

Panama's Barletta finds out the hard way: IMF dictators can fall, too

by Gretchen Small

It's a risky business these days, to represent foreign creditors as a head of state in Ibero-America, as Panama's banker-president, Nicolas Ardito Barletta, learned abruptly on Sept. 28. In the early hours of the morning, Ardito Barletta was forced to resign as President, after less than one year in office, a year wholly dedicated to imposing, or rather, attempting to impose the dictates of the International Monetary Fund upon his resisting countrymen.

With the fall of Ardito Barletta, the defenders of the IMF's over one country. Barletta, a former vice-president of the World Bank and close friend of Henry Kissinger, was a key "insider" in financiers' efforts to block united Ibero-American defense of the region's economy. From their standpoint, the timing of his resignation could not have been worse—one week before the opening of the IMF Annual Meeting, and in the midst of the hottest political mobilization yet for united Ibero-American action against usury and the drug empire it has imposed upon the Western Hemisphere.

The suave Mr. Barletta held additional "responsibilities." Since 1969, "Nicky" Ardito Barletta had assumed personal responsibility for the transformation of Panama into a Caribbean "Hong Kong." Under his direction, Panama became one of the world's top 10 "offshore" banking centers, its "international zone" serving as a gigantic drug-money laundromat, a haven for real-estate speculation, all combined with the customs-free facilities of two of the world's largest "freeports." Panama was the model of an IMF economy.

The war on drugs launched in Peru under President Alan García has already opened a Pandora's Box for the international financial community, revealing nasty details of how the debt game and narcotics traffic overlap. But the revelations that could come from Panama, if the files on Panama's financial underworld be opened with the fall of Barletta, would shake international finance to its root.

Summit possibilities

The significance of Barletta's ouster was not lost on the rest of Ibero-America. "President of Panama Falls for Having Listened to the IMF," read the headlines in Lima's press. "I

don't know if it is exactly because of their recommendations or formulas," responded Venezuelan Foreign Minister Simon Alberto Consalvi, when questioned by press on whether IMF policies led to Barletta's ouster, but "Panama's economic situation is like that of many other countries of Latin America."

Ibero-American nationalists moved quickly to press forward their organizing for a summit of Ibero-American Presidents, a meeting which would be without precedent in Ibero-America's history, but proposed by Peru's President Alan García at his inauguration July 28. García had proposed Panama, for historic reasons, as the appropriate site for the summit, an event which Barletta intended to ensure would never take place. In August, Barletta bluntly told Panamanian labor leaders that no Ibero-American country would back the Peruvian President in his war against the IMF. "García has jumped into shark-infested waters, and expects others to jump in after him. No one will," stated Barletta, himself no stranger to the practices of loan sharks.

The Panamanian President fell "because of his anti-Latin American positions," Peruvian Senator Guillermo Larco Cox from the ruling APRA party, stated Sept. 29, and urged the Peruvian government to renew its proposal that Panama be the site of the summit.

Inside Panama, nationalists launched a campaign for the new Panamanian President, Eric Arturo Delvalle, to join García in organizing for the summit. Barletta's support for "the neo-liberal and monetarist theories of the IMF," required his removal from office, stated a Sept. 30 political declaration of the ruling Democratic Revolutionary Party (PRD). The Panamanian government "will now be more in solidarity with the other Latin American countries in the joint struggle to politically confront the problems stemming from the international economic crisis and the foreign debt."

Barletta's buddies hope to reverse their defeat in Panama rapidly—before it spreads. Orders have gone out for the new Panamanian regime to be "taught a lesson," and a campaign to isolate Panama economically and politically has been launched, coordinated by the U.S. State Department and the IMF. A State Department spokesman declared on Sept. 29

that the United States "deeply regrets" Ardito Barletta's ouster, because he was "a highly respected person of international stature."

Roger Fontaine, one of Rockefeller's Ibero-American specialists, then signalled plans for an international credit cut-off of Panama. Writing Sept. 30 in Arnaud de Borchgrave's Moonie *Washington Times*, Fontaine complained that Panama's new President "does not have the international financial contacts that Mr. Barletta possessed," and added, "both the IMF and the World Bank—which was poised to offer a desperately needed structural adjustment loan—will take a dim view of the latest shuffle" in the Panamanian government. Rumors then swept Panama that loans from several U.S. and multilateral agencies have been cut, although no public announcement has yet been made.

