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## Conference Report

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# Colombian labor minister links IMF conditionalities to AIDS

by Valerie Rush

For the second time in as many days, the policies of the International Monetary Fund came under indictment by Ibero-America's nationalist forces for fostering conditions of genocide in the developing sector.

The Oct. 7-11 Conference of Inter-American Labor Ministers, gathered in San José, Costa Rica under the auspices of the Organization of American States (OAS) and under the control of the U.S. State Department, was split wide open when Colombian Labor Minister Jorge Carrillo charged the usurious creditor banks and their gendarme, the International Monetary Fund, with creating conditions in this century for a new "Black Death" of AIDS and other deadly epidemics.

Carrillo's accusations were presented at precisely the moment that Peruvian Finance Minister Luis Alva Castro was shattering protocol by denouncing the International Monetary Fund, at its own annual meeting in Seoul, South Korea (see page 4).

Carrillo's speech addressed the development needs of Ibero-America as the key to a competent employment program. He warned that the austerity conditions imposed by the IMF had brought the continent "to an inflection point, in which the downward spiral in which we have been trapped will become even more accelerated. Neither our biosphere, nor our social and political institutions will withstand this deterioration. . . ."

He concluded that, unless "great solutions" were employed to reverse the continent's rapid decline, "the deadly AIDS is but a harbinger of what is to come." Among those "great solutions," Carrillo urged the construction of more than 100,000 kilometers of new or renovated railway lines, to include rail connections with Central America and with Mexico. He proposed significant expansion of the continent's waterways and many more canals, drawing on the network of major rivers that criss-cross Ibero-America. A new ground-level inter-oceanic canal, to be built either in Colombia or Panama, would also be necessary, declared Carrillo, as well as the investment of several billion dollars in developing Argentina's Paraná River to yield vast quantities of energy and increased food production from the irrigation potential thus realized.

Carrillo's speech highlighted a rising tide of protests from

numerous Ibero-American ministers, such as the Peruvian and Venezuelan, against the "inflexible" criteria of the industrialized nations regarding the foreign debt crisis. Venezuelan Labor Minister Simón Anton Paván warned of "global crisis" because of "the myopic and usurious banks in certain industrialized countries, immersed in an individualistic and dehumanized capitalism, and in rigid and inflexible international financial institutions. . . ."

Peruvian Labor Minister Blancas Bustamante reiterated his government's position of setting a 10% limit on export revenues destined to service the foreign debt, and declared that, as a result of IMF prescriptions which have promoted a dramatic deterioration of the Peruvian economy, his country would no longer deal with that institution. Blancas added, "To those who denounce our position as unilateral, we can only respond that it is no more unilateral than the decision of the creditor banks to raise interests and commissions collected on the debts of the poor nations."

In a speech to the special roundtable discussion on debt convoked by the labor ministers, U.S. Deputy Assistant Secretary of State for Inter-American Affairs Paul Taylor threw down the gauntlet to the United States' hemispheric allies—on behalf of the IMF. He asserted that high population growth, worker consumerism, over-extended government, excessive protectionism, and indulgence in capital intensive production methods was responsible for Ibero-America's current economic crisis.

Denying that the debtor nations have suffered the brunt of the debt crisis, Taylor complained that "the banks have in fact suffered a reduction in income" and the United States "has suffered from worldwide recession and loss of exports"—statements that certainly contradict the claim the United States is enjoying a "recovery" under its own acquiescence to IMF policies.

Without naming Peru, Taylor attacked that country's sovereign decisions about handling the foreign debt. He said that setting "an arbitrary low limit" on export revenues devoted to debt service "is not desirable. Some have suggested that countries could unilaterally determine the manner in which they would service their external debts . . . but there would likely also be adverse consequences for the debtor nation. It

would suffer further declines in short-term trade financing and if it wanted to finance some large and badly needed development project, it would be hard pressed to locate external credits. . . .”

