

Toward a National Reconstruction Front

by Jorge Carrillo

The following is a slightly abbreviated version of the speech given by Jorge Carrillo Rojas, at the EIR conference entitled, "In the Face of the Financial Collapse, the New NATO Threatens the World," held May 6 in Bogotá, Colombia. Mr. Carrillo is a former Minister of Labor, founder and president of the Colombian Unified Workers Federation (CUT), and a former ambassador to Guatemala.

I want to begin by reading a quote taken from an article in the newspaper *El Espectador*, on the KLA. The article is entitled: "Terrorist KLA":

"The Kosovo Liberation Army, which is fighting for the separation of the Serbian province and is helping NATO in the war against Yugoslavia, is a terrorist group which obtains financing from heroin trafficking, according to the secret services of the United States and of other countries. The *Washington Times* newspaper, which published the report on its front page, quoted documents according to which anti-drug agents from five countries, including the United States, know that the KLA has close ties to organized crime in Albania. This is not something new, since the State Department in 1998 had already officially described the independence group now backed by NATO as terrorists financed by heroin trafficking. According to the newspaper, the Albanian mafia . . . has among its leaders people of the National Kosovo Front, the political arm of the KLA. The profits are to be used to buy weapons for the Kosovar guerrillas. Nonetheless, American Senators proposed that U.S. public funds be allocated to finance the KLA."

That is, just like in Colombia, where the U.S. State Department is now backing narco-terrorist forces which want to divide the Colombian nation, NATO is backing a drug-trafficking group in Yugoslavia. The Anglo-American forces that unleashed this war, used NATO to elude the United Nations Organization, which at the time was not considered appropriate because the UN Security Council includes countries which do not agree with this intervention—in particular, China and Russia.

It is likely that President Clinton will try to correct these errors. This would imply that Russia play an important role in a possible agreement in the Balkans. As Lyndon H. LaRouche has warned, a simple political agreement which is

not based upon a Marshall Plan for reconstruction of the region, will not work.

The second quote that I want to read to you is taken from the book *The History of Christ*, by Italian writer Giovanni Papini. Papini lived around the time of the atrocities of the First World War of 1914-1918. The first edition of *The History of Christ* was published in 1920. Strangely, the book disappeared from the bookstores. I had a copy of the book 40 years ago. I lost it, and I have done a great deal of work to get another. The quote is:

"Of all the forms of legal exercise of trade, there is none more detestable and more worthy of censure than trade in money. If one gives a sheep in exchange for money, we can be sure that it is for the purpose of making more money than the sheep was worth. The sheep gives one, at least, something that is not the hateful mineral symbol of wealth. It is a living creature which provides wool in the spring, also a lamb, and, if one likes, food to eat. But the exchange of money for money, for one handful of metal for another handful, is absurd and demonic. Everything that smells of banking, of usury, is a mysterious and disgusting shame which has always terrified simple souls. . . . The peasant who sows wheat and harvests it, the weaver who weaves wool and flax, has up to a point the full right to increase his profit, because he is adding something that was not in the earth or the fleece. . . . The money merchant, the hoarder of silver, is more given to the sacrileges of the devil, and the acknowledged devil gives precisely to them, to the men of banking and of finance, dominion over the Earth. They are the ones who rule the people today, who provoke the wars, who kill nations with hunger."

Economy and looting

Papini said this in 1920. And this problem which affects the world can be seen clearly in Colombia. Until perhaps ten years ago, it was acknowledged that Latin America's foreign debt was \$450 billion, and that it has been paid de facto, through interest that has been paid. It has been completely paid off, but afterwards they began to devalue our currencies. It has been paid with our products, whose prices are increasingly diminished. And today, Latin America's foreign debt has doubled with respect to the total amount mentioned above.

In the case of Colombia, as well, the debt has doubled. Before, our coffee was paid at \$1.40, and today, the price is less. And we could say the same has occurred with all the export products. The dollar-peso exchange ten years ago was 500 pesos to the dollar. As our debt is denominated in dollars, it is natural that we must multiply our efforts domestically, to be able to cover the service on the debt.

When President Pastrana travelled to Washington last year to obtain a \$2 billion credit, the international financiers forced him to commit to two things:

1. To save the financial sector, which he then did. To do this, when Pastrana returned to Colombia, he gave Granahor-

rar 400 billion pesos to avoid liquidating that entity. Later, he imposed the 0.2% tax on banking transactions, a tax which will trip to keep the financial system alive beyond the year 2000.

