

# IMF Moves To Hijack Uribe Government in Colombia

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On Aug. 7, while Alvaro Uribe Vélez was taking office as President of Colombia, the Revolutionary Armed Forces of Colombia (FARC), the main narco-terrorist group operating in the country, attacked the Presidential Palace, leaving 20 dead and more than 70 wounded among the poor inhabitants of adjacent residential areas. Due to technical failures, only about a dozen of the FARC's home-made rockets were launched. More than 100 other rockets malfunctioned, which reduced the magnitude of the tragedy, but made clear the bloody nature of the narco-terrorists, who claim to be ready to begin a new "negotiations process" with the government, as soon as the Uribe Administration orders the demilitarization of two of the nation's provinces. That would, in fact, constitute a refuge area larger than that which former President Andrés Pastrana conferred on the FARC for nearly three years, also under the pretext of carrying out a "peace process."

The political and territorial concessions granted the FARC by Pastrana led to the de facto fragmentation, or balkanization, of Colombia. This was the result of the "negotiations policy" encouraged by the U.S. State Department under the direction of Secretary of State Madeleine Albright, and which Wall Street, through New York Stock Exchange president Richard Grasso, designed and promoted. This policy reached its height in June 1999, when Grasso travelled to the jungles of Caguán, in the heart of the then-demilitarized FARC zone, and emotionally embraced the FARC's "Raúl Reyes."

Thirty-five thousand assassinations and more than 3,500 kidnappings a year at the hands of the FARC, place our nation in the eye of the hurricane.

Elected by nearly 6 million votes, Uribe, a Liberal Party dissident, ran his independent campaign promising to use a "hard hand" against the narco-terrorists. Uribe also pledged to begin a process of economic reconstruction, in a country of more than 3 million unemployed and more than 7 million underemployed—that is, where virtually half the labor force is without a job. On the day of his electoral victory, President Uribe even declared that the international financial agencies—a direct reference to the International Monetary Fund (IMF)—and the Colombian Central Bank, would have to "re-

vise their plans," an explicit rejection of the IMF's classic austerity prescriptions.

As such, Uribe's inauguration opened up a sense of optimism among the ravaged Colombian people. After the disaster of the Pastrana years, a healthy attitude of "we can do it" was awakened among the population.

However, within just one month in office, the disastrous announcements of Uribe's economic team, headed by Finance Minister Roberto Junguito and by Rudolf Hommes—a former finance minister who, despite holding no official post, serves as Uribe's "Rasputin"—promise to sink Colombia still further into economic depression and social chaos.

## Kidnapped by the IMF

Finance Minister Roberto Junguito Bonnet, of unhappy memory, who occupied the same post 20 years ago during the Belisario Betancur Administration, and who, during the outgoing government of Andrés Pastrana, served as Colombia's representative to the IMF, has made it plain that his priority is to simply guarantee "the sustainability of the debt," that is, to faithfully pay Colombia's creditors. The idea of economic reconstruction based on the generation of productive, stable, and well-paid jobs, is now relegated to an undefined future, presumably after a savage austerity program of "blood, sweat, and tears" has paved the way for "growth."

This is the same story offered by every Ibero-American finance minister: "The macroeconomic reforms designed by the IMF experts are indispensable for establishing the basis for sustainable long-term growth, blah, blah," they say. But, by applying these orthodox IMF prescriptions, Argentina has been plunged into bankruptcy, and Brazil, Mexico, Russia, Turkey, and the rest of the planet are fast heading in the same direction. Approximately 50% of Colombia's current national budget is today allocated to servicing the debt, and this proportion is rising. Over the next three years, in particular, payment deadlines will arrive, demanding amortization for which there is no available income. For example, for 2003, Colombia is desperately seeking more than \$4 billion to meet its foreign creditors' demands. Junguito's and Hommes' solution is simply to cut back still further the precarious living standards of the Colombian population, instead of trying to reactivate the moribund productive sectors of the economy.

Drawing on the 90-day “State of Internal Commotion” declared by Uribe following his inauguration, the President has imposed a one-time tax of 1.2% of the liquid capital of all natural or naturalized citizens with assets greater than \$65,000, as a contribution to what the government has called “democratic security.” It is hoped that more than 2 billion pesos will be collected to help finance the Armed Forces and police, so that they can better respond to the bloody offensive of an array of narco-terrorist organizations including the FARC, the ELN, and the AUC.

