

Will Argentina Take The LaRouche Option?

by Cynthia R. Rush

Argentina's Presidential elections are less than a month away, set for April 27; and as citizens of that nation observe the choices before them, there is, on the surface, little cause for hope. No candidate among the several running, offers a way out of the economic devastation still afflicting this once prosperous nation, the International Monetary Fund's claims of "an incipient economic recovery" notwithstanding.

The environment is rife with cynicism and demoralization, in which no candidate enjoys more than 20% backing in the polls—there is a universal public loathing of politicians—and many people are more obsessed with "my money" still partially frozen in the banks, than with the fate of their nation.

Learn To 'Live With' Poison?

EIR's Buenos Aires bureau reports there is even "fearful" acceptance of the possibility that former President Carlos Menem—the very same man, who as President imposed free-market policies in the 1990s that led Argentina into its collapse into the abyss—could become President once again. This, despite the fact that Menem is hated, and is unabashedly peddling the same criminal Anglo-American financial and strategic policies that characterized his 1989-99 terms in office. Dollarization and "carnal relations" with London and Wall Street are at the center of his program, without which, he warns, the country will become "ungovernable."

What about Menem's opponents? The ARI party's Elisa Carrió once had the guts to mention U.S. Democratic Presidential pre-candidate Lyndon LaRouche on the floor of Argentina's Congress, and for a time was a frontrunner in the polls. But she has now toned down her anti-IMF rhetoric, apparently following the lead of some in Brazil's ruling Workers Party, who have advised President Lula da Silva to "live with" the IMF.

Adolfo Rodríguez Saá, famous for having courageously

declared a debt moratorium during his one-week Presidency at the end 2001, is the most nationalist sounding of the candidates, speaking about emulating Franklin Delano Roosevelt's New Deal—he is reportedly reading a biography of FDR—and launching a massive program of infrastructure building, including high-speed rail, to create jobs. But these laudable objectives are commingled with other austerity-based proposals premised on the continued existence of the bankrupt global monetary system.

Santa Cruz Gov. Néstor Kirchner has only emerged as Menem's chief rival because President Eduardo Duhalde has muscled the Peronist party into line behind him, as part of his bitter factional battle against Menem. He is otherwise viewed as a weak candidate.

A Missed Opportunity

How did things get to this point?

In December 2001, shortly after Rodríguez Saá announced that Argentina would suspend its foreign debt payments, Lyndon LaRouche wrote in a statement "What Argentina Must Do Now," that the country had a unique opportunity available to it. Were it to recognize that its crisis was "merely a symptom of the current state of the global financial system," it would see that, by breaking with the IMF system, it had "the means to set in motion a process which will accelerate the true state of the bankruptcy of its foreign creditors." LaRouche outlined a series of measures by which the country could achieve this goal, immediately ruling out dollarization or devaluation, which he said would be "horribly destructive."

Rather, LaRouche said, the government should impose capital and currency controls, decouple the peso from the U.S. dollar—i.e., make it *inconvertible*—freeze all foreign debt obligations, and set up a system of national banking and dirigist measures to restart industry, along the lines of what

Franklin Delano Roosevelt had done in the United States, and what economist Wilhelm Lautenbach proposed in Germany early in the 1930s.

Argentina didn't find the courage to act as LaRouche recommended. Instead, it stuck with the IMF system, devalued the peso, and embarked on a tortuous year-long negotiation with the Fund, while its economy disintegrated. The world watched as Argentine children starved to death, and as unemployed skilled workers fell into poverty, reduced with their families to prowling the streets at night, rummaging through garbage heaps in search of food or items to sell for cash. Almost 60% of the population is officially poor, in what was once Ibero-America's wealthiest country.

The agreement President Eduardo Duhalde's government signed with the IMF in January provides no way for this ruined nation to emerge from its nightmarish existence—nor was it intended to. It is a short-term program, whose only purpose is to get the country through the Presidential elections, without defaulting to multilateral lending agencies. Yet it may not even do that.

Although Argentina is shut out of the foreign credit markets, over the past months the government has been forced to *increase* its public debt, to comply with court rulings against earlier austerity measures which reduced state pensions and wages, or to compensate banks also forced by the courts to return deposits frozen by the government in January 2002.

Worse, the March 5 Supreme Court ruling which overturned the forced "pesification" of dollar deposits that accompanied the deposit freeze, threatens to bring down the precarious banking system. It places the government in the untenable position of having to issue even more debt, to cover the cost to banks of having to pay back clients in dollars. The daily *Clarín's* respected economics editor, Daniel Muchnik, estimates that the official public debt will have increased from \$140 billion in January 2003, to \$170 billion by the end of the year. Foreign debt now represents an incredible 150% of GDP, requiring an allocation of *one-third* of the national budget just to pay the interest on that debt.

Thus the next President, scheduled to take office on May 25, would have to immediately try to find more ways to extract loot from an impoverished population and exhausted physical economy, requiring imposition of a primary budget surplus of between 4% and 5% of GDP—a political impossibility.

Does Argentina Have a Future?

Despite this bleak picture, in the quickly shifting current global financial and strategic crisis, Argentina can still take advantage of the opportunity LaRouche identified in 2001.

This option was outlined in a March 19-20 trip to Buenos Aires and the Patagonian city of Neuquén, by Lorenzo Carrasco, *EIR's* correspondent in Brazil and leader of LaRouche's Ibero-American Solidarity Movement (MSIA). In a number of public and private meetings in both cities, Carrasco stressed that what began in the early 1990s as an alliance between the backers of Malvinas War hero Col. Mo-

hamed Alí Seineldín and LaRouche's co-thinkers, has emerged as the Guadalajara Forum, the alliance of patriots from across Ibero-America who are fighting for LaRouche's New Bretton Woods and Eurasian Land-Bridge proposals. Within the Forum are the seeds of Ibero-America's real integration.

Carrasco explained that while Brazilian President Lula's insistence on continuing with IMF policy could lead to his eventual ouster, just as occurred with Argentine President Fernando de la Rúa in December 2001, the more independent foreign policy pursued by Brazil's Foreign Ministry (Itamaraty) holds the potential for moving Brazil in a positive direction. Not only has the Lula government allied with the emerging Eurasian axis of countries, joined by France and Germany, around the Iraq crisis, but Foreign Minister Celso Amorim, as well as Lula, see a strategic alliance with Argentina as a crucial component of this more positive policy outlook.

But, Carrasco added, in Argentina, as elsewhere in Ibero-America, nothing will happen without organizing the same kind of youth movement that LaRouche has created in the United States. Forum members, as well as other supporters and contacts, willingly accepted this challenge. Work began on the scene in Neuquén, when at the invitation of the Student Council of the radical leftist-dominated University of Comahue, Carrasco spent an afternoon in lively debate with 20 students, and then met with several other youths in Buenos Aires already members of the Guadalajara Forum.

Media Fear 'FDR' Campaign

On March 21, the establishment daily *La Nación* published an opinion column ranting against those candidates who say an FDR-style "New Deal" is necessary for Argentina. Why, such a policy is "not even applicable to Argentina," the column shrieked. Candidates who espouse this are just improvising, and don't know what they're talking about, it concluded.

Improvisation? *La Nación's* anxiety, like that of London and Wall Street, has less to do with FDR's New Deal of the 1930s, than with an Argentine-Brazilian alliance moving in the direction of a complete rupture with the IMF system. Given the extraordinary speed with which the global situation is changing, the Guadalajara Forum's organizing in both countries around LaRouche's programmatic solutions, and the hope they inspire, is the crucial factor fueling this anxiety.

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