

The 'Politics Of Chaos' Comes To Colombia

Liberal Party candidate Julio Cesar Turbay Ayala squeaked through Colombia's June 4 Presidential elections with a 140,000-vote margin of victory over Conservative Belisario Betancur. The result is that the "politics of chaos" — the term that Brookings Institute analyst Abraham Lowenthal recently applied to the Dominican Republic — has now come to Colombia.

LATIN AMERICA

This was Colombia's first election in 20 years free of the strictures of the National Front, the power-sharing agreement reached between Colombia's two major parties in 1958 as the resolution of a decade of interparty violence. Instead of the Liberal landslide that most observers had expected (at least until the last weeks of the election), a situation of institutionalized instability has emerged which is likely to continue through Turbay's accession to power in August and beyond. Not accidentally, this parallels the political conditions in Peru, Jamaica, India, and scores of other countries around the world — and also parallel is the dominant political presence of the World Bank-International Monetary Fund and its policy allies (such as the Brookings think tank) in the midst of the deliberately encouraged chaos.

Colombia's Conservatives have refused to accept the official tallies of the close vote without a recount, and deployed one wing of Betancur supporters into the streets the week following elections clamoring for the defeated candidate to "take power with arms," which has already forced a defensive Turbay to offer to share

power with the Conservatives.

Turbay is also faced with a chaotic situation within his own party. Carlos Lleras Restrepo, a former president of Colombia and the leader of one wing of the Liberal Party, nearly effected Turbay's defeat by quietly organizing his own supporters to vote for the Conservative candidate. He thus caused Turbay to lose the capital, Bogota, Colombia's largest city. Spokesmen for Restrepo's faction are now proclaiming the "death of the Liberal Party" and the end of party politics — precisely the scenario for chaos.

No More Mexicos

Colombia is now faced with a disunited ruling party, massive labor unrest, and a less-than-50-percent President committed to implementing an inflationary program of labor-intensive jobs creation for export-oriented looting. These are surely the conditions that breed a coup d'etat.

But more than that is wanted. Turbay alone is no danger to anybody. What the "politics of chaos" are designed to bring about is the complete destruction of the Liberal Party as an institution and thus eliminate the threat of Colombia becoming another Mexico.

With a population of 25 million and one of the more highly educated and skilled workforces in the developing sector, Colombia could indeed become a second Mexico — that is, a nation committed to a high-technology-vectored development program at all cost and ready to stand up to any World Bank and IMF demands to the contrary.

In the 1930s, Colombian Liberal Party President Lopez Pumarejo scared the Anglo-American financial interests with just that possibility. His wide-ranging reforms and his fight for industrialization complemented his open calls for bringing the "Mexican Revolution" and the nation-building methods of Mexican President Lazaro Cardenas to Colombia.

The ending of the National Front with the just-concluded election caused discussion among some Liberal sectors of instituting the Liberal Party as a "Party of the Government" and with it came, inevitably, discussion of the similar Mexican model, with published articles appearing in "Turbayista" journals of Mexico's successful efforts to mechanize agriculture, for example.

Turbay was never one of the strongest proponents of this outlook. But on the advice of ex-President Lleras Camargo, (see box page 5), he came close to totally abandoning it in the closing days of the campaign. Nevertheless, the mass-based nature of the Liberal Party and the tradition of Lopez Pumarejo continually threaten to launch the reemergence of Mexicanization tendencies. For this reason, British finance, with the connivance of the Brzezinski-led National Security Council and Colombia's oligarchy, want it smashed.

The Economics: Mini-Boom ... And Bust

One of the few remaining still-discernible planks of Turbay's platform is the promise to encourage exports,

"Colombia Is Up For Grabs"

The Colombian election and its aftermath followed in uncanny detail a scenario published in the June 12 issue of *Business Week* magazine under the title, "The Acid Eating at Colombian Democracy". The article was written based on information leaked to the magazine by "confidential sources in the National Security Council," according to an editor.