General Noriega

The immediate target of the campaign against Panama is the man who brought Barletta down, Army Commander Gen. Manuel Noriega. General Noriega, never a friend of Barletta's, gave the University of Chicago-trained President his notice in August, when, in a public address as the white-faced President stood at his side, he accused the government of bringing "anarchy" to Panama and threatening national security by its austerity policies. Noriega mocked "theoretic" justifications for driving down living standards, and warned, "Economic intellectuals should give true solutions, and not keep their heads buried in books from Harvard or Chicago." Shortly thereafter, General Noriega visited Peru, assuring President García that the Panamanian people, military, and labor, would support every effort to forge a united Ibero-American alliance.

The link-up between Panama's Army and Alan García, the man leading a military campaign against the narcotics empire, was too dangerous a prospect for the bankers' to tolerate. Barletta responded with an attempted coup against Noriega within the armed forces. Just days before he resigned, army officials close to Barletta attempted to oust Noriega from his post while the general was traveling in Europe. The coup instigators were reportedly the head of army intelligence, Col. Ow Young, and Army Chief of Staff Roberto Diaz Herrera, who is, according to some, the man who runs Panama's booming prostitution and contraband business.

The two badly misestimated their support in the Defense Forces. When their coup attempt failed, Barletta was left with only the backing of U.S. Ambassador Everitt Briggs within the country. Barletta then resigned.

How loud grow the howls of "threats to democracy" arising from State Department circles. That, perhaps, might be expected. But an international campaign in defense of the martyred image of "Dr." Hugo Spadafora, one of the Central America's leading "guerrilla fighters"? The spectacle grows amusing.

The body of Dr. Spadafora was found floating in a river Sept. 17. Family members stated that military officers had detained the good doctor as he attempted to illegally cross the border between Costa Rica and Panama, and charged that General Noriega had ordered the killing to silence Spadafora. The glorious "guerrilla fighter" had accused General Noriega of involvement in narcotics traffick. Noriega denied the charges, while other officials stated privately that they believed Noriega's opponents within the army had ordered the killing, to set up Noriega.

Spadafora, whom the *New York Times* now calls "a civilian critic of military power," spent his life as a coordinator of international terrorism! Recruited to the Italian Socialist Party during his university studies in Italy, Spadafora fought with the Maoist guerrillas in Guinea Bissau's independence war in 1965, organized an "International Brigade" to fight with the Sandinistas in Nicaragua in 1979, offered to send "troops" to fight with the FMLN in El Salvador, then supported former Sandinista Commander Eden Pastora in his "contra-activities," all the while handling contacts between Central America's guerrilla groups and Libya's radical terrorists in the Middle East.

Spadafora's death is now being used as the bloody shirt to reestablish IMF control in Panama. The Panamanian opposition front, COCINA, which has worked closely with State Department networks in the past year, called a national strike Oct. 3, demanding the formation of an "independent commission" to investigate Spadafora's killing.

As COCINA struck, the *New York Times* reminded Panamanians that their sovereignty has been limited in the past—and may be again. "General Noriega should not underestimate this country's strategic interest in Panama's political future," stated a *Times* editorial on Oct. 3. "America's access to the Panama Canal depends in the first instance on the stability of the regime that guarantees it. That guarantee is worth no more than the regime's credibility among its own people."

But an attempt to justify economic warfare against Panama, as defense of democracy and a dead terrorist, may prove as risky a business as that of being a banker-president in Ibero-America. A shift has occurred in the population of Ibero-America in past months, more profound than that produced by the shock of the Malvinas War in 1982. Where governments have capitulated, quiet coordination between political leaders, trade unions, and military officers has transformed the face of resistance to the IMF's drug empire. Fidel Castro's infantile radicals have been rejected as protectors of the IMF's drug traffic, as nationalists take up their fight as a defense of Western civilization itself.

Where there was confusion in the 1982 debt crisis, now there is being forged a continentwide movement, prepared to defend governments which stand and fight—and, as Barletta found, remove those who lend their souls to the institutions of usury.