

Andean Report by Valerie Rush

A step backward in Colombia

Barco's government is playing footsie with the forces of the dope trade—on International Monetary Fund orders.

Under the rubric of "repatriation of capital," the Virgilio Barco government's just-announced tax reform/amnesty proposal would open wide the Colombian economy to the multi-billion-dollar fortunes of drug traffickers stashed abroad. Finance Minister César Gaviria Trujillo explained to reporters Oct. 21 that these fortunes could be incorporated into the local economy, if traffickers were permitted to bring home their dollars "without having to pay taxes."

Right now, anonymous dollar holders are allowed to convert cash, in small amounts, into pesos through the central bank's *ventanilla siniestra* (black market window), no questions asked. The new amnesty offer, if approved by Congress, would hand the capital-starved Colombian economy to the drug mob.

Further, with such a tax amnesty for drug dollars in place, a legal amnesty for fugitive traffickers and drug bankers like Pablo Escobar and Jaime Michelsen Uribe would not be long in coming.

The ultimate beneficiaries of the reform? Hardly the Colombian economy, as Gaviria insists. If you scratch the surface of the reform proposal, you will find creditor interests represented by the International Monetary Fund, for which Barco's finance minister used to work.

The drug mob doesn't mind sharing some of the wealth with its banker friends. In fact, when former President Betancur launched his war on drug traffickers in 1984, the country's leading dope kingpins presented a joint

offer to bring their fortunes home and pay Colombia's foreign debt in return for an amnesty. Betancur refused, upholding the pledge made at the graveside of his murdered justice minister to fight a war to the death with the drug trade.

With President Barco, however, the situation appears to be changing . . . for the worse.

First, he heads up a cabinet which was, in large measure, hand-picked by the executive committee of the Liberal Party. At the helm of Barco's party is former President and the mafia's political godfather Alfonso López Michelsen; the executive committee is peppered with the likes of drug legalization advocate Ernesto Samper Pizano and mafia political front men Alberto Santofimio Botero and Bernardo Guerra Serna.

Second, the Justice Ministry's National Narcotics Council has just recommended the suspension of Colombia's model herbicide eradication program against marijuana and coca cultivation, falsely citing ecological damage as the reason. Although the recommendation still awaits approval by President Barco and his cabinet ministers, Barco has shown himself to be susceptible to the pro-drug pressures of the environmentalist lobby in the country, who work with the likes of Samper Pizano and Santofimio Botero.

Third, and perhaps most significant, Barco is a believer in the same free-enterprise cult that has ensnared U.S. President Ronald Reagan: Thus, for example, while most of Ibero-

America has denounced the IMF's "gunboat diplomacy" against Peru and has formed a consensus against continued self-cannibalization through debt servicing, Colombian President Barco has gone before the IMF to praise that institution, and his foreign minister, Julio Londoño, told the recent Lima gathering of the Latin American Economic System (SELA) that Colombia did not share the debt crisis of the rest of the continent!

Although the content of discussions held between President Barco and IMF officials in early October has not been publicized, the green light for disbursement of a one billion dollar "jumbo loan"—more than Mexico has seen since its much-touted deal—was apparently the payoff for policies like the newly unveiled tax reform.

In addition to the drug money amnesty proposed, the reform also constitutes an unprecedented attack on the Colombian labor movement in the form of taxes on previously exempt social benefits—retirement funds, layoff compensation, etc.—given to workers under the labor code. Former Labor Minister and veteran trade unionist Jorge Carrillo said, upon hearing of the proposed tax reform: "I fear that the idea of taxing social benefits has as its goal the boosting of the 'integral salary.'" The "integral salary" would force the Colombian worker to pay for medical and other guaranteed benefits of his wages, signifying an immediate reduction of Colombia's wages bill—long an IMF demand.

Not accidentally, the assault on labor coupled with a tax boon to certain business layers has infuriated organized labor and delighted business, an unfortunate setback to the policy of "harmony of interests" between labor and industry that Carrillo had pursued in the previous government.