



COLOMBIAN

News Letter

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Semana's Man of the Year: President Alvaro Uribe

When during an outdoor concert recently, an image of President Alvaro Uribe entering the concert hall was flashed on the screen, the audience of 35,000 roared to its feet and cheered, chanting, "Uribe! Uribe! Uribe!" The president's youthful face broke into a shy smile as he took his seat. No one there could recall such an explosion of enthusiasm for a sitting president in recent years.

It is this popularity that led *Semana* magazine to choose President Uribe as its Man of the Year. And, as the weekly noted, what has made Uribe so popular is that he is exactly what Colombians want now: not only a president but a commander-in-chief.

While presidents usually enjoy a honeymoon, the intensity of the support for this man is truly surprising, said the magazine. When one considers, further, that things have probably never been worse in Colombia, and that in its short time in office the government has not been able to do very much, except to raise taxes, the outpouring of support is amazing.

What Uribe seems to represent to Colombians is hope in their darkest hour. In this respect, he is rather like Churchill in 1940. Like Churchill, Uribe seems to embody the hope that the forces of evil can be defeated. He personifies this because he is acting like a commander-in-chief. He is tak-

ing personal charge of the effort to win back the country from the forces that would destroy it. While the minister of defense is in charge of the efficiency of the "war machine," Uribe is the field marshal. He is, it is important to note, the first president who has had experience in managing public order, acquired while he was governor of Antioquia.

Uribe also embodies a collective sense that Colombia has crossed the Rubicon and that the country must be somehow defined. Unlike his predecessors, Uribe is not the chief of the politicians but the chief of the soldiers.

Another difference between Uribe and his predecessors is that he truly seems to be the government—each cabinet minister is a vice minister of Uribe, so to speak. It is certain, said *Semana*, that in the current situation Colombia needs a leader like Uribe, with his enormous capacity for work, dedication, and management of the workings of government.

Colombia is, of course, a presidential country, as are its neighbors. Uribe knows what power is for: to direct. And that is what he is doing.

But therein lies a potential flaw: he does not yet seem to have clear priorities, and there is a risk that he will be drowned in detail.

It will be difficult, noted *Semana*, for Uribe to satisfy the high expectations of the populace. Colombia confronts two enormous problems, the armed conflict and the economy.

Looking first at the economy, the Draconian measures that he is imposing are as unpopular as they are necessary. There is no certainty that the country will see prosperity under his government, but at least it will avoid collapse, which is a significant achievement.

As to the internal conflict, it is one thing to declare war; it is quite another to win it.

Colombia, noted *Semana*, could have gone the way of Venezuela, Ecuador, and Paraguay, opting for a
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Colombian American Association
30 Vesey Street
Suite 506
New York, NY 10007
Tel: (212) 233-7776
Fax: (212) 233-7779
E-mail: andean@nyct.net
Website:
www.colombianamerican.org

President: Robert A. Gray

Editor: Peter S. Smith

Founded in 1927

**Luncheon in honor of
Mr. Robert Bottome, Editor and Publisher, *VenEconomía/VenEconomy*
and
Dr. Rudolf Hommes, Partner, Violy, Byorum & Partners Holdings, LLC, and
Former Minister of Finance of Colombia
December 10, 2002, at the Harvard Club**

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Dr. Hommes noted that Colombia is going through difficult times, but that things are improving. He suggested that the principal cause of the country's recent sluggish growth is a sharp drop in private investment, brought on by the insecurity that plagues the country. He said that the public has become disenchanted with government, and that the insurrection is costing the nation 2–3% of its annual GDP. As a result, Colombia lost its investment-grade rating, which has had serious consequences for the economy.

The new government faces tremendous challenges, but he said it is meeting them with great enthusiasm. He praised the economic team in particular for doing all it could in the circumstances. He stressed that the security situation is improving dramatically, which is a reflection of the government's style—this is terribly important, he said.

The new government's initial focus is on security, with President Uribe taking charge personally. He has secured the support of the private sector for the military in the form of a special tax, which has brought in more revenue than anticipated. This strong show of support has sent an important signal to the rest of the world. The president is also reasserting civilian control over the military, which is another example of his strong leadership—very important, he repeated.

