

Argentina on the eve of elections: Can it become an economic superpower?

by Cynthia Rush

After seven years of military rule, characterized by extreme political and economic instability, the Argentine population will go to the polls on Sunday, Oct. 30 to elect a President, a Congress, and provincial officials. Most of the rest of Ibero-America is carefully watching the outcome of this election, understanding that its own future will to a large degree be shaped by whether Argentina can reverse the current slide into dissolution.

The elections will take place in the midst of the worst economic and political crisis in Argentina's history. With a foreign debt of \$40 billion, the country is technically in default. Unable to meet the onerous conditions demanded by the International Monetary Fund and other creditors, it has been cut off from all credit; debt renegotiation talks are paralyzed until the results of the elections are known. In the meantime, with only \$300 million in liquid reserves, Argentina cannot import the raw materials needed for industrial production. Representatives of the business community warn that they will shortly be forced to shut down their factories unless this situation changes. Inflation is running at 500 percent annually, and the country is rife with labor strikes demanding higher wages and social benefits.

The economic chaos has produced a political vacuum. The ruling armed forces are thoroughly discredited for permitting Henry Kissinger's friend "Joe" Martinez de Hoz to destroy the economy in the 1976-82 period, and for participating in a war against its own population (the 1978-79 "dirty war" against subversion). Neither the ruling military junta nor civilian members of the cabinet have the moral authority to negotiate with foreign banks or governments. Julio Gonzalez del Solar, the central bank president recently detained for violating national sovereignty in refinancing of the foreign debt, *isn't even a citizen of Argentina*. He gave up his citizenship years ago when he went to work for the International Monetary Fund before Argentina became a member of that institution. He remains today a citizen of Guatemala.

Electoral tension

As of this writing, the outcome of the presidential race between Italo Argentino Luder of the mass-based Peronist party, and Raul Alfonsin of the middle class-supported Union

Civica Radical (UCR), is expected to be very close. If neither candidate wins a clear majority, the final result will be determined in the Electoral College and announced by Nov. 30.

If things go according to Henry Kissinger's plans, the Argentine situation will quickly devolve into worse chaos following the election. The political and economic destruction wrought by Kissinger's pals in the post-1976 years wasn't enough. Earlier this year at a luncheon in Los Angeles, Kissinger warned Argentine friends to pack up their belongings and leave the country as quickly as possible because "Argentina will become like Iran. . . terrible things will occur there."

The extreme polarization of the country developed in the course of the electoral campaign has exacerbated the potential for social upheaval. UCR candidate Raul Alfonsin, who has defined the current political situation in terms of a battle between Peronists and non-Peronists, is largely responsible for this polarization.

Echoing the line published in the U.S. and British press, Alfonsin has with increasing demagoguery portrayed the Peronists as fascists who get what they want through violent thuggery and dirty deals with the military. His charges have heightened tension and provoked incidents of violence throughout the campaign between Peronists and Radicals. With his support based in Argentina's large middle class, Alfonsin has run a sophisticated and well-financed, U.S.-style campaign depicting himself as the defender of democracy and human rights as well as an opponent of imperialist looting and aggression.

But Alfonsin's bedfellows belie his "democratic" tendencies. He has been endorsed by such figures as Alvaro Alsogaray, one of the country's most reactionary politicians who is the leading proponent of the policies of Austrian fascist Friedrich von Hayek in Argentina. The UCR candidate has strong backing from within international Zionist circles, and reliable sources have told *EIR* that he has carried out "extensive" secret negotiations with international banks. He is viewed by Argentina's working class as closely tied to international financial and business circles who would not defend their interests. Backing up this conviction is the fact that Alfonsin's running-mate Victor Martinez was until recently the president of the British Cultural Association in the

city of Cordoba. During the Malvinas conflict he pleaded with the commander of the First Army Corps not to shut down his association or other British organizations in the country. Martinez also helped organize the late 1970s trip to Argentina of Britain's Prince Philip.

The international press coverage of the Peronists as a party of fascists obfuscates the one fact that panics the financial community. The two governments of Gen. Juan Peron (1946-1951, 1952-55) were committed to a policy of industrialization and accelerated economic and technological development, and the Peronist trade union base will demand that a new government adhere to that policy. Although Peronist candidate Luder has maintained a low, "moderate" profile, and has said he will do nothing rash in dealing with the country's debt crisis, much of the international press has warned that a "fiercely nationalistic" Peronist government will immediately repudiate the foreign debt and set off a chain of defaults throughout Ibero-America. What they fear more is the potential for the Peronists to link up in an orderly way with other debtors along the lines described by *EIR* founder Lyndon LaRouche in the August, 1982 document *Operation Juárez*.