The article, which was reprinted by the Colombian conservative daily *El Pais*, warns that "the stage could be set for a Marxist-style demagogue, terrorism, or, more likely, a military coup" in Colombia. The article threatens: "Washington strongly supports representative government for Colombia. On the other hand, the Carter Administration wants a more severe crackdown on drugs and corruption that may not be possible unless there is an authoritarian regime....If the victor in this weekend's contest isn't able to handle it, Colombia will be up for grabs."

decentralize planning, and stimulate job-creating industry. These are the code words that identify for any experienced observer the World Bank's program for Colombia.

Latin America, as has been duly noted by the London banking institutions, ranks high among Third World nations in living standards, social infrastructure, and qualities of labor force. With a relatively highly educated workforce, foreign reserves totalling \$1.8 billion, and low foreign indebtedness, Colombia is slated as a target for attempting a small-scale "Brazilian miracle."

What this would mean would be pumping in a certain minimal amount of capital and infrastructure for the purpose of reaping some quick returns on exportable raw materials and food stuffs. Like the larger Alliance for Progress swindle, it cannot last long. The World Bank has already given some priority to developing Colombia's electrical energy capacity, not at rates sufficient to effectively industrialize (in fact rationing is continually discussed in the big cities), but enough to provide such things as rural electrification in select areas that can be developed for export-oriented farming.

An added danger in the Colombia situation will be the tendency of domestic and foreign, especially U.S.,

How The Oligarchy Deployed

One of the leaders of the opposition to Turbay inside the Liberal Party is Lleras Restrepo. His cousin, Alberto Lleras Camargo, like Lleras Restrepo an ex-President, now leads the "pro-Turbay" wing of the Liberal Party. This situation, while curious to the outsider, barely draws comment in the incestuous world of the Colombian oligarchy. While Lleras Restrepo is now clearly identified as a traitor, his cousin of the Camargo wing of the family represents even more of a danger to Turbay. Lleras Camargo is a virulent zero-growther and is known among monetarist circles as a Latin American who can really "deliver," a reputation which earned him the Humanist Statesman award this year from the British Secret Intelligence Service's U.S. front organization known as the Aspen Institute.

The joint operations of the Lleras cousins were absolutely necessary to prevent a clear Liberal Party victory and thus create the present unstable situation.

It was Lleras Camargo who engineered the second major element of Turbay's near-defeat, by convincing the candidate to tone down his appeal in hopes of winning a rapprochement with cousin Lleras Restrepo. What this meant, in effect, was that in the last weeks of the election Turbay began to sound increasingly like a World Bank brochure on Colombia.

With this disgusting performance, much of the Liberal Party's mass base, which had hoped that Turbay could embody their wishes for a revitalized country free of the dictates of the World Bank, and ready to embark on real industrial development, became too demoralized to even vote. The result was an abstention rate of over 60 percent.

capital to move in for the proverbial "fast buck" on what most financial press outlets may soon start hyping as a mini-boom in Colombian investment.

Along with an attempted mini-boom in export agriculture will be a minerals development program. Current President Lopez Michelsen has recently spoken of the vast El Cerrejon coal resources in the northern Guajira region, now under a joint development contract between Exxon's subsidiary Intercol and the Colombian government. (Colombia has the largest coal reserves in Latin America and the 12th largest in the world). And Turbay, shortly before the election, pledged a \$3.5 billion investment and borrowing program to develop Colombian oil.

Texaco has recently made major finds of natural gas in the coastal waters off Guajira, and Hanna Mining is negotiating a contract for the Cerromatoso nickel fields in central Colombia which could begin producing 4 to 5 percent of the non-communist years.

