
Argentina

'Consensus' will not contain the crisis

by Cynthia R. Rush

Policymakers in Washington and Buenos Aires are frantically seeking some alternative option for governing Argentina, that may include replacing President Carlos Menem, but not overturn the monetarist economic policy which his government has imposed. Judging from the number of articles which have appeared in the U.S. press during the week of Feb. 26, there is a sense of terror among establishment circles, however, that they may not be able to prevent Argentina's nationalist forces from influencing economic policy direction, or even controlling it.

The situation in the country is deteriorating daily. In response to soaring inflation which has made basic staples unattainable—February's rate may top 100%—slumdweller in the cities of Rosario, Tucumán, and Mendoza raided food stores on Feb. 28. One week earlier, similar looting raids occurred in Rosario and Córdoba, requiring the sending of troops from the national police and national Gendarmerie to restore order.

In more recent looting incidents, most of the attackers were women and children. Police have also been stationed in front of large supermarkets in Buenos Aires, to guard against robbery attempts by the hungry.

Carlos Menem continues to insist that "we are on the right track. . . . We are conducting surgery, and all surgery causes pain, but we will emerge from the situation." But almost no one agrees that Menem's government can emerge intact from this crisis.

One option under consideration during mid-February was the plan to have Córdoba governor Eduardo Angeloz join the government, along with representatives of various other political parties, to set up an emergency government of "national salvation." Menem formally extended the invitation to Angeloz, a leader of the Radical Civic Union (UCR), who was Menem's opponent in the 1989 presidential elections, and has been a leading supporter of the Peronist govern-

ment's free market economic policies.

According to Angeloz's advisers, the plan, said to have the blessing of the U.S. embassy in Buenos Aires, would have been based on the creation of a "great political accord" among representatives of labor, business and Catholic Church circles "with the backing of the Armed Forces." Among other things, Angeloz maintains close ties to top military leaders, and in the process of discussing his possible entry into the government, met with Army Chief of Staff Gen. Isidro Cáceres. Finally, however, the Córdoba governor declined Menem's invitation, apparently preferring to save himself for future political opportunities.

The situation has advanced to the point where numerous press and political analysts are suggesting that the only option now available is for Menem to resign. The Feb. 22 edition of the daily *La Nación* editorialized that there were only two possible alternatives to consider: either Menem resigns, or joins forces with Angeloz and other opposition parties in some form of coalition "consensus" government.

Other sources have told *EIR* that since the U.S. doesn't see a classic military coup as a workable solution for Argentina, it would prefer to back some form of "constitutional" means for removing Menem, or forcing his resignation, and bringing in someone like Angeloz as his replacement. In this scenario, while the Armed Forces would not rule, they would be a major force backing the government and enforcing policy. Such a government would presumably be based on a continuation and intensification of the Thatcherite economic policies to which Angeloz is committed.

Fear of nationalists

Monetarist circles in the U.S. and Argentina aren't certain that this could be done easily, however. Given the magnitude of the crisis, they fear that both the population and elements of the business and trade union leadership will look to nationalist factions of the Armed Forces and other political groupings for leadership in opposing the International Monetary Fund's usurious policies.

Few have been inspired by Menem's Feb. 27 claim that he is following the same economic policies used by Gen. Augusto Pinochet to put Chile's economy "in order." Financial and policymaking elites know that the Argentines had enough of economist Milton Friedman's monetarist quackery during the 1976-83 military junta and the successor government of Raúl Alfonsín.

These circles are increasingly alarmed by proposals such as those made by businessman Daniel Carbonetto (see below), that Argentina must turn to the policies of American System economists Friedrich List and Alexander Hamilton to pull out of this crisis; and they are aware of the fact that the programmatic proposals of U.S. economist Lyndon H. LaRouche, who is the one leading North America to associate himself with the List-Hamilton tradition, have also circulated widely among Argentina's labor, business, and political

groupings.

Monetarists are especially nervous about the activities of nationalist Col. Mohamed Alf Seineldín, a hero of the 1982 Malvinas War, who is widely respected within the army. He has recently criticized the government's monetarist approach, and its impact on the poor, and has toured several northern provinces, meeting with representatives of labor, business, the Armed Forces and the clergy discussing the need for a "great national project."

