

## Panama Report by Carlos Wesley

### Business up in arms over Bush plan

*U.S. free trade prescriptions for Panama's economy "mean death for private enterprise," say businessmen.*

**T**his damned economic plan seems to have been drafted by Martians after an all-night party smoking marijuana," was the reaction of Dulcideo González to the so-called National Strategy for Economic Development and Modernization just imposed on the U.S.-installed government of Panama by the Bush administration.

González, no wild-eyed radical, is the staunchly pro-American, former head of Panama's National Council of Private Enterprise (CONEP), whose ranks provided most of the support for the anti-Noriega "Civic Crusade" set up by Project Democracy, the same gang that brought you Oliver North's Iran-Contra follies.

"This is suicide for private enterprise," said González about the plan, demanded by Bush in exchange for \$420 million in U.S. economic aid. The plan demands that Panama privatize state companies, do away with the labor code, eliminate price controls, and drop protective tariffs for industry and agriculture. This will destroy the economy, complained Panama's Industrialist Union (SIP) on July 18.

As did González's CONEP, many SIP members once welcomed U.S. intervention, believing it portended an era of unlimited economic prosperity. Their rude awakening should serve as an object lesson for other nations of Ibero-America now embracing the "free market" revolution being promoted by Bush, with the connivance of the hemisphere's governments.

The problem with the National Strategy for Economic Development and Modernization, said the SIP, "is

that it starts from the assumption that Panama is expensive, a fact which it erroneously claims is due to inefficient industrial and agricultural sectors, which supposedly enjoy excessive protection."

It added that "both in form and content," the economic plan "has an extraordinary resemblance to the Structural Adjustment Plans of the World Bank and the International Monetary Fund, which former regimes attempted to impose on the country with fatal results for our economy." This was a reference to former World Bank executive Nicolás Ardito Barletta, who was forced to resign as President of Panama in 1985 because of mass resistance to his austerity programs designed by the IMF and the World Bank.

Panama's second Vice President Guillermo "Billy" Ford, a banker linked to drug money-laundering institutions who is also the minister of planning and finance in the U.S.-installed ruling troika of President Guillermo Endara, chastised the critics of the plan for having "an IMF complex." Ford was one of the signers of the agreement with U.S. ambassador Dean Hinton, the American proconsul in Panama, to release the economic aid in exchange for liberalizing the economy. The agreement explicitly states that Panama must settle its arrears with its international creditors and accept IMF conditionalities to get the first \$243.8 million in U.S. aid.

Of that money, \$130 million will go immediately to Panama's foreign creditors. The remainder will be doled out in three installments based on Pan-

ama's good behavior.

The funds are simply not enough to cover the billions of dollars in damage to Panama's economy caused by two years of U.S. economic warfare prior to the invasion, nor the damage caused by the invasion itself. Some 35% of the labor force is unemployed, and in Colón, the country's second-largest city, half the people are out of work. And, as a source of revenue, "the canal is maxed out," says John Dawson the U.S. embassy chief economic expert, according to the July 30 *U.S. News & World Report*.

According to the magazine, much of Panama's disastrous situation can be blamed on the fact that the government installed by Bush's invasion, is made up of "a bunch of *rabiblancos*, or white-tails, members of the oligarchy who have never managed to establish a meaningful rapport with poor Panamanians." That view is correct, but also disingenuous, for it absolves the U.S. of responsibility for problems caused by the invasion and the meddling of Project Democracy.

As the article notes, "weakening the labor laws hardly seems like the best way for the *rabiblancos* to reach out to day-wage workers." But this is the policy being forced by Bush on its Panamanian rulers.

There is also a racist, Calvinist, "white man's burden" conception behind this shifting of all the blame onto the *comprador* puppets. This is made clear in another article in the July 30 *U.S. News & World Report* which examines the problems facing the governments of three countries victimized by Project Democracy: Nicaragua, the Philippines, and Panama. Their fundamental problem, it says, is that they share a culture of "Spanish colonialism and Catholicism" and "a conviction verging on the religious that Uncle Sam will always make things right."