
Colombia

Labor minister to challenge IMF plans

by Valerie Rush

The unprecedented appointment of veteran trade union leader Jorge Carrillo to the post of labor minister in Colombia on Aug. 20 is setting off fireworks in that country, as the issue of whether Colombia will continue to submit to drastic International Monetary Fund austerity conditions is now on the front burner.

In statement after statement to the press, the minister-designate has warned that the Colombian working population's ravaged living standards must be restored at all costs, and that if this means a break with the international banks and the IMF, so be it.

In an interview with the magazine *Semana* in the last week of August, Carrillo challenged the IMF-dictated decree of a 10% ceiling on wage increases, insisting that "if the cost of living increases more than 20%, you can't raise that of the workers only 10%. . . . This measure is not good for business either, nor for the economy, since the workers will have less money to buy with. I will fight to change this measure, and I believe I can count on the support of the President."

Semana interjected, "But surely the finance minister and the IMF are not going to agree," to which Carrillo responded: "All of this depends, as in many cases, on the President. We cannot stay on good terms with the international banks at the cost of sacrificing the population. Look what has happened to those theoretically wealthy countries like Argentina, Brazil, Mexico, and even Bolivia, following their agreements with the IMF."

In another interview, Carrillo declared: "Our nations will continue to pay [their debts] insofar as their economies are reactivated. However, if they continue to humiliate us, forget it, we won't be able to pay. . . . The fact is that industries in the country cannot continue working to pay interest. Colombia has to pay \$1.7 billion foreign debt. We must slow down the rhythm of the devaluation of our currency, or we will degenerate into chaos. . . . Our products are being bought at bargain prices, and everything we have to import costs much more."

Threats from the oligarchy

Carrillo's pledge to do battle with the austerity program forced on Colombia through the blackmail of the IMF and the ready compliance of Finance Minister Roberto Junguito has resulted in expressions of outrage from the Colombian oligarchy, including not-so-subtle death threats.

El Tiempo, mouthpiece of the drug-tainted oligarchic elements within the opposition Liberal Party, immediately followed news of Carrillo's appointment with an editorial comparing him to martyred labor leader Raquel Mercado, murdered by the M-19 terrorists in 1976.

was issued by Cornelio Reyes, a follower of the neo-fascist Alvaro Gómez Hurtado, who published a column in the newspaper *El Siglo* of Aug. 28 allegedly applauding Carrillo's political vision, and noting that "such was the case of the sacrificed José Raquel Mercado."

Carrillo's repeated insistence that his ministry would be devoted to defending the Colombian working man and, therefore that he would not play the game of impartial arbiter, has drawn nervous responses from elements within the business community, but outright threats of destabilization from the oligarchs who see in Carrillo's aggressive pro-labor stance a major obstacle both to IMF austerity and to their plans to impose a drug economy in Colombia.

On Aug. 28, one of *El Tiempo's* editors, Hernando Santos, published a lengthy public letter to Carrillo, in which he expressed "my concern that you, as labor minister, have *a priori* declared that you will not be impartial to the labor disputes that come before you. . . . Who will invest in a new business, or hire additional personnel when the labor minister has said he will impose wage increases above the inflation rate and declares at the same time that prices will be frozen?"

Santos showed his hand, however, by concluding his letter with an attack on President Belisario Betancur himself for putting "so many obstacles in the way of private investment." Should Betancur proceed with an anti-IMF program such as Carrillo advocates, Santos threatened, the oligarchy will respond to Carrillo's initiatives with orchestrated capital flight.

The issues at stake in the Carrillo appointment are clear. As *Semana* wrote in its introduction to the interview with the new labor minister, "What truly surprises one about the appointment is not the alarm of the business associations . . . but rather the fact that it appears to go against the very policy of the government. . . . Jorge Carrillo says, and it is true, that both the President and his finance minister know his ideas. But the ideas are exactly the opposite of those which reflect the recent economic measures and which form part of the packet of 'friendly' agreements with the International Monetary Fund."

As everyone in Colombia knows, Betancur has known Carrillo for years and is intimately aware of the labor leader's commitments and loyalties. His decision to bring Carrillo into the cabinet at this time is, therefore, most deliberate.