

Panama Report by Carlos Wesley

Fascism with a 'democratic face'

Washington and the IMF tell Panama: Use "democracy" to slash living standards.

The U.S.-installed government of Guillermo Endara resorted to shotguns and tear gas to break up protest demonstrations that shook Panama City, Colón, and other towns and cities in mid-June. The immediate cause for the protests was a government decision that drove the price of beef to near U.S. levels, almost \$2 a pound.

The price hike would ban meat from the table of most Panamanians; their wages don't even come close to what Americans earn. Additionally, the U.S. invasion of Dec. 20, 1989, and the preceding two years of U.S. economic warfare, have left one-third of Panama's labor force unemployed.

The price increase sent high school students into the streets, beginning June 10. Police attempts to "forcefully" (in the words of an official communiqué) disperse the protesters with birdshot and tear gas left several people wounded, and increased the anger of the demonstrators. A local police precinct was surrounded by angry students while others set up barricades, blocking the major avenues. The National Legislative Assembly and other public buildings were also attacked.

Other students and their parents soon joined, frustrated by the economic policy being pursued by the government on the orders of the International Monetary Fund (IMF) and the United States, which still occupies Panama militarily. Austerity measures include wage cuts, dismissals of large numbers of public workers, the selling off of state-owned companies, huge price increases on staples and vi-

tal utility services, large tax increases, the suspension of labor's right to collective bargaining, and the slashing of social security benefits.

While the students took to the streets, farmers in the western province of Chiriquí stopped all food shipments to Panama City, because the government has lifted all restrictions on imported agricultural goods, driving down below parity the prices of locally produced foodstuffs. Days earlier, police in the province had mutinied when the government attempted to privatize a military installation that once belonged to the Panamanian Defense Forces (PDF).

In the face of widening protest, which raised the question of its capacity to stay in power, the Endara government responded by threatening more massive reprisals. Reportedly, the head of the National Legislature, Alonzo Fernández, who belongs to the Moliarena party of Finance Minister Billy Ford, a banker tied to drug money-laundering institutions, said that if the protests continued, the government would order the police to "shoot to kill," a threat previously unheard of in Panama, even under the so-called dictatorship of Gen. Manuel Noriega.

Ambassador Deane Hinton, the American proconsul, was shown on television on June 12, at a ceremony in support of the police. He praised the way they were handling the demonstrations, and called for an end to the mass protest against the IMF-imposed austerity. According to a viewer, Hinton "said it was regrettable that the protesters are attacking their legis-

lators and government officials, who were elected by the overwhelming majority of the people. If they don't like the policies of their elected officials, they should wait until the 1994 elections, because that's the democratic way."

This idea, that democracy equals austerity, is exactly the one promoted by IMF chief Michel Camdessus at the International Labor Organization assembly in Geneva, Switzerland June 11. There Camdessus pronounced: "It is the experience of the Fund that progress in democratization makes the launching of economic reforms easier." So too, in the 1970s, the Anglo-American establishment and European oligarchy admitted their goal was "fascism with a democratic face," as *EIR* exposed at the time.

Also June 11, Billy Ford, who is also Second Vice President, met with representatives of the World Bank and other international financial institutions, along with his fellow vice president, Ricardo Arias Calderón, according to the U.S. government's *Foreign Broadcast Information Service*. The financiers demanded that Panama pay up \$610 million in arrears this year.

Ford said the money will come from more foreign loans, the sale of state assets, and the other austerity measures. The problem, said Ford, is that Panamanians refuse to go along with the cutbacks. "If you take anything away from them they cry, and if you take it away from anyone else, they also cry," he said.

The Catholic bishops of the Panamanian provinces of Colón and Darién have taken a different stance. In a pastoral letter titled, "Forgive Us Our Debts as We Forgive Our Debtors," the bishops called on "the World Bank and international financial institutions, to cancel the immoral and unpayable foreign debt."