

escalating pressures around Venezuela's borders. Aiming to goad Brazil into invading Venezuela, Jane-way's article virtually promised Secretary of State Vance's support for a Brazilian invasion.

CAP's counterstrategy has been straightforward: detente with Brazil eased by oil sales on favorable terms, and consolidation of the Colombia and Guyana fronts through negotiated accords backed by economic integration. When CAP began meeting with the country's opposition parties almost a month ago however, to discuss proposals for a resolution to the long-standing border dispute with Colombia, his proposals were met with cries of "sell-out." COPEI's official party position was a blanket "no" to any discussion of joint exploration of the area's resources, precisely the proposal the press reported CAP made. COPEI's ex-Foreign Minister Aristedes Calvani threatened that the population was "emotionally charged" about any loss of sovereignty.

Last week Ramon J. Velasquez, the powerful head of the Senate Foreign Relations Committee, called for a plebiscite to be held within the Armed Forces on the border negotiations! Velasquez' attempt to pull the military into the factional debate was immediately and quite bluntly rejected by CAP, who reminded Velasquez that the Armed Forces are "obedient, not deliberative organisms," as any jurist should know. CAP's statement

received immediate support from the Minister of Defense, Alvarez Torres.

But Velasquez' call has already sent rabid nationalists into action. A group calling itself the "Comite Rafael Urdantea," reported by reliable sources in Caracas to be organizing an Argentine Triple-A style death squad capability, took out an ad in a Caracas paper backing the call for a plebiscite in the Armed Forces, and blustering that "traitors" to Venezuelan interests will be stopped.

CAP has continued to use trade and economic cooperation as the keystone of his defense. Greatly expanded economic integration was, in areas other than the disputed Gulf area, announced between Colombia and Venezuela following last weekend's meeting between the country's two finance ministers. The plan includes the formation of mixed national companies for joint investment in agroindustrial projects in Venezuela and technification of coke production in Colombia, as the initial steps in longer-term development plans for the border region. The post of "flying ambassador" was created in both countries as well, designated specifically to handle the increased commercial and economic deals.

Simultaneously, a trade mission in Guyana is holding discussions on joint development of fishing and wood industries and increased trade between the two countries.

Third World Think Tank Announces Study Of Debt Burden

On Jan. 25 the Third World Center for Economic and Social Studies (CEESTEM), directed by former Mexican president Luis Echeverria, opened its doors to invited guests and the press to provide a progress report on the CEESTEM's activities. The Center was inaugurated in mid-September 1976 in the presence of United Nations Secretary-General Kurt Waldheim, and it is developing its activities in close cooperation with U.N. bodies. The following are excerpts of that report, delivered by CEESTEM spokesman Adolfo Aguilar and reprinted in the Mexican daily El Dia Jan. 27.

CEESTEM has initiated its task on the basis of a fundamental theoretical assumption: underdevelopment cannot be viewed solely as an economic phenomenon or in light of simple indicators and statistical variables. Underdevelopment is a by-product of unequal development, an historic outcome of the international division of labor and colonial heritage ... In less than three decades, the population explosion will double the populations of Asia, Africa and Latin America. Never before in the course of human history has there been a situation with such characteristics. The new needs in education, nutrition, employment, sanitation, and urban and political-economic matters is completely without precedent... In many industrial countries, because of unequal development, an opposite situation is arising: declining birth rates and the progressive, accelerating aging of the population pyramid. Magnitudes vary, to be certain, but

not the urgent obligation to confront the global contradictions of our time with a scientific spirit. Without this prior analytical effort, positive results will be minimal while conflicts will become increasingly greater.

The world economic crisis is reflected, materially, in inflation, monetary instability and the general deterioration of job opportunities. Three hundred million people are jobless in the Third World; 17 or 18 million, according to estimates, in the industrial nations. Juxtaposing these two figures would be irrelevant, since unemployment in the peripheral regions is of a structural nature, and points to the existence, as new categories, of underemployment and marginalization as essential and precise features of social disintegration.

In one way or another, this is a global crisis, a crisis of the monetary system and the way in which the economy is organized, based on the irrational exploitation of resources and people.

The concrete result of these facts is multifaceted: soaring increases in the public debt of the Third World; loss of capital and the subsequent decrease of the ability to invest; the increasing Third World balance of payments deficits; and the growing contradiction between rational options for development and the whimsical suppositions of utopian change. As a result, violence and irrationality today have become a heavy burden on all peoples.

