

## Andean Report by Valerie Rush

### Confrontation ahead in Colombia

*President Barco may learn the hard way that "you can't fool all of the people, all of the time."*

Colombian workers are in a rage at the Barco government's year-end deception operation, and the next move is theirs. Whatever that move proves to be, President Barco's continued subservience to the International Monetary Fund is setting the stage for confrontation—and not only with the labor movement.

The tripartite National Wages Council had been battling for weeks over the size of the traditional New Year's minimum-wage increase, with the powerful business associations—backed by the government—insisting on a hike no greater than the just-released annual inflation figure of 20.5%. The trade unions, which had originally demanded 30%, and then came down to 22.5%, stuck adamantly to their pledge to win an increase above the cost of living.

After much haggling and threats of a labor walkout from the Council, the government-business alliance "yielded" in mid-December to the unions' 22.5% demand. But the labor victory proved a chimera, for within the week, the government announced fuel-price hikes ranging from 18.5% to 33%.

The multiplier effect was immediate, with truckers raising their rates by more than 25% for transporting food to the cities, and private bus owners demanding fare increases to cover their new fuel and labor costs. The Health Ministry also announced a 22% hike in the cost of pharmaceuticals, blamed on the high price of imports. As one driver put it, "Tomorrow transport will be more expensive; the day after, food

will double in price, and in a week the wage increase will be all used up."

Jorge Carrillo, president of the newly formed Unified Workers Confederation (CUT) and former minister of labor, protested that "this violent cascade of increases finishes off the possibility of minimal well-being for poor families." Carrillo angrily accused the Barco government of making "fools" of the Colombian people, while another CUT spokesman announced plans to join a national strike of state workers in late January or early February.

The fuel-price hikes were announced Dec. 26 by Energy Minister Guillermo Perry, whom one trade unionist described as "the minister of the seven plagues" for having approved across-the-board hikes in public service rates during his short five months in office.

Claiming that his measures protect "the pockets of the poor and medium-income," Perry blamed the fuel hikes on loss of national oil supplies due to constant terrorist assaults on the country's main oil pipeline, a pipeline which primarily carries the oil of Armand Hammer's Occidental Petroleum Company. Perry had already gained notoriety in the Barco government for his defense of Oxy Pet against charges by the comptroller general's office that the narco-terrorist-linked oil multi was up to its neck in tax evasion.

Although the Barco government did not openly cite the authority of the International Monetary Fund to justify the new price increases, it is widely known in Colombia that the policy of

holding wages below the inflation rate is a standard IMF prescription. That prescription had been discredited under the previous Betancur government, when then-Labor Minister Carrillo proved that wages maintained above the cost of living were *not* inflationary.

The pressures of the international financial agencies can be seen reflected in other aspects of the Barco government's economic policies as well. In particular, the Colombian government's machinations within the Cartagena Consensus (the Andean Pact), to overturn the cornerstone of that regional agreement, Article 24.

Designed to protect the economic sovereignty of the region by strict regulation of foreign investment in member countries, the Pact's Article 24 has long been viewed as a thorn in the side of the more rapacious members of the international investor community. Today, the creditor cartel and its political agents see Article 24 as an intolerable obstacle to the foisting of Kissingerian debt-for-equity scenarios upon Ibero-America's debtor nations.

Faced with the prospect of a prematurely terminated coffee "bonanza," a massively indebted public sector, 15%-plus unemployment and the end of his "honeymoon" with the Colombian population, President Barco appears to have been snared by offers of substantial new foreign credits into lending his offices to the destruction of the Andean Pact.

Not that it will disappear without a fight. To some, the Cartagena Consensus holds the seeds of the political and economic integration of the continent and, as such, must be defended at all costs. Alan García's Peru has already made moves in that direction. 1987 may well be a year of confrontation for the Barco government.