

Democracy and austerity don't mix

Colombia faces a coup thanks to Carter-style economics

Few Americans haven't had occasion to curse the Carter Administration's economic policy recently. But what would happen if the same disastrous program of tight money, government-funded make-work jobs programs, and no-energy policy were to be implemented in a democracy weaker than the United States?

President Julio Cesar Turbay of Colombia has, unhappily, provided an answer to this question. Just weeks ago the newly elected Turbay announced an economic policy which he has privately described as modeled explicitly on U.S. President Carter's. Now Colombia, until recently considered one of the stabler democracies in Latin America (it is the largest of three remaining democracies on the South American continent) is closer to a military coup than ever in recent history. A constitutional crisis now wracking the country is the latest evidence of how imminent a "Chilean solution" may be.

How this came about is a case study in the operation of austerity economics — the same sort of economics that Blumenthal, Miller, and the rest are imposing on the U.S. under the dazed view of President Carter.

Two choices for Colombia

When Turbay was inaugurated last Aug. 14, it was an open question whether the new Liberal President would move in the direction of a Mexican-modeled high-technology development program, aligning the country with Mexico, Japan, and Europe as a participant in the new European Monetary System, or stick with the World Bank-oriented policies of his predecessor, López Michelsen. A faction in the *Turbayista* ranks was strongly pro-Mexican, and the timing of the beginning of the new presidential term, coinciding as it did with an EMS organizing campaign radiating into Latin America via Spain, Italy, and Japan, gave hope for their policy.

But from the beginning the Turbay government was also under siege from World Bank-trained economic advisors, the Brzezinski crew at the National Security Council, and the pro-Nazi, pro-Falange layers of the Colombian military. They demanded a slave-labor public works jobs program on the World Bank's "appropriate technology" model, tight money, and a confrontationist labor policy, including hikes in fuel and transport prices with no concessions on wage demands. If Turbay failed to put these measures into effect, they let it be known, he would face terrorist destabilization and imminent military coup.

As early as June 1978, on the eve of the almost-sure Turbay electoral victory, *Business Week* magazine telegraphed the coup threat. In an article which the magazine's editors privately admitted was based on a National Security Council intelligence evaluation, reporter McCrary wrote: "As the truce expires between the parties (the National Front — ed.), the key question is whether they can respond to today's challenges. If not, the stage can be set for a Marxist-style demagogue, terrorism, or, more likely, a military coup ... Yet there is no evidence that the necessary reforms are going to be given the priority they deserve ..." October's *Atlantic Monthly*, in a feature on Colombia which was transcribed and prominently covered in the Bogota press, warned of "rumors of a coup" and cited the military as saying, "We'll give him six months, and then we'll see."

In early October, Finance Minister Garcia Parra returned from the International Monetary Fund-World Bank group annual meeting in Washington, D.C. with the promise of some \$600 million in new credits to be used partly to pay off past debt, partly for infrastructural development focused on aiding development of export-oriented agriculture and agroindustry. In elaborating the policy, President Turbay made some obligatory gestures to those who favored industrial and skilled labor force development, but left no doubt as to his true intentions when he summed up national policy: "We are going to exploit our most precious and abundant resource — labor."

Within two weeks the nation learned of the "small print" in the agreement that had been signed in Washington: a 33 percent increase in the price of gasoline and cooking fuel, 16 percent hikes in public transportation. Simultaneously, the Mines and Energy Ministry issued a statement attacking alleged "energy waste" and advocating solar power while simultaneously proposing export of uranium — this, in a country with an impressive national Institute of Nuclear Affairs that has documented the feasibility of its first nuclear-powered reactor utilizing domestic uranium supplies by 1985.

Confrontation with labor

How could a newly elected president get away with a head-on assault on the two most volatile issues in the country — fuel and transport costs — at a time when the powerful labor movement was more tightly organized and unified than ever before?

The way had been prepared several weeks earlier with the issuance of a Security Statute providing for heavy penalties against civil protest, including two highly controversial sections outlawing "illegal strikes" and distribution of "subversive literature." The measure had been virtually forced down President Turbay's throat by the military, using the terrorist murder of a former Conservative cabinet member as the pretext, a move widely described as a partial coup.

When the price hikes were announced, labor spokesmen violently denounced them, and described the hikes as a direct consequence of the Security Statute which, they charged, was designed to prevent popular protest, not to combat criminality.

Over the last week Colombia has been plunged into the throes of a major constitutional crisis over the Statute. The Justice Minister has proposed the resignation of two Supreme Court Justices who were among the minority of five who ruled against the constitutionality of the Security Statute. Although the President has called for an end to polemics on the issue, the Justice Minister, who is politically tied to the forces favoring a military coup, is pressing ahead, against all legal precedent requiring that he remain neutral, to have the dissident Supreme Court Justices removed.

Turbay's policy has been to attempt to split the National Union Council — the coalition of four major union federations which formed in September 1977 in protest over exacerbated increases in the cost of living and antilabor measures — by refusing to meet with the two Marxist-influenced federations in the coalition, while the American Institute for Free Labor Development has carried out an inside wrecking operation against the coalition. Yet despite these efforts, labor unity has remained strong. Labor leaders who years ago would not have been caught dead in the same room with a Communist unionist, who in fact built their reputations on anti-Communism, are now propelled by pressure from their base to stay in the coalition, or face the discrediting charge of having split the labor movement unity at a time of national crisis.

Perhaps the reader is thinking that an even tougher policy against labor could be tried? Strikes are already met with militarization, union leaders and members are being jailed, newspapers suppressed; torture is not uncommon. The only still tougher labor policy left to be tried is death squads, and these have already begun to appear in the countryside.

The battle lines have been drawn. The next step down this road is Chilean-style militarization and outlawing of the labor movement. Under the special conditions of Colombia, where the Communist Party maintains an armed peasant guerrilla force, this would inevitably lead to a protracted civil war. The majority Liberal Party would be split, with a probable majority forming a tactical alliance with the Communist forces in opposing a military coup. The result would be a replay of the *Violencia* of the 1940s and 1950s. This is the near-term future awaiting Colombia under continued economic policy guidance from the austerity school of economics.

— Laurence Hecht

Advertisement

99.9% of the universe is

Plasma



Find out about

The ABC's of Plasma Physics

featuring

"Elementary Plasma Physics from
an Advanced Standpoint"

by Dr. Steven Bardwell

in the November issue of

FUSION

MAGAZINE OF THE FUSION ENERGY FOUNDATION

10-issue subscription \$18 single copy, \$2.50 postpaid

Send check or money order to:

Fusion Energy Foundation

Box 1943, GPO, New York, N.Y. 10001