
Argentina

Nuclear program is latest IMF target

by Valerie Rush

The president of Argentina warned on April 10 that unless the population closed ranks behind his government, Argentina was going to face a "Lebanization" process. The irony of the warning is that it is a group of Kissinger agents within the government itself who are bent on taking Argentina apart. The three bastions of Argentina's national strength—the trade unions, the military, and the nuclear program—are their targets.

The military and the trade unions have been under the furious assault of Alfonsín's "anti-corruption" campaigns since his administration began, campaigns dictated by Henry Kissinger and the International Monetary Fund. It is now the turn of the nuclear program.

Claiming financial woes, Alfonsín's government the week of April 1 sliced more than \$400 million out of its vanguard nuclear program, nearly one-third of the program's total budget. Vital reactor construction as well as basic research initiatives are on indefinite hold, fulfilling the pledge of Kissinger intimate and former U.S. Ambassador to Argentina Harry Schaulderman (revealed to *EIR* by informed sources who heard this asserted in private) to see Argentina's independent nuclear capability terminated.

Responding to the budget cuts, Peronist congressman Julio César Araoz, also the vice-president of the Chamber of Deputies energy commission, charged the existence of "international pressures directly linked to the payment of the foreign debt. . . . The conditions come from NATO and the international bankers who see in Argentina a dangerous competitor in nuclear technology sales to Latin America." Argentina, whose 30-year-old nuclear program with its recently completed full-fuel cycle is the most advanced on the continent and the third most advanced in the world, has in recent years signed cooperation agreements or letters of such intent with at least four Ibero-American countries, including Brazil and Colombia.

Pressures are coming from other sources as well. On March 21, at the conclusion of a two-day official visit to Argentina, Canada's Deputy Vice-Minister on Latin American Affairs, Claude Charland, declared that continued Ca-

nadian collaboration with Argentina's nuclear program, as well as investment in Argentina's hydroelectric and other projects, were conditioned by "a previous agreement with the International Monetary Fund."

Dante Caputo, the foreign minister of Argentina recently in the United States as an unofficial negotiator on the foreign debt, will be addressing the question of Argentina's advanced nuclear program in the context of his country's debt payment problems. Caputo, closely linked to the Socialist International, is holding private meetings with Henry Kissinger, David Rockefeller and other representatives of the U.S. Eastern Establishment during his trip. His breakfast tête-à-tête with Kissinger April 10 concluded with Caputo praising the would-be Rasputin of the White House as having "a profound and realistic appreciation of Central America."

The secret memo

The drastic cuts in the nuclear program came just as revelations of a treasonous secret deal the government was concocting with the International Monetary Fund broke out in the national press. While President Alfonsín was blustering that he would "never put either the interests of the country or the dignity of the nation in jeopardy," his specially appointed "debt ambassador," the anglophile Raul Prebisch, was offering the Argentine economy wholesale to the IMF.

An infamous "secret memo," prepared by Argentine Ambassador to Washington García del Solar for the eyes of Foreign Minister Caputo but leaked to *La Prensa* correspondent Iglesias Rouco and published in that newspaper's April 5 edition, has sorely embarrassed the Alfonsín government, which is already beset with a paralyzed economy, widespread labor ferment and a powerful and very vocal opposition. The memo is a progress report on secret conversations held between Prebisch, leading "Kissingerite" in Alfonsín's cabinet, and IMF director Jacques de Larosière. It details the "IMF stabilization program" Prebisch was to have packaged for popular consumption before it was so unexpectedly unveiled.

Among the details of the program are 1) reduction of the Argentine budget deficit from 18% to 6% of gross domestic product, 2) increase in domestic interest rates, effectively ending Argentina's traditional subsidy system of "negative" rates (that is, below the inflation rate), and 3) ending the government-authorized system of retroactive wage hikes tied to monthly cost-of-living indicators.

Creditor nervousness about the success of the March 31 bailout package has not been calmed by incidents such as the leaked Prebisch memo, which suggests that Alfonsín—however personally willing to accommodate the bankers—is not fully in control. If Alfonsín cannot pull off a signed agreement with the IMF within the next month, the Ibero-American debtors who kicked in funds to rescue their neighbor in distress are likely to convert their \$300 million contribution into advance payments for Argentine exports. In that event, the rescue package will come tumbling down.