In panic, U.S. press outlets have, in a coordinated fashion, begun to retail Henry Kissinger's line that Seineldín represents a coup threat in Argentina. The Feb. 27 issue of the *Wall Street Journal* reported that "business leaders, and even some Peronist union leaders are moving closer to the military, particularly to the extremist group known as the Carapintadas," a reference to Seineldín's faction. While falsely depicting Seineldín as part of the "anti-democratic" faction of the army, the *Journal* expresses alarm over ties between army nationalists and big business and labor.

Similarly, *Buenos Aires Herald* columnist Eric Ehrmann wrote in an editorial page commentary published in the Feb. 2 *Christian Science Monitor* that the real problem in Argentina is that "ultra-nationalist military factions [have] teamed with state industries . . . to oppose many of Mr. Menem's reforms." Ehrmann repeated the worn lie that Argentina's underdevelopment is due to the legacy of Gen. Juan Perón, and the "corporatist economic system imported from the mother countries of Italy and Spain in the 1930s." If Argentina is to resolve its problems, Ehrmann said, Menem must ally with the opposition Radical party, and rid the government of any supporters of nationalist Army officers like Seineldín.

Former President Alfonsín, an asset of the U.S. based "secret government" which operates under the rubric of *Project Democracy*, is also involved in the effort to smear Argentina's nationalists, while attempting to garner support for some form of coalition government. In Washington, D.C. to attend a conference at Johns Hopkins University, Alfonsín stated that only a "national political pact" could save Argentina, and added that the government's primary responsibility is "to defend the citizenry from the attacks of a small band of lunatics who are working against Argentina." The former President later elaborated what he meant by "lunatics," when he warned the conference attendees that Colonel Seineldín represented a "grave danger" to all of Ibero-America.

During his term in office, Alfonsín dedicated himself to dismantling the institution of the Armed Forces, under the guise of "modernizing" it. He was backed in this by agencies such as the Democratic Party's National Democratic Institute for International Affairs (NDI), whose leftist director Martin Edwin Andersen, formerly a *Newsweek* correspondent, shares Henry Kissinger's view that Colonel Seineldín is a "Nazi." As one of Project Democracy's international arms, NDI is committed to eliminating any independent political, religious, or military institution in Ibero-America which

poses potential opposition to the Washington-Moscow condominium arrangements.

Carbonetto on the American System

EIR has translated here excerpts of the interview with Argentine businessman Daniel Carbonetto in the Buenos Aires daily *El Cronista Comercial* of Feb. 18. Carbonetto is a former adviser to Peruvian President Alan García:

What is your opinion about what is happening right now in Argentina? "I think the Argentine economy is in an extremely grave situation, which places at risk the survival of a vast sector—in fact the majority, of the local business world. I also think that, in the name of an old and sectarian liberalism, local private enterprise is being destroyed. It looks as though many economists have forgotten that the first and basic stimulant of that initiative is sustaining an internal market which expands progressively, together with a persistent promotion of exports.

"We will achieve little by reducing further the salary's purchasing power and public expenditures if, as a counterpart to that, we destroy the sales of companies, and explosively increase their fixed and financial costs, and hand our businessmen and workers over to desperation. It is urgent to rebuild the purchasing power of consumers, fully reactivate industry and confront inflation with more work and more productivity per man and unit of capital."

Do you think that the dollar should continue to float freely? "Concretely, I think that Argentina needs a capitalist revolution at the service of the entire nation. Enough of adjustment, of shrinkage and financial speculation. We must increase internal consumption, company sales and production. This will permit profits to find productive opportunities of investment. It is that reinvestment of profits which will stabilize the dollar. Without reactivation, with recession and industrial paralysis, it is impossible to stabilize the dollar. . . ."

You're accused of being a fascist, a leftist, what are you? "I didn't, nor do I believe in distinctions between left and right in underdeveloped countries. I am a dyed-in-the-wool nationalist. That's why I believe that Peronism represented the best effort at national construction in Argentine history. But there is no room now for distorted nationalism. Argentina cannot isolate itself from the world. We need foreign investment in strategic sectors which generate foreign exchange—oil, gas, petrochemicals, etc."

"But we also need an intelligent defense of our own development potentials. We can't permit a holocaust of our industrial assets, of our level of employment, in the name of a chaotic reinsertion of the country in a scarcely receptive world market. What would the United States have been if Washington, Hamilton, List and many others had proceeded in this fashion. Those who look for foreign economic models should seek them in the American Revolution, in the thinking of the economists of that era."