

affiliation was intended to guarantee that Peronism would play no decisive role in a continental battle for integration or against the IMF's debt-collection policies.

Money flowed freely into Cafiero's coffers from both the Social Democratic Friedrich Ebert Foundation and the Christian Democratic Konrad Adenauer Foundation of West Germany, channeled through several local foundations and trade union groups. His running mate, José Manuel de la Sota, had reportedly cultivated his own contacts with Carlos Andrés Pérez, presidential candidate of Venezuela's ruling Democratic Action party who has worked so closely with the State Department against Panama's Gen. Manuel Noriega. Like Pérez, members of Cafiero's group traveled to the United States to work with Democrat Michael Dukakis's campaign. Cafiero had also planned a grand, post-election tour of the United States as the Peronist presidential candidate.

Battle ahead

The fight has really only just begun, however. The Menem victory offers the country's anti-IMF forces an opportunity to quickly mobilize around an aggressive program for economic development and continental integration. But Project Democracy's spokesmen in the U.S. State Department and in Argentina won't sit by as idle observers.

One of their flanks will be the UCR's presidential candidate, Eduardo Angeloz. Because of the precarious state of Argentina's economy, Angeloz's chances don't look good for the 1989 elections. However, his campaign will serve to portray the Project Democracy program as the "responsible" alternative to "irrational" Peronism. An advocate of libertarian free enterprise, Angeloz asserts that the country's economic crisis is merely the result of an over-large state, excessive regulation, and mismanagement. His solution is to completely deregulate the national economy, giving way to such "informal" activities as drug money laundering, and to institute such "audacious change" as pulling Argentina out of the Non-Aligned Movement. "Argentina shouldn't really be part of the Third World," Angeloz said recently. Its only true ally is the United States.

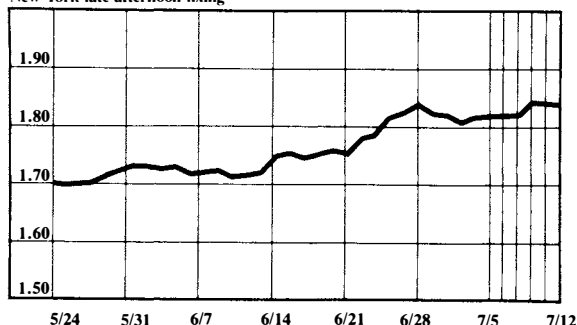
At the June 29 closing of his campaign in Buenos Aires, Angeloz incurred the wrath of the population when he charged that Argentina's 1982 war with Great Britain over the Malvinas Islands was an absurd mistake, carried out by a "general driven by alcoholism," a reference to then-junta president Lt. Gen. Leopoldo Galtieri.

From the U.S. side, when U.S. Ambassador to the United Nations Vernon "military coup" Walters visited Argentina in late March, he bluntly indicated that a victory by traditional Peronists would not be tolerated. He told one diplomatic source privately that a Menem victory would be dangerous, because the La Rioja governor was "uncontrollable." He might be "another Hitler or Mussolini," Walters warned. Recall that the State Department branded Juan Perón a Hitler-lover because he refused to bend to its demands.

Currency Rates

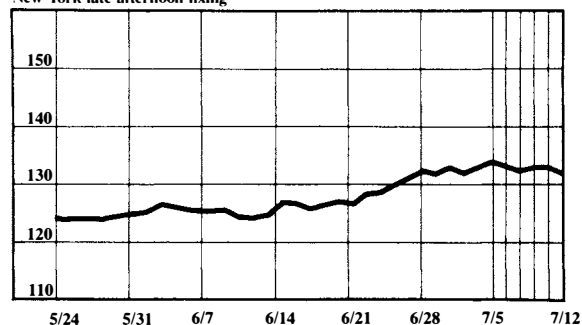
The dollar in deutschemarks

New York late afternoon fixing



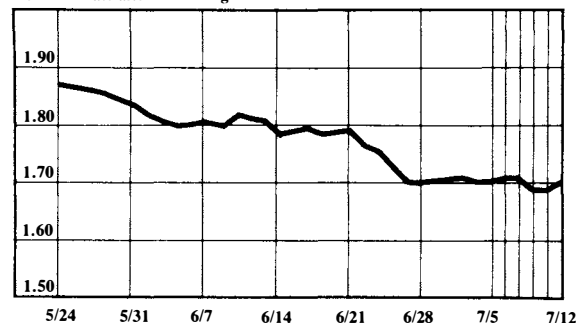
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