The new government is also embarking on a sweeping reform of the tax system, curbing government spending, and reducing the bureaucracy. Pension and labor reforms are also in the works.

One of the government's most important reforms has been to eliminate the major sources of patronage, which is very important for attacking the widespread political



From left: Julio Mario Santodomingo of Alpha Exports, Rudolf Hommes, Robert Bottome, and CAA President Robert A. Gray of Deutsche Bank Securities. Mr. Gray is also a Director of the VAAUS. Photo by Linda Calvet.

cynicism. Moreover, he has managed to draw most regional officials from a meritocratic system.

Conditions for investment and export growth have also improved: interest rates are low and should remain so, and the real exchange rate has been corrected to bring the peso down to its proper level.

There are many signs of recovery: the housing sector is booming, energy consumption is up 3% from last year, retail sales and road traffic are up, and the private sector expects a strong fourth quarter.

The main accomplishment of the Uribe government has been to restore confidence, to demonstrate that there is someone in charge. A peace treaty with the paramilitaries is now a real possibility, which was unthinkable only a few months ago.

Colombia is on track for economic growth, he said, newly confident in the future.

MAN OF THE YEAR

Continued from page 1

charismatic strongman when they became disenchanted with traditional politics and politicians. Instead, they chose Uribe, puritanical, hardworking, and responsible, who is doing everything possible to keep the country on the proper path. It is because he embodies the authority that for years Colombians have wanted to see in their leaders that he is Man of the Year.

The Nation

IRA Trial

The trial of three alleged IRA members accused of training rebels in terrorism was suspended early this month after two former guerrillas failed to appear as witnesses amid claims that their lives were in danger. Supporters of Niall Connolly, James Monaghan, and Martin McCauley said the trial, which had only just begun to hear public evidence, was becoming a "farce." Judge Jairo Acosta postponed further hearings until February 5.

The former members of the Revolutionary Armed Forces of Colombia (FARC), who are in a government scheme to protect and rehabilitate deserting rebels, had been set to testify on behalf of state prosecutors. They are trying to prove that the three Irish defendants were in Colombia training some of the FARC's estimated 18,000 members in making and using weapons.

The defendants have been in jail since they were arrested in Bogotá in August 2001 after visiting a FARC-held zone. They said they were in Colombia to research peace talks between the FARC and the government, which were being held in the demilitarized zone that they visited. They claim they are not guaranteed a

fair hearing and have so far refused to attend the trial, which is being held without a jury under Colombia's legal system.

Finian McGrath, an independent member of the Irish parliament observing the trial as part of an international delegation, said he was "very disappointed and saddened" by the decision to suspend the hearings. "The prosecution did not seem to be showing efficiency and respect for human rights," he said.

One of the former rebels had received death threats and could not travel to the trial in Bogotá by road, the court heard. Two Irish police officers were also unable to appear as witnesses because there was no budget to bring them to Colombia, a prosecution lawyer told the court.

Ingrid Betancourt

The French foreign minister, Dominique de Villepin, who visited Colombia late last month, asked about the status of Ingrid Betancourt, who has been held captive by FARC rebels since last February. Although Betancourt is a minor politician in her native Colombia, she is a heroine in France, said the *Financial Times*. She is languishing in a guerrilla camp somewhere in the interior, far from the prestigious halls of the Institut d'Etudes Politiques in Paris, where she was once a student of de Villepin.

Betancourt and an adviser were seized in February in the confused aftermath of the rebels' failed peace talks with the government. At the time, Betancourt, a former senator, was campaigning for the presidency.

Now President Uribe faces the delicate issue of how to orchestrate her release, along with that of dozens of police, soldiers, and other politicians also in FARC hands. The rebel army views these victims, some of whom have been held captive for years, as

Membership News

The CAA is pleased to welcome the following new **Individual** member:

Harold Cabezas
Cabezas Communications
98 Richmond Terrace
Rahway, NJ 07065
Tel: (732) 827-0304

bargaining chips to force the government to free FARC members from state prisons.

Betancourt, who has thousands of supporters in France after the story of her fight against Colombia's corruption and drug cartels was published there last year, is the rebels' trump card. Her continued captivity means France and other European nations are more likely to encourage Uribe to resolve the crisis.

