
Panama

Labor, military ally against IMF austerity

by Carlos J. Wesley

An alliance between Panama's trade unionists and the faction of the National Defense Forces headed by Commander-in-Chief Gen. Manuel Noriega, has launched an all-out drive to back Peruvian President Alan García's fight to repudiate the International Monetary Fund (IMF), and to limit debt payments to a small percentage of export earnings. General Noriega met in Lima on Sept. 5, with García, who then announced: "I have found an enormous coincidence in policies with General Noriega."

of Ibero-American Presidents in Panama: "We must not be victims of the United States, the IMF, or the international bankers. . . . We are a continent with a destiny and with rights. Together we must do something great for Latin America. Our memories are with General Torrijos, a great Latin American nationalist, whom we always hold as an example."

One day before Noriega's meeting with Garcia, part of a 5,000-person rally of Panama's National Council of Organized Workers (CONATO), an umbrella group of all trade unions, burst into the chambers of the Legislative Assembly to demand the rejection of any and all laws submitted by President Nicolás Ardito Barletta which would comply with the austerity demands of the international banks, the IMF, and the World Bank. Confronted by the angry workers' demands that they take a stand immediately, the Assembly's chairman and several legislators scurried out of the hall, whereupon the leader of CONATO stepped forward to preside over the deliberations. The demonstrators also burned a coffin—representing the International Monetary Fund—outside the Assembly's chambers.

Although the legislators made no immediate decision on the workers' demands—to reject laws that would do away with most workers' rights, eliminate incentives for local industries, and destroy farm support provisions—some did stand up in support of CONATO. The Assembly later unanimously adopted a resolution condemning the demonstration, but some legislators said privately, "We agree with what the workers are fighting for; what we objected to was the violation of our chambers."

The military has openly allied with the workers' opposition to further austerity. Two days before the march on the National Assembly, the Armed Forces' weekly television program had "predicted" in an editorial that if the Assembly

approves Ardito Barletta's reforms, "the people will rise like the masses that took over the Bastille during the French Revolution."

The ruling Revolutionary Democratic Party (PRD) got the point. The party's leadership immediately issued a declaration backing the Peruvian government's proposal for a presidential summit in Panama: "This would permit the Latin American Presidents to discuss politically a common strategy for our nations, on the issue of debt and regional cooperation, and on the necessary reordering of international relations in the economic and political realms." The PRD declaration also backed Peru's program to limit debt service payments to 10% of export earnings: "We recognize that the debt must be paid. But we will not permit it to be paid under conditions that mean an intolerable punishment of our people."

The party's statement was a slap in the face of President Ardito Barletta, its nominal head. A former vice-president of the World Bank, he was imposed by Henry Kissinger and company on the military and the PRD last year, as the candidate for Panama's first presidential elections in 16 years. After years of experience at the World Bank in imposing austerity conditions on all of Ibero-America, President Ardito Barletta was expected to have an easy time of it, creating the conditions for the bankers to collect on Panama's huge debt, the second-highest per capita foreign debt in the world—only Israel's is higher. But things haven't worked out quite as expected.

Since he took over the presidency in October 1984, there has been a constant see-saw between Ardito Barletta's attempts to ram through an austerity program, and resistance by nationalist elements who insist that economic development must come first. The President was forced to back down on his first try, in January 1985, when the military refused to repress mass popular demonstrations led by CONATO, following revelations by *EIR* that Barletta's planned measures included sweeping cuts in the military budget.

Ever since then, the schism between President Ardito Barletta and the faction headed by General Noriega has been widening, the fight almost coming to a head Aug. 13, when General Noriega warned Ardito Barletta that he was in danger of being overthrown. "Economic solutions should be based on respect for the rights of the worker, the peasant, and the industrialist," said Noriega at a public event, in front of the dumbfounded President. "We, the Panamanian people, consider that the economic intellectuals should give true solutions and not keep their heads buried in books from Harvard or Chicago," he added. The President was a former student of George Shultz at the University of Chicago.

Until now, the military has not gone all-out against Ardito Barletta, in part because they fear that the opposition would take advantage of the ensuing instability to overthrow them, but, more important, because the heirs of Gen. Omar Torrijos—who established Panama's current system—themselves lack a coherent economic program to rally the population against the IMF's demands.

CONATO's mobilization and Noriega's endorsement of Alan García's debt proposals are significant steps in establishing an alternative to Ardito Barletta's IMF austerity. Reading the writing on the wall, the President has now proposed some cosmetic changes, and called on the banks to renegotiate the terms of debt repayment before the situation becomes totally untenable. Joining U.S. Federal Reserve chairman Paul Volcker on Sept. 13 on the rostrum of the Southern Governors' Association conference in Florida, Ardito Barletta told the 17 assembled governors—including from the U.S. territories of Puerto Rico and the Virgin Islands—that unless the economies of the Ibero-American nations recover annual growth rates of 4-5%, "people will lose faith in private enterprise and democracy will be overthrown."

Documentation

The interview excerpted here was given by Peruvian President Alan García to Panamanian journalists on Sept. 5, and was broadcast on Panamanian television:

Regarding the debt and the domestic policies of our countries, all our countries are beginning to realize that the possibilities are becoming increasingly narrow, and that only by acting together will we be able to succeed. . . .

There is a close position—friendship, ties, and the identification of positions—between us, between our countries, and between our governments. We have always greatly admired General Torrijos. Our APRA leaders have been friends and have identified with his doctrine. One of the points of our historic program of 1924 called for Latin America to defend the Panama Canal because Panama was a Latin American cause and it still is. I believe that this should be the position of Latin Americans whenever a country is being abused. This means that when a man as important as General Noriega comes to Peru I think this serves to unite our countries. It is a known fact that we have identified our positions and discovered that we agree on many subjects, including the defense of our people and our economy. We cannot be the tail wagons of international capitalism. We are a continent that has a future and rights. I have agreed on many subjects with General Noriega. I am very satisfied because this means that we Latin Americans understand each other and can act together. . . .

I cannot sacrifice my people by paying more than 10% of the value of exports [for debt service]. They want us to pay 70% of the value of our exports. With what would we import products, food? With what would we develop the country? We don't agree with the extremist—and in my opinion mistaken—position of not paying, because we form part of an international system. We must impose respect for us within that system. . . .

More Dangerous Than Nuclear War



If IMF policies continue, the deadly tse-tse fly

may be ruling the world by the 1990s!

That's what *EIR's* new Special Report, "Economic Breakdown and the Threat of Global Pandemics," shows.

An exclusive presentation of the causal relation between economic policymaking and the outbreak of new deadly diseases.

- Features the world's only handbook for the general policymaker, on how pandemics are being generated and where they will next break out;
- Over 70 pages, including charts, maps, and graphs demonstrating the U.S. vulnerability to biological warfare;
- Prepared by the *EIR* scientific task force which 11 years ago forecast the precise location and time of the currently erupting epidemics in Africa.

Price: \$100

Order from:
EIR News Service
P.O. Box 17390
Washington, D.C. 20041-0390