

lines to be privatized,” the study explains, “is the wide-gauge railroad which joins Bahía Blanca [on the Atlantic coast] with the Chilean border, one of enormous strategic importance.”

In a statement issued in early August, Col. Mohamed Alí Seineldín, leader of the nationalist faction of the Argentine Army who is currently in jail as a political prisoner, said, “I am witnessing how the railroad, which was the pride of the country and a symbol of development and prosperity, is being abruptly shut down, condemning to death the republic’s localities and towns, whose bad luck is apparently not being located geographically in or near the capital.” The railroad’s dismantling, as Seineldín points out, is also related to the Menem government’s global policy of destroying the Armed Forces and ceding territory to Chile in a soon-to-be-signed agreement.

On Aug. 27, Menem is scheduled to sign a treaty with Chilean President Patricio Aylwin, by which Argentina will cede 1,050 square kilometers in the Patagonian province of Santa Cruz to Chile. Under the guise of resolving a border dispute which Argentine experts say was actually resolved by papal edict in 1902, the treaty is framed in the context of strengthening the IMF’s “democracy” in both countries, and allegedly putting an end to the “arms race.”

Referring to the disputed region of Santa Cruz, known as the Hielos Continentales, Seineldín warned:

“Perhaps the Hielos Continentales . . . has lost the President’s interest, because he has so distorted the specific function of the Armed Forces, the Security and Police Forces, that today, it is impossible to provide for the common defense and protect our territory, thus preventing the country from exercising its legitimate right to protect and defend its patrimony.”

The death sentence to which Seineldín referred will be particularly brutal for regions such as the Patagonia, which, because of the government’s economic austerity policy, and also because of the lack of a railroad and other necessary infrastructure, could literally cease to exist. In April of this year, a correspondent from the Buenos Aires daily *El Cronista* warned that “the Patagonia is dying.”

He reported that Comodoro Rivadavia, one of the most important cities in the province of Chubut, “has had 2,800 layoffs only in the oil-producing areas run by [the state oil company] YPF during the past year alone; Río Gallegos, the capital of Santa Cruz, has seen 10,000 people emigrate over the past decade, and the dismantling of the [state coal concern] YCF in Río Turbio also threatens to transform it into a ghost town.”

Chubut Gov. Carlos Maestro explained that the entire region is undergoing “a phenomenon of desertification, by which vast zones of the southern provinces are becoming depopulated.” If the federal government doesn’t take emergency measures, he added, “the Patagonia runs the risk of becoming an immense desert.”

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## Interview: Elido Veschi

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# ‘They want to colonize us again’

*Mr. Veschi is an engineer who is secretary general of the Argentine Personnel Association of the Railroad and Port Directorate (APDFA), which includes career technicians of the Argentine State Railroad. EIR’s Gerardo Terán Canal interviewed him on July 30.*

**EIR:** Where is the railroad privatization plan of President Carlos Menem headed?

**Veschi:** This plan is one more element in the geopolitical and geoeconomic model designed for Latin America. The importance of transportation for the economy has been clearly understood, first by the British Empire, and later by the world financial empire. They know that if they dismantle transportation, they will be able to design a model that is very beneficial for their international interests.

These interests have known how to take advantage of the level of inefficiency to which the state sector companies have been reduced, as a result of the policies intended precisely to create that inefficiency, so that their model might succeed. Many people say that the economic program of [former finance minister José] Martínez de Hoz [1976-81] failed. No, that plan was a complete success for those sectors which now predominate and are destroying Latin America.

**EIR:** What will the railroad privatization mean for Argentine industry and agriculture?

**Veschi:** There have been many serious attempts to dismantle national industry and, unfortunately for Argentines and for Latin America, they are succeeding, as a result of the monetarist policies through which the country has become indebted—in both the public and private sectors—with no benefits for the population, and for the sole purpose of working to pay off that illegitimate debt. For regional economies, based on agriculture and cattle raising or primary industry, the dismantling of the railroad is a *coup de grace*, which will create the possibility of redesigning the country’s economy. The creation of the Mercosur [Southern Cone Common Market] will generate a geoeconomic region with almost no resemblance to the nations we know today.