The president has so far resisted promises to cut a deal. He won a public relations victory in November when a Roman Catholic bishop seized by the FARC was rescued by troops after less than a week. Nonetheless, Uribe has begun to suggest he wants an agreement, said the *Times*.

About 2,000 of the 3,000 people kidnapped every year in Colombia are rescued, freed, or released after a ransom payment. Political hostages, however, cannot buy their freedom. The FARC holds six members of the Congress, two former ministers, a serving provincial governor, and a dozen local politicians from Cali, seized in an assault on their assembly building. The guerrillas also hold 45 police, army, and navy members, some of whom have been hostages for five years.

Several hundred members of the armed forces captured in FARC attacks were freed last year in an

agreement with then-President Andrés Pastrana, who in return released some imprisoned guerrillas. Uribe is under pressure to reach a similar accord.

Colin Powell

Secretary of State Colin Powell, said early this month that he would press the case for more U.S. aid to Colombia, after talks in Bogotá with President Uribe. The United States is already set to broaden its aid package to give Colombia more help to curb powerful drugs-financed rebel groups, said the *Financial Times*, which the Bush administration has increasingly begun to link to its campaign against terrorism in spite of their limited global reach.

Colombia is due to receive more than \$570 million of U.S. aid in 2003 (making it the third-largest recipient of U.S. aid, after Israel and Egypt). Secretary Powell also said that the United States would also resume support for aerial interdiction of drug-smuggling aircraft early next year, responding to a concern of Uribe, who believes that intercepting drug flights is an important complement to his government's aggressive campaign to spray drug crops with herbicides. U.S. surveillance flights to support air interdiction were halted last year after an aircraft carrying missionaries was shot down in error in Peru.

The United States is also set to provide about \$100 million to train Colombian troops to protect the frequently attacked Caño Limón oil pipeline.

AUC Ceasefire

On December 1, the United Self-Defense Forces of Colombia (AUC)—the illegal paramilitary force that is not an insurgent group but portrays itself as a defender of the state—began an unlimited unilateral ceasefire. This is a more expansive gesture than the Christmas truce that had been expected following the earlier revelation of weeks of secret contacts between the group and a government envoy, mediated by Catholic churchmen.

The AUC says that the ceasefire is a gesture that could pave the way to full talks with the Uribe government, aimed eventually at the group's disarmament. It would cut its close ties to the illegal drugs trade in return for the suspension of legal action against its leadership.

"The commitment to peace is real," Carlos Castaño, the AUC political leader, said on the group's website. "We are playing all our cards."

The government reacted favorably to the declaration, and President Uribe was said to be studying the communiqué in which the pledge was made. A spokesman for the president said he would even consider an amnesty for the paramilitary leaders.

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The AUC also asked a United Nations envoy to Colombia to supervise its ceasefire and monitor potential peace talks with the government. In a letter posted on the group's website, Carlos Castaño told James LeMoyne, "It is our sincere desire to be able to count on you as a companion, and the supervisor of the promises we've made to Colombia and the world." LeMoyne, the U.N. envoy, said he was aware of the letter and that the United Nations is "seriously talking about our next step in Colombia."

The ceasefire would still allow the AUC to defend itself from attacks. The group's leaders have asked the government to guarantee the security of those living in areas occupied by AUC members, anticipating possible attacks by guerrillas.

Castaño controls about 70% of the paramilitaries; the remainder are not bound by the ceasefire.

The Economy

Coffee Marketing

Colombia has embarked on a new campaign to market its coffee to the world, opening a "Juan Valdez" coffee house in Bogotá's El Dorado airport. According to *Semana* magazine, this is the first of several such outlets, which will sell "100% Café de Colombia."

The coffee house, which will seat 200, will offer a broad variety of coffees from the various regions of the country, as well as specialty brews produced by sophisticated techniques. Customers will also be able to buy packaged coffees, books on coffee, and a host of other related products.

In contrast to traditional marketing, under which the grower was paid before the coffee was exported and roasted, growers will get much higher returns on their products because they will participate in the sale to consumers.