

Andean Report by Javier Almario

The right to self-defense

The international banks are sabotaging Colombia's defense budget, to the delight of Moscow's narco-terrorists.

A bill to finance an increase in urgently needed defense expenditures was rejected Sept. 1 by the Commission for Economic Affairs of the Colombian Senate. The reason? Such a move could destroy ongoing negotiations with the international banks for over a billion dollars in new credit.

The bill, presented by a group of senators, proposed the creation of a 10% surcharge on income tax, for the purpose of financing the military's modernization and arms acquisition program. The new tax would have garnered approximately 65 billion pesos over a period of five years, that is, a mere \$250 million.

It was but one of several similar bills, proposed and defeated, for financing an expanded defense capability for Colombia.

Speaking in the name of the senatorial commission which rejected the project, Sen. Gabriel Rosas Vega claimed that "considering special taxes to provide resources for the Defense Ministry poses the risk of altering fiscal, investment, monetary, and development policy," and thus would "change the basis upon which the 'concorde' [jumbo] credit is being negotiated with the banks."

Finance Minister Luis Fernando Alarcón was only slightly more subtle, when he observed on Sept. 2, "The government is attentive to the need to provide resources for the normal functioning of the military forces at this moment of public order, but the instruments used to get these resources

cannot function a brake on the economy or cause trauma to the national taxation system" (emphasis added).

It has already been observed that a substantial portion of the jumbo loan would go to servicing Colombia's foreign debt. Debt service payments will amount to \$13.3 billion between 1987 and 1990, or 45% of anticipated export earnings for the period.

Another \$6.3 billion in new loans is being sought for the same period, significant portions of which would be allocated to paying off the foreign debts of such state sector companies as the electrical company, ICEL.

According to the National Planning Department, Colombia this year alone will be paying the sum of \$1.468 billion in amortization of its foreign debt, and another \$1.462 billion in interest payments. The pitiful \$50 million per year sought for the defense forces thus represents a mere 1.73% of total debt service, which poses a new option for the Defense Ministry.

Instead of seeking new taxes, the armed forces could simply ask that the country reduce its debt service payments by that same 1.73%, allocating money thus saved to meeting its defense needs instead.

The testimony offered by the bill's sponsors to the Senate committee included comparison between Colombia's armed forces and those of other nations. Special cause for concern were the figures on Nicaragua, a country which has contested ownership of San Andres island with Colombia.

Currently, Nicaragua has 1 soldier per 75 inhabitants. It also has a known military budget allocation for 1987 of \$598 million. In contrast, Colombia has but 1 soldier for every 417 inhabitants, and a military budget for the year of \$274 million.

The testimony submitted by the defense bill sponsors also noted that Venezuela, with one-fourth the population of Colombia, has the same number of troops, and a defense budget of \$950 million.

The picture becomes dramatically worse, when one adds to the threat of border wars from without, the devastating irregular warfare being waged right now inside Colombia by Soviet-sponsored narco-terrorists, who are known to be better armed than the defense forces of Colombia themselves.

Political circles inside the country have watched with horror as the country is divided up, "balkanized," by vying narco-terrorist forces. Portions of the country are contemplating suspending first-ever mayoral elections next March, in the wake of mass slayings of political leaders, communist and non-communist alike.

Cities as economically crucial as Medellín and Cali are under increasing enemy bombardment from narco-linked forces of "left" and "right," as politicians, labor leaders, university professors, journalists, even priests, are assassinated or driven from the cities under threat of death.

Clearly, financing requirements by the Defense Ministry are infinitely larger than anything the defeated financing bill had contemplated. The problem is not an accounting one. It is a question of national sovereignty, of the defense of a nation. Apparently, the international banks would prefer to hand Colombia over to Moscow rather than permit the nation to exercise sovereign control over its own national interests.