### War on Narco-Terrorism Set To Fail?

President Uribe has said that, among other things, a network of informers to collaborate with the military and police will be funded. However, it would be preferable to call upon the entire Colombian nation to collaborate with the authorities, without offering payment for “information” to a population plagued by 50% under- and unemployment.

Intelligence capabilities will also be reinforced, but this is a process that requires technical training and the acquisition of modern equipment. The first place to start is by re-establishing a military intelligence capability, which under a wave of false accusations by various human rights non-governmental organizations (NGOs), was dismantled under Pastrana’s reign. The commander of the Military Intelligence Brigade was even jailed. Given this history, does President Uribe really believe that any soldier would want to be part of an intelligence branch? First, there would have to be established a new legal framework, to protect the military and police in fulfilling their constitutional duties. An anti-terrorist status is required, and war-time legislation as well.

And what will happen when the funds from the one-time war tax run out, six months or a year from now? The shattered Colombian economy is in no condition to support a war tax for another year. Under current war-time conditions, it would be a fatal illusion to believe that a six-month or one-year mobilization of the military could “force the FARC back to the negotiating table.” The reality is that if the IMF’s austerity programs are not abandoned, the FARC and its Wall Street/City of London patrons will soon be able to force President Uribe to surrender to negotiations with the FARC, under conditions which will make Pastrana’s “peace process” look like a cakewalk.

Or perhaps—given the drive of the Utopian faction in Washington to plunge the world into a new world war, as a means of diverting discussion away from the urgent need to establish a new international financial system in place of the IMF’s—Colombia could provide the pretext for a U.S. military intervention into South America. For example, on Aug. 7, the *Washington Times* published an article by Constantine Menges, a Hudson Institute crazy closely linked to the utopians inside the Bush Administration, in which he demanded that Bush take drastic action against what he called “the new axis of evil,” in reference to Cuba’s Fidel Castro, Venezuela’s

Hugo Chávez, and, possibly, Luís Inacio “Lula” Da Silva, of the Workers Party in Brazil. Menges’ threat is directed less at an eventual “Lula” government in Brazil, than at Brazil itself, because despite the fact that Brazil suspended its successful nuclear program under pressure from Washington, it has continued with its aerospace program. Menges is worried about Brazil and China’s cooperation on aerospace research.

Unless IMF economic policy is eliminated, and a program of economic recovery is begun, accompanied by a military mobilization whose goal is to defeat narco-terrorism—and not simply harass it into negotiating a co-government agreement, as has been Washington’s policy all along—then Uribe’s security policy will fail, in the course of the next six months to a year, providing the “justification” for a U.S. military intervention into the region. For certain well-informed circles in Brazil, the presence of U.S. troops in South America would represent the principal strategic threat, equivalent to what has already occurred in Central Asia, where, under the pretext of fighting terrorists linked to Osama bin Laden, U.S. military bases have been established, to prepare actions against what Bush has dubbed the “axis of evil”—including, perhaps, China and Russia.

### Economic Suicide

Some of the draconian measures announced by Uribe’s economic team, which would set the population against President Uribe in short order, include: 1) a reform of the pension system, presented by Labor Minister Juan Luis Londoño, which would increase the retirement age and eliminate various special retirement benefits; 2) a labor reform that would eliminate overtime and Sunday payments, and would “flexibilize the labor market,” that is, facilitate the conditions for laying off workers as the depression worsens; 3) a new tax reform, in addition to the war tax, to garner an additional 2-3 billion pesos; 4) special powers to reform the Executive branch of government, allowing for the consolidation and elimination of numerous agencies, and more mass layoffs; 5) a budget and spending freeze, at least for the next two years; and 6) further cutbacks in already starved public investment.

It is a macabre irony that, supposedly to save an economy where industrial plant is already 50-75% paralyzed, depending on the sector, the government is resorting to more taxes, cutting public investment, more layoffs, etc., knowing full well that Pastrana’s last two tax reforms caused a collapse in fiscal revenues by driving the already ravaged productive apparatus into bankruptcy. If President Uribe wants to begin the process of turning Colombia into a great industrial and agricultural power, he will have to abandon the failed programs of the IMF, and initiate an immediate program for national economic reconstruction like that undertaken by U.S. President Franklin Roosevelt in the 1930s and 1940s, with emphasis on investing in great infrastructure projects and the incorporation of modern advances in science and technology into the productive process.