The lack of international solidarity, the prediction of the World Bank that resources allocated for aid will be

vastly reduced by 1980, and the amortizations and service on foreign debt, all testify to the necessity of the adequate conditions, logically and collectively determined, for a new world economic order. The material means at the disposal of present societies, without having to use messianic language, present the potential for a real transformation of the world, or, as the thinkers of the atomic age put it, for a constant change in what has already changed.

Precisely because of this very fact, a rational, renovating alternative is absolutely necessary. CEESTEM, in summary, begins its task with this purpose, departing

from these concrete facts determining present reality.

From this perspective, CEESTEM has proposed a series of parallel and distinct research projects, which form an organic whole, on those problems that can be of extraordinary global importance. Toward this end, we have begun an analysis of the public foreign debt of the Third World, which will probably go beyond the \$200 billion level in 1977, and which threatens to strangle the Third World's potential for investment and development. The object of this study is none other than to present this phenomenon and propose the reasonable and viable alternatives at this time.

Colombia—A Nation Of 'Dead Cities'?

The city of Pasto in southwestern Colombia has been without water, electricity, and fuel for two weeks. All production and commercial activity has ground to a halt, leading the local press to label Pasto "the dead city." During this same period, Colombian Finance Minister Espinosa Valderrama has decreed a series of "drastic" financial and economic austerity measures which will reduce every major industrial city in Colombia to a "dead city" if his "war economy" plan succeeds.

Espinosa's decrees fall into four major categories: (1) severe restriction of the money supply which increased 36 percent in 1976 over the previous year's levels; (2) limitation of investment to labor-intensive export-oriented enterprises such as mining, and to small- and medium-sized business establishments; (3) drastic escalation in debt payment schedules; and (4) the launching of an "anti-monopoly" campaign.

Espinosa's proposals to restrict the "inflationary" flow of money into the economy have taken several forms. Two weeks ago, he raised the marginal reserve ratio of bank deposits to 100 percent while increasing the reserve ratio of dollar-denominated deposits from 6 to 18 percent, thus freezing most available liquidity in the economy. Secondly, Espinosa reduced the payments deadline for imports to six months for raw material and consumer goods imports, and to three years for capital goods imports. According to the Colombian press, these measures are deliberately intended to force businesses to contract large debts with banks and financial institutions in the exterior. As noted by one knowledgeable New York banker, Colombia's Finance Ministry maintains strict controls on debt contraction with foreign banks, controls which will enable the extremely selective granting or denial of financing to Colombian businesses.

Espinosa's "anti-inflationary" measures are designed to complement his investment policy. According to Espinosa, all financing will be limited to a few large and labor-intensive enterprises like mining — which are guaranteed to bring in substantial foreign exchange through exports — and to "the small and medium labor intensive businesses which can absorb the growing labor force."

Colombia's foreign reserves — which soared to over

one billion dollars this past year due to Colombia's "coffee bonanza" — have been fully committed by the Finance Ministry to payment of Colombia's present and future debt obligations. Espinosa has responded to increasing demands from Colombia's credit-starved industrialists that the bonanza be used for productive investment in the economy with the assertion that as far as he was concerned "the reserves have been spent on the country's extensive back debts to the exterior...indulgent overspending on imports has led to an overdue debt burden which must immediately be corrected."

Espinosa unveiled his "anti-monopoly" campaign earlier this week. The Finance Minister invoked Article 32 of the Colombian Constitution which gives his ministry the right to intervene, by mandate of law, "in the production, distribution, utilization, and consumption of the goods and services of the private and public sector." Espinosa's "interventionist" pronouncement is an attempt to divert working class anger away from the government's looting designs and with the help of well-funded agents, to turn that rage against the nation's industrialists.

One of the agent organizations, the year-old Colombian organization Common Cause (modeled on its namesake in the United States) broke heavily into the media. Through favorable newspaper coverage and a weekly television program, Common Cause is bringing its "timely" campaign against monopolies and corrupt bureaucracies before the public.

Creating the appropriate atmosphere for Espinosa's war measures and Common Cause's crusade was the glowing press coverage given this week to the North American "prophet" of deindustrialization, Ralph Nader. One Colombian newspaper praised Nader for his untiring assaults against U.S. industry: "Who is this extraordinary man...this David of the XXth Century...? This poor, modest, almost ascetic man is a person of few words. But he is a fighter, an apostle. The most powerful industrialists in the world tremble before him."

"War Economy" Takes Its Toll

Espinosa's declarations of war have intensified a World Bank-directed looting scheme which has already