Finally, Taylor elaborated current U.S. policy, which he defined as “growth with adjustment”: 1) continued support for debtor “adjustment” programs; 2) continued full support of the IMF and World Bank in their “vital role in assisting nations to implement stabilization and adjustment programs”; 3) greater use of World Bank “structural financing”—with standard IMF conditionalities written in; 4) promises of renewed efforts by the industrialized countries to keep their markets open.

Peruvian Labor Minister Blancas Bustamante commented to the Spanish news service EFE that Taylor’s statements were a “veiled threat” against Peruvian President Alan García’s position on the debt and on the IMF. Said Blancas, “If a country leaves the framework of the IMF, its credit and all sorts of financial support from the other countries of the world is restricted.” The Peruvian minister asserted that, should this be the response to Peru, his country would appeal to the “international solidarity” of friendly countries around the world to assist it.

### ‘Black Death of the 20th century’

In a separate paper released to the conference, entitled “Humanity on the Brink of Disaster,” Colombian minister Carrillo emphasized that epidemics of diseases like AIDS, malaria, cholera, polio, etc. are a direct result of IMF conditions imposed on the Third World.

“Both Africa and Latin America are victims of the economic adjustment programs formulated by monetary authorities to guarantee payment of the foreign debt service. The United States and Europe themselves are now beginning to be faced with the serious consequences of these same adjustment programs,” he said.

“Insistence that the payments crisis be resolved only through import cuts and export increases has had one consequence: that the Latin American countries and the rest of the Third World have been forced to export their food production and restrict imports of basic raw materials necessary for the production of indispensable drugs, vaccines, etc.

“Adjustment programs applied to reduce our budget deficits have forced our continent to eliminate almost all attention to health services and basic hygiene. . . . As a result an unusual growth in the infant mortality rate has occurred from malnutrition stemming from lack of food, disease stemming from lack of medical attention, and epidemics as the logical consequence of both.

“Africa began this way a few years ago. Nonetheless, there was no compassion from the most powerful, and today Africa is a continent in agony. . . . Africa has today become a breeding ground for what has been called the ‘Black Death of the 20th Century,’ AIDS.”

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## Documentation

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# Debt and the threat of disease pandemics

*From the speech by Colombian Labor Minister Jorge Carrillo before the VIII Inter-American Conference of Labor Ministers, which met Oct. 7-11 in San José, Costa Rica:*

Our Great Fatherland, from Mexico to Argentina, is faced with a critical situation: Either creative solutions are employed, or simple monetary formulas will aggravate the economic crisis to the point that the epidemics and pandemics currently raging across Africa and wiping out millions, will be but a pale promise of what awaits Ibero-America.

The challenges we face are great; the solutions, then, must also be great. Our subcontinent is home to 395 million people, of whom 130.5 million make up the economically active population (EAP). If the current rate of population growth is maintained, we will have a population of 532 million by the end of the century. The EAP will then be 190 million.

If we accept the calculations of the ILO [International Labor Organization], the average level of unemployment in Ibero-America is 8%, which gives us currently some 10.5 million unemployed workers. If we subtract these 10.5 million from the 130.5 million EAP, that leaves 120 million currently employed workers.

We must, however, also count among the number of underemployed, those who need new jobs. At least 25% of the agricultural labor force is underemployed, which gives us an additional 7.5 million workers who require employment. If we subtract this figure from the total of currently employed workers, we are left with 112.5 million, the real employment figure for 1985. If from the 190 million jobs that will be needed for the year 2000, we subtract the 112.5 million that currently exist, we will need to create 77.5 million more jobs by the end of the century. At least one-half of them should be in the industrial sector. . . .

To address this great challenge, we must abandon artisan methods and incorporate ourselves into modern life. We need machine tools to produce machine tools, mechanized agriculture, and great infrastructural works. Labor productivity will only increase if we use capital-intensive methods. With the current rates of growth, we will never escape underdevelopment.

We must analyze the true causes of the economic crisis,