The problem facing most of these investors is the failure to think beyond the ends of their noses. For example, Hanna Mining's Cerromatoso project is now being delayed not for legal or technical reasons, but because the company is unsure of world market for nickel. Nickel is a principal ingredient of stainless steel, which is one of the main inputs into nuclear reactors, and Colombia itself, under any serious long-term development program, would become a major Latin American steel producer based on its abundant local supplies of iron ore and coking coal (see *Executive Intelligence Review* Vol. V, No. 17, "Economic Survey"). Tell the short-sighted planning executive that, and he answers that he has too many other problems to worry about to fight the battle for nuclear energy.

Similarly, Texaco's Latin American subsidiary, Texpet, is sitting on enough natural gas in the offshore Guajira fields to supply Colombia's Bogota-Medellin-Cali industrial triangle with cheap power and to provide a feedstock for a fertilizer industry that could supply a mechanized Colombia-Venezuela agroindustry with the input needed to feed a growing industrial workforce. Instead, Texaco is knocking its head against a brick wall to figure out how it can economically liquefy the gas for export.

As far as oil development goes, it should not really be necessary to remind American oil companies of the political consequences that inevitably result from investment in fast-buck oil looting schemes in Third World countries. If U.S. corporate planning executives can break free of the political analysis that flows from their refusal to challenge the premises of World Bank "development" studies, and begin to really "*pensar en grande*" ("think big") as Mexican President Lopez Portillo recently instructed his aides in an apt reminder of what was once the American business ideology, then the otherwise inevitable tendency towards political degeneration in Latin America can be reversed. Colombia, with its obvious potential for large-scale economic growth, and the political conditions that have not yet passed the point of no return, is a good place to start.

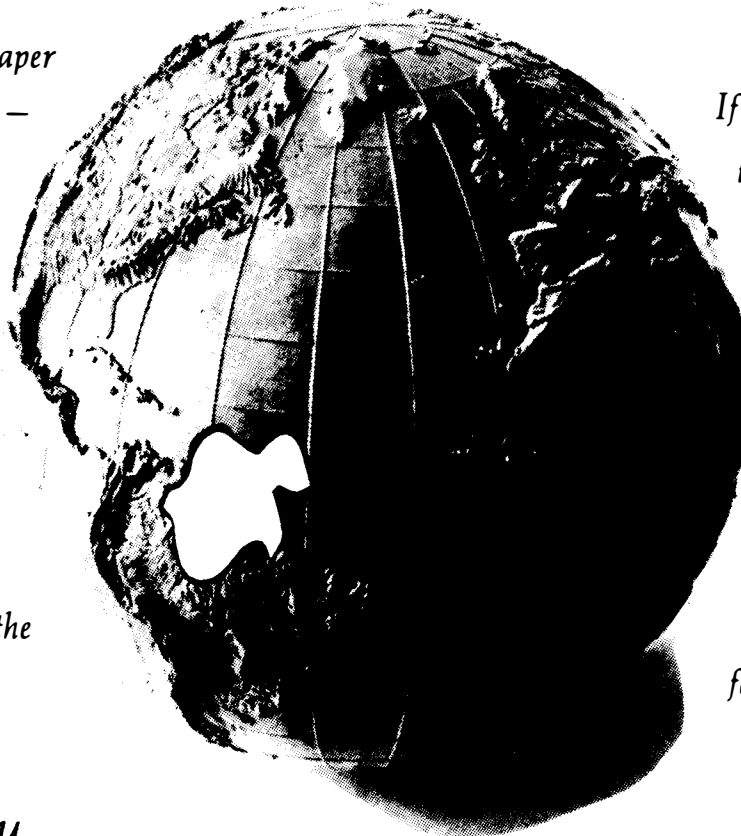
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LEADING U.S. BUSINESS DAILY CALLS FOR CUTOFF OF NUCLEAR COOPERATION WITH INDIA