2. That the state would be accountable for the private debt. Eight years ago, the private debt was \$1.6 billion. Today, the private debt is \$17 billion. The total foreign debt of Colombia is slightly more than \$34 billion. Why do they want the state to guarantee the private debt? Because, faced with high interest rates on the domestic market, Colombian businessmen sought loans abroad, and many companies are now on the verge of bankruptcy, so there is not much security for the lenders. Because if the businessmen cannot answer for the debts, then the Colombian state will be made to answer.

The exporters say that to increase exports, two things must be done:

1. Devalue the Colombian peso, because it is said that it is overvalued. They say it must be forced way down in value, the trading band be eliminated, and the “free market” must be allowed to operate. Jeffrey Sachs, the Genghis Khan of economics, recently came here to insist that we should devalue the peso immediately.

2. The other thing the bankers are telling us, is that, supposedly to improve the competitiveness of exports, real wages must be reduced, and to achieve that objective, they want to change all the labor legislation. With a devaluation, wages will also be devalued. They want to hire workers at less than minimum wage, and want to establish new labor contracts without social benefits and without legally required benefits. According to this Nazi theory, unemployment is not caused by the economic crisis we are in, but by labor legislation. They insist that if labor costs were lowered by 25%, people would have work. They want to eliminate social benefits, overtime, and extra pay for night and holiday work. In sum, a return to feudalism.

This is an insane mentality. How many companies have gone bankrupt in the past nine years? In Colombia, at least 25,000 companies have collapsed since this system of the free-market, globalization, and annihilation of the nation-state was begun. The result is that the productive sector has been reduced; more than 2 million hectares of arable land have been abandoned in the past nine years. This policy affects food self-sufficiency. A country which is not self-sufficient in food, does not think about progress. The policy imposed on us is based on the idea that there is no need to develop the agricultural sector not be developed, but rather to import food, food whose world trade is in the hands of three or four multinational companies.

That is why we must study closely what is going on in countries like China, which are refusing to accept this. Countries which, as Lyndon LaRouche describes them, are forming a Survivors' Club. I refer to China, Russia, India, and Malaysia, among others. Countries which refuse to accept these kinds of policies and which advocate a more humane system.

Carey and the harmony of interests

So, what is to be done? I remember that some nine years ago, I read the writings of Henry Carey, one of the economists who influenced Lyndon LaRouche. Carey said that for a country to move forward, a harmony of interests is required, a community of interests among workers, growers, scientists, and industrialists. And he said that the moment that one of these sectors attempts to loot another sector, the one that ends up looting all the sectors is the speculative financial sector. That is what is happening in the world today, and it is very serious, so serious that the productive sector is moribund.

The business sector cannot believe that it can get ahead by looting labor, paying less and less for its work, and thus shrinking its own domestic market. If we improve workers' salaries, we are going to strengthen the internal market. If Colombia has more than 42 million people, how can we not have a great and strong domestic market?

Carey insisted that as long as one sector is thinking only about looting another, what happens is that someone comes from the outside and loots us all. Thus, the prescriptions of the International Monetary Fund are being applied, which insist that we must continue to privatize—or, better said, pirate. It is piracy that we are suffering at the hands of the multinationals. And it is double looting, because the income the country receives from these piratizations only serves to slightly relieve debt payment. It's an exchange of assets for debt.

If we were to put Carey's teachings into practice, and bring about a harmony of interests among the businessman, the worker, the grower and the scientist, we could move our country forward. With this concept of harmony of interests, we should be able to create a movement that unifies the entire population against usury. The population does not feel represented by the political parties, nor by the elites, and much less by the governments which come into office with a popular vote and then do precisely the opposite of what they had promised.

We should create a National Reconstruction Front, which would keep on growing as happened with the Army of Liberation during the era of the Independence. And this is a concept to be applied everywhere, not just in Colombia, so that the next century will be known as the humanist century. We have to bring about a new cultural renaissance to save humanity and prevent a return to barbarism. We cannot remain in the hands of these lunatics who are running NATO and the IMF, who believe that killing us every day by starvation and war is going to enable them to keep their empire going, with its feet of lead.

As U.S. statesman Lyndon LaRouche and his wife Helga Zepp-LaRouche have proposed, it is time to establish a New Just International Economic Order, a New Bretton Woods. This is what I wanted to pass on to you this evening. Thank you very much.