A continental power?

Henry Kissinger doesn't intend the new elected government to last long, regardless of who wins. Kissinger associate William D. Rogers earlier this year threatened a high-level former Argentine government official that "it is not in your interest or in the interest of Argentina to have contact with the LaRouche people." *EIR* founder Lyndon LaRouche's view that Argentina and the rest of Ibero-America can become an economic superpower, and his proposals for the creation of an Ibero-American common market and debtors' cartel elaborated in *Operation Juárez*, have circulated widely in Argentina dating back to last year's Malvinas conflict.

On Oct. 27 in Buenos Aires, before a gathering of 90 people, *EIR*'s Ibero-America editor Dennis Small presented to the Argentine public the book *An Industrialized Argentina: Axis of Ibero-American Integration*. A study based on an application of the LaRouche-Riemann econometric model to the Argentine economy, the *EIR* study details an ambitious program to transform this country into a scientific and technological leader of the continent.

The prologue by Lyndon LaRouche offers Argentina a strategy to bring the United States to an understanding of its proper collaborative relationship with the nations of the continent by offering the U.S. a unified perspective for the rapid development of the economic resources of the continent. This would include debt reorganization, a regional and national banking reform to favor capital investments and stable currencies, and an opportunity for tens of billions in U.S. capital goods exports. The publication and distribution now in Argentina of *EIR*'s 20-year development perspective, and the fact that it has had a warm reception among leaders of varying political persuasions, as well as within the armed forces, is a serious threat to the Kissinger chaos scenario.

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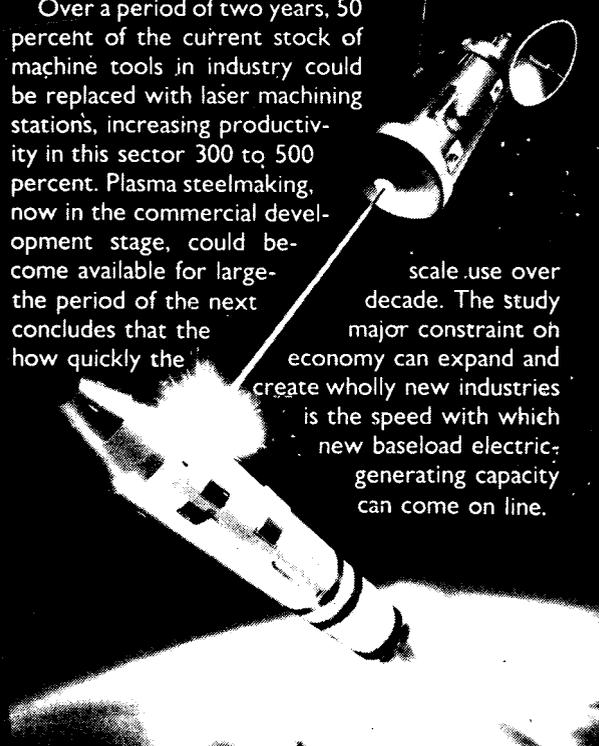
The Economic Impact of the Relativistic Beam Technology

A unique study of the impact of the new defense-related technologies—high power lasers, particle beams, and fusion—which will become available to basic industrial production as the March 23 defensive strategic doctrine proposed by President Reagan is developed. The report is a computer analysis incorporating the LaRouche-Riemann model, which examines the little-discussed revolutionary civilian economic "spinoff" effects of the new beam weapon development program.

The study reveals that with rapid introduction of new laser and related technologies into the civilian economy, the growth of the economy would be so rapid that:

- an estimated 4 million highly skilled industrial jobs could be added to the economy per year;
- the U.S. trade deficit could be eliminated in two years; and
- the rate of growth of real GNP could approach 25 percent per annum.

Over a period of two years, 50 percent of the current stock of machine tools in industry could be replaced with laser machining stations, increasing productivity in this sector 300 to 500 percent. Plasma steelmaking, now in the commercial development stage, could become available for large-scale use over the period of the next decade. The study concludes that the major constraint on how quickly the economy can expand and create wholly new industries is the speed with which new baseload electric-generating capacity can come on line.



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This *EIR* Special Report is available for \$250.00.
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