

Andean Report by Valerie Rush

Betancur versus the usurers

Open warfare has erupted between the Colombian financial elite and President Belisario Betancur.

Colombian banker Jaime Michelsen Uribe has not yet recovered from the Betancur government's decision to launch a crackdown on the banking community's manipulation and outright theft of Colombia's wealth that has made men like Michelsen the most wealthy and powerful in the country.

On May 18, the Colombian equivalent of the National Securities Exchange, the *Comisión Nacional de Valores*, concluded its investigation of fraud and malfeasance charges that had been lodged against several of the "investment funds" created by Michelsen's Grancolombiano financial group. The funds, according to the charges, had used depositors' money back in 1977 to purchase the inflated stocks of several near-bankrupt companies and then sold those same stocks, at half their original value, to another investment fund *within* the same Grancolombiano group. Michelsen and company made a killing, and thousands of depositors went broke.

The *Comisión Nacional de Valores* found the Grancolombiano funds guilty as charged, and levied a stiff fine, and has ordered the funds to pay back all the money stolen from their depositors. President Betancur went on national television at the same time to make it clear that the decision to go after Michelsen—who had constructed his vast dirty-money empire without the slightest interference from the past two administrations—was his own. Said Betancur, the time is over when "the big fish can eat the little fish" with impunity.

The Betancur government's move to re-establish the reign of law in the banking community comes after innumerable appeals to the banks to reduce their usurious interest rates met with deaf ears. Betancur's emergency financial reform of last December, which would have gone a long way toward loosening the grip of the financial oligarchy on the Colombian economy, is still bogged down in Congress awaiting legislative approval after being overturned as an executive diktat by a politically manipulated Supreme Court in March.

Faced with a growing number of industrial and agricultural bankruptcies, persistent capital flight, and a paralyzing internal debt, Betancur knows that his government must retake the upper hand if the economy is to survive.

But Michelsen is not yet ready to yield. In a move which outraged the Colombian population, the banker managed to get advance notice of Betancur's televised speech and, using his extensive control of Colombian radio and television, had a televised response prepared immediately following the president. We had every intention of paying back the money of our unfortunate depositors, Michelsen lied. In fact, he said, "it was I who proposed such a solution to the *Comisión Nacional de Valores*!"

And yet immediately following his television appearance, banker Michelsen's conciliatory tone changed. In a speech to the National Association of Financial Institutes (ANIF), the

Grancolombiano group's own drug-pushing think tank, Michelsen moaned that he has been made "a victim of moral blackmail by enemies who have convinced the vast majority of the population that there is no difference between 'to earn' and 'to steal.'"

In crocodile fashion, Michelsen cried that "very much to our despair, our ledger books are filling with abandoned lands and unused machinery, collapsing factories and stores on the verge of bankruptcy." Michelsen failed to mention the 35 percent to 45 percent interest rates his banks had charged the now-bankrupt farmers, industrialists, and shopkeepers.

Michelsen and his fellow bankers see the handwriting on the wall, and will not rest until they have recaptured the presidency. Meetings have been held in recent weeks in the back rooms and private clubs of the Colombian oligarchy to plot their strategy. At one such meeting, held at the Jockey Club in Bogotá, speaker after speaker rose to charge the president with "turning communist" and endangering the international financial prestige of the country.

And in a highly unusual move, immensely wealthy financier-turned-industrialist Carlos Ardila Lulle sponsored a gala reception in mid-May to honor Defense Minister Fernando Landazábal Reyes. Ardila Lulle, who is widely believed to have earned his millions through the drug trade, used the occasion to advertise the alliance of the tainted banking community with those forces in the Colombian military who have resisted President Betancur's domestic as well as foreign policy initiatives.

It was with good reason that *El Espectador* warned May 26: "We must raise the alarm against the violent way a conspiracy is being organized against the President."