**EIR:** Can a national railroad run by the state be profitable?

**Veschi:** If we measure profitability the way the bookkeepers and accountants trained in monetarism at the Chicago School do—that is, looking at the operation’s direct profitability—

obviously in many cases it doesn't exist. But if we measure profitability as a strategic tool of economic, social, and political development, obviously [the railroad] is profitable.

Look at such international examples as Japan, where the state subsidizes the railroads to the tune of \$14 billion annually; or the case of Germany, where the deficit has reached \$5 billion; Spain, with a \$2 billion subsidy; or England, where the subsidy is more than \$2.2 billion. You might say the European Community (EC) has "thrown away" \$80 billion in railroad investment for the next several-year period. These are not stupid countries . . . they're not advised by the type of economists we have here in Argentina. They are intelligent, and they know that if they don't invest in this kind of subsidy, in the end they'll have to spend a lot more money.

**EIR:** What kind of cargo potential and how many kilometers of track do the state railroads have?

**Veschi:** Right now, we have 35,000 kilometers of track, of which 920 km are in the Buenos Aires metropolitan area, and 34,000 in the rest of the country. This is what is now at stake. At the conclusion of the privatization process, there will be between 5,000 and 6,000 km for cargo transport and the 920 km for urban transport in Buenos Aires. That's why we say that the regional economies are threatened.

**EIR:** Will 20,000 kilometers simply go out of service?

**Veschi:** On paper, probably not. But in fact, no cargo will move on them, except at a very high cost. That's why we say that this policy means the dismantling of a system which would allow Argentines to create a national model integrated with the rest of Latin America. In 1989, between passengers and cargo, the railroads had a capacity of 27 billion units of traffic. In 1983, some 23 billion units were actually used, which means that there was a surplus of 5 billion.

**EIR:** In your view, what type of economic model would allow the railroads to function efficiently and support the country's economic development?

**Veschi:** It's a political question. There's a lot of talk here about the indices of a fictitious economy—one that takes into account neither development nor growth. In this model, the railroad might serve as an instrument of the private sector. But the railroad as a tool for growth and development must be integrated into a model which emphasizes growth and development for all the inhabitants of this part of the planet, and should be conceived of as an integration model for all Latin American countries.

The fact that our Patagonia has no railroad, isn't because they dawdled in building it, nor is it because of the costs. These are no more excessive than other less necessary projects. It is simply that in the design of world strategy, Patagonia is not allowed to be exploited by the Argentines, or by the Latin Americans. If we add to this the fact that northern Argentina will be integrated with southern Brazil, Bolivia,



*A diesel engine plant in Argentina. The railroads are vital for national defense, as well as for the economy.*

and Paraguay into a large geoeconomic region with its own rules and regulations, we are witnessing something which we once thought impossible—the disintegration of nations such as ours. If we Latin Americans don't make an effort to integrate our transportation as the Europeans did when they created the European Community, then we are making it easier for those [anti-national] interests to achieve their goals.

**EIR:** Let's talk a little bit about the railroad's role in the area of national defense.

**Veschi:** In Argentina, the usefulness of the railroad was demonstrated in situations such as border conflicts, when there was almost a war with Chile [in 1978]. The railroad played a crucial role in transporting war matériel. In the case of the Malvinas War [with Great Britain, in 1982], it also played a very important role, although it was then that we realized we had a terrible problem because of the lack of a railroad in the Patagonia. On the other hand, we were able to use the railroad maintenance shops as logistical support for our war infrastructure. These are industrial establishments for semi-heavy metalworking, which use top-notch technology.

[The railroads] are vital for national defense. Transportation in general, as well as energy and communications, are fundamental tools of growth and development and national defense taken as a global concept, not just as a particular war situation. National defense is a broader concept. In this sense, transportation, communications, and energy, as Raúl Scalabrini Ortíz said, are the vital elements for developing the nation. If we dismantle those sectors, the nation simply cannot exist.