JAN. 11 - THE WALL STREET JOURNAL, A LEADING U.S. BUSINESS DAILY, RAN A MAJOR EDITORIAL TODAY CALLING ON THE CARTER ADMINISTRATION TO CUTOFF NUCLEAR COOPERATION WITH INDIA. IN A SCATHING DENUNCIATION OF THE CARTER VISIT TO INDIA, THE "OPEN MINE" INCIDENT, AND ABOVE ALL HIS COSMETIC CONCESSION THAT HE WOULD AUTHORIZE SUPPLY OF ONE SHIPMENT OF ENRICHED URANIUM TO INDIA, THE JOURNAL STATED: "SO WHILE THERE ARE AT LEAST SOME ARGUMENTS FOR ENDING NUCLEAR COOPERATION, COLDLY AND BLUNTLY AS THE CANADIANS DID AFTER THE INDIAN EXPLOSION, THE JOURNAL CONCLUDES: 'IT IS EASY ENOUGH TO BELIEVE THAT MR. CARTER DOESN'T NOTICE MIKES AND IS IN ADDITION SO CONFUSED HE THINKS A LETTER WILL KEEP HIS POLICY INTACT DESPITE THE HEAVY WATER SHIPMENT. BUT ON THE OTHER HAND, PERHAPS IT WAS NOT THE INDIANS WHO WERE INTENDED TO OVERNEAR TO TELL US A LIE WAS USING THE PLOT TO MISLEAD THE AMERICAN PEOPLE.'

WHAT IS REALLY GOING ON?

WHILE THE DUST HAS NOT YET SETTLED ON THE CARTER TRIP, BRITISH PRIME MINISTER JAMES CALLAGHAN HAS ARRIVED IN INDIA TO SUPPOSEDLY EVOLVE THE COMPROMISE FORMULA TO BRING INDIA INTO AN ACCEPTABLE STATUS ON THE NON-PROLIFERATION QUESTION. WHILE THE U.S. STATE DEPARTMENT TODAY ADAMANTLY DENIED ANY TRUTH TO THE STORY THAT CALLAGHAN "HAS SUCCEEDED WHERE CARTER HAS FAILED" AS PRESENTED BY THE LONDON TIMES, TODAY'S LONDON DAILY TELEGRAPH ADDS: "AS TO ARRIVE AT A COMPROMISE AGREEMENT WITHOUT TALLYING TWO GOALS, THAT CALLAGHAN HOPES TO TAKE DESAI'S SECRET PROMISES AND PLEDGES TO PAKISTAN WHERE HE WOULD USE THESE ASSURANCES ON ITS CONTRACTED FRENCH NUCLEAR REPROCESSING PLANT. CALLAGHAN ARRIVED IN PAKISTAN JAN. 11, ONE DAY AFTER THE NEW YORK TIMES ANNOUNCED THAT FRANCE HAS REQUESTED THE PAKISTANIS CONSIDER ALTERATIONS IN CURRENT CONTRACTS."

MIDWEST COLD FREEZES OHIO COAL STOCKPILES

JAN. 11 - AS THE NATIONAL STRIKE OF U.S. COAL MINER AND COAL-HANDLING MACHINERY, A SPOKESMAN FOR THE ELECTRIC UTILITY TOLD THIS NEWS SERVICE THAT THE CUSTOMERS HAVE BEEN ASKED TO VOLUNTARILY CUT THE FACILITY IN SHIPPING REPORT PA. HAS BEEN SHUT. BY THE UTILITIES AFFECTED ALL EXPECT TO HAVE T A DAY. HOWEVER A SECOND COLD FREEZE IS PRE WEEKEND. THE ONGOING MINERWORKERS' STRIKE IN FRESH COAL TO REPLACE FROZEN COAL. THE OHIO STATE ENERGY OFFICE DURING TV COAL DELIVERIES TO RESIDENTIAL USERS

A SPOKESMAN FOR THE U.S. DEPARTY WILL DO NOTHING IN THE PRESENT ST MAKES A STATEMENT HE ADDED THAT T PRODUCED BY THE ONGOING STRIKE AND UNTIL THEN THE GOVERNMENT CONSERVATIVE BRIT' FIRING OPPOSITION

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