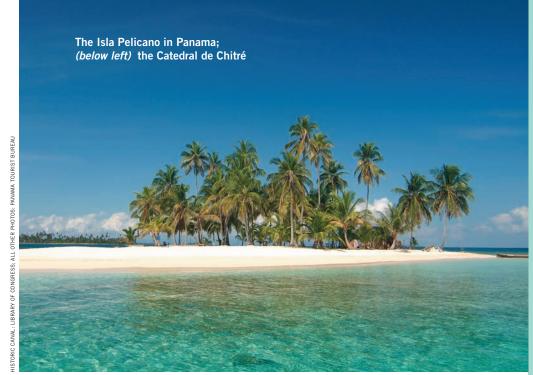
A major draw to Panama is the Canal, often called the Eighth Wonder of the World. But Panama City also has excellent restaurants and a vibrant nightlife, including bars, discos and casinos. There are technically three parts to the city: Panama City, Panama Viejo (the Old City) and Casco Antiguo (the Colonial City). Panama City is the modern home to hotels, restaurants and the financial district; Panama Viejo is the old Spanish city, now mostly in ruins; Casco Antiguo is the French-influenced home to a baroque-style cathedral, historic town squares, brick streets, the centuryold National Theater, and several bars and outdoor cafes.

### Wild Life

But if it's the natural flavor of Panama you seek, you won't have to travel far. The Republic of Panama boasts the world's only rainforest within city limits. The country, a narrow land bridge connecting two continents, is roughly the size of South Carolina, yet it has 5 million acres of national parks and nearly 1,000 species of birds. Panama also has more than 1,000 islands off its Pacific Coast, and its oceans are rich in marine resources. It was aptly named, since *panama*, a Cueva Indian word, means "place of abundance of fish."

"Panama is so special because you have wildlife from both continents here," said Jesús Prestan, my guide in Panama City (AAA EcoTravel; 507/263-8918; www. panamacitytours.com). "We're trying to promote ecology. We have a rainforest here that's a mini-Amazon, we have coral reefs, we have rivers and mountains, and





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the roads are so much better here than in Costa Rica."

One of the best places to discover the rainforest is at Gamboa Rainforest Resort, set in Soberania National Park, overlooking the Chagres River and the Panama Canal. If you're lucky, you'll encounter turtles, monkeys and frogs during your visit, but that requires leaving the enticing hammock on your room balcony. Guests can ride an aerial tram into the rainforest, kayak on the Chagres River and fish on Gatun Lake. Gamboa

also has one of the few spas in the world—if not the only one—that offers a massage on a pontoon boat.

The Frank Gehry-designed Bridge of Life: Museum of Biodiversity (www.biomuseopanama.org/en) is creating a lot of buzz among locals. When it opens in 2010, the museum will showcase various parts of the country's ecosystem. It's be-

ing built in Amador, at the tip of the cause-way on the Pacific entrance to the Canal. This one-mile causeway, a popular spot for runners, walkers and cyclists, was created with rocks excavated during the Canal's creation. Amador is also home to a string of restaurants and the Smithsonian Tropical Research Institute (507/212-8000; www.stri.org).

While in Panama, don't miss the country's collections of islands, such as the aforementioned Bocas del Toro or the more primitive San Blas. The province of Bocas,

for example, consists of nine islands, 52 keys and a couple hundred islets. The town has a bohemian feel, with several hostels, open-air restaurants and seafood aplenty. The cuisine has a strong Caribbean influence, and it's difficult to find an entrée without shellfish, coconut milk or jerk spices. My guide, Gustavo Smith, known as "Gus the Bocas Man" (507/662-5598; gusbocas man@yahoo.com), took me to various uninhabited islands on a small motorboat. In one afternoon, we watched dolphins swim

within meters of our boat, hopped out to sit with starfish in shallow water and explored caves, coral reefs and mangrove forests.

"It's one step from paradise here," Gustavo told me, careful not to oversell Bocas. Although many visitors and residents do consider it heaven, there is a good deal of construction under way, and the town faces some in-

frastructure problems that will only become more apparent with increased tourism.

The hope is that Panama's minister of tourism, Rubén Blades (also a Hollywood actor and Latin jazz musician) will continue working to make Panama as touristfriendly as it is investor-friendly. It's a small country, chock-full of natural treasures, plus influences from all around the globe. And let's face it: There aren't many places where you can watch the sun rise over the Pacific and spend the rest of your day playing in the Caribbean.

# WHERE TO STAY

The **Gamboa Rainforest Resort** (Gamboa Village, Colón Province; 507/314-5000; www.gamboa resort.com; standard doubles start at \$175) is the best place to experience the rainforest while being able to dine, relax and sleep in luxury at the end of the day.

The **Radisson Decapolis** (Avenida Balboa-Multicentro, Panama City; 507/215-5000 or 888/201-1718; www.radisson.com/panama

citypan; standard rooms start at \$260) is a modern hotel with a bustling lounge and a sushi bar, next door to a mall and a casino.

Panama City Marriott (Calle 52 and Ricardo Arias; 507/210-9100; www.marriott.com; stan-

dard doubles are \$265) is located in Panama City's banking district and has a casino, a spa and four restaurants.

On Bocas del Toro, the **Swan's Cay Hotel** (3rd Street, Bocas del Toro; 507/757-9090, www.swans cayhotel.com, standard double room rates start at \$81) is a couple-minute walk from everywhere you need to be, including the airport, bars, restaurants and, most important, the water.

### WHERE TO EAT

Although seafood is plentiful in Panama, locals gravitate toward *arroz y pollo*, and fried plantains are as common here as French fries are in the States. Fresh-squeezed tropical fruit drinks are ubiquitous, and it's worth sampling every variety.

**Manolo Caracol** (Avenida Central and Calle 3ra, Casco Viejo; 507/228-4640; www.manolocaracol. net) is a favorite of worldly diners. Its fixed-price dinner menu is \$20 and includes more than half a dozen courses of gastronomical delights, created from whatever is freshest that day.

**Las Tinajas** (Calle 51, No. 22, Bella Vista, Panama City; 507/263-7890) has traditional Panamanian fare, including appetizers of fried yucca and plantain and entrees of squid, octopus and fish.

## **GETTING AROUND**

Visitors to Panama today won't feel quite like the pioneering Americans who came to build their Canal a century ago, but they might find the country still unequipped to deal with tourists. You can get by with English in many places, but the majority of signage is in Spanish. Streets and addresses aren't well marked, and there is so much construction and traffic downtown that it's not safe for pedestrians. City cabs aren't always a good alternative. One hotel manager told me, "Only 60 percent of the taxis are safe." Have the concierge suggest a personal driver or a reputable guide for getting around town.

### **GETTING THERE**

Nonstop flights to Panama City, Panama, on Copa Airlines are available five times a week from Washington Dulles International Airport.