
Argentina

'Humanized' capitalism another name for usury

by Cynthia R. Rush

Like every other Ibero-American President who has implemented the International Monetary Fund's (IMF) orthodox "adjustment" program, Argentine President Carlos Menem is having problems. Despite rhetoric from the international banking community about the program's "success," there are indications from rising inflation, current account deficit, a lowered trade surplus, as well as a stock market crash, that all is not well. The private sector is struggling to survive prohibitively high interest rates and the wave of foreign imports that flooded the country after Menem and Finance Minister Domingo Cavallo ordered protective tariff barriers to be eliminated as part of the government's free trade policy.

More importantly, dissension within Menem's own cabinet as to the effects of this austerity program on the country's poor, has now surfaced. Health Minister Julio César Araoz, a Peronist, told a gathering of the Catholic Church's Social Pastoral Commission on Sept. 1 that more than one-third of the population now lives in poverty, and warned that an "economic policy in which 20 million are saved and 15 million suffer privation" is unacceptable. Other top political and church leaders have voiced similar complaints, warning that continued austerity will provoke social upheaval and violence.

Araoz's statements sparked a furor. Amidst reports that he had fired the health minister, Menem addressed the country's top business organization, the Argentine Industrial Union (UIA) Sept. 3, and vowed, "We will never renounce the current economic model." He added that "this is the policy you have been demanding for the last 30 years." At a Sept. 7 meeting of the Argentine Banking Association, the thin-skinned Cavallo defensively denied that misery had increased in the country, and charged that provincial governments and municipalities were guilty of "poor allocation of resources."

Crumbs for the victims of usury

Menem may have no intention of altering his economic program, but the controversy around his economic program, and the consequences in terms of human life and devastation,

are compelling him to do in Argentina what President Carlos Salinas de Gortari has done in Mexico. That is, set up a social control apparatus that can channel or control popular discontent, offering some crumbs of needed services or benefits in exchange for political support, while maintaining the policies of usury that foreign bankers demand.

In Mexico, the Salinas government has set up the National Solidarity Program, or Pronasol, as its social control mechanism. In Argentina, in the context of a well-publicized campaign to "humanize" capitalism, which Menem himself launched last May, the government has begun to focus on the need to build up neighborhood and community organizations, allegedly to give the poor greater political clout to fight for needed services.

Under the auspices of Public Function Minister Gustavo Béliz, one of Menem's closest advisers who is a member of Opus Dei and is said to maintain close ties to the Vatican, the government and its allies are making a great effort to give the impression that this campaign is not only sanctioned by the Catholic Church, but is coherent with the church's social doctrine as well as the pope's own encyclical writings.

Certain top church leaders, in Buenos Aires and in Rome, have effectively backed Menem's economic policy, while urging that "the adjustment be made more humane." But a close look at the individuals brought in to legitimize this campaign makes clear that it has more to do with International Monetary Fund and bankers' usury than with the church's social doctrine or anything espoused by Pope John Paul II.

'Capitalism from below'

The recent highly publicized visit to Argentina of U.S. "neo-conservative" Catholic theologian Michael Novak, is the best indicator of what's behind the campaign to "humanize" capitalism. Novak is an employee of the American Enterprise Institute, the Washington, D.C.-based think-tank which speaks for the interests of the Wall Street banking community; he is also a wholly owned asset of the Project Democracy apparatus to which former U.N. Ambassador Jeane Kirkpatrick and former Assistant Secretary of State Elliott Abrams, among others, belong. He was brought into Argentina to peddle the line that the bankers' policies of free trade and deregulation—required to facilitate looting of human and natural resources—are the only way to guarantee that man's God-given creative potential and freedom can be realized.

There is nothing subtle in Novak's assertions. In an interview published in the daily *La Prensa* on Aug. 31, he charged that the continued existence in Ibero-America of systems of government in which the state still maintains an important role is a "moral scandal" because these systems "repress people's creative capabilities." So determined is Novak to justify the total elimination of the sovereign nation-state, as creditors demand, that he charges outrageously that these "traditionalist systems are as repressive as the former communist systems in terms of suffocating economic creativity."

He then justifies this by lying that the pope's encyclical *Centesimus Annus* also calls for uprooting systems which stifle creativity.

Novak's discussion of creativity and freedom are an elaborate hoax, shown very simply by the fact that the model he holds up for allowing the poor to exercise their "inalienable right to personal economic initiative" is that espoused by Peruvian-Swiss oligarch Hernando de Soto, another top operative of the Project Democracy apparatus. In his book *The Other Path*, De Soto states that "true capitalism" is to be found in the growing "informal economy"—much of it linked to drug money flows—which has ballooned in recent years as productive industrial enterprises have collapsed under the weight of IMF policy.

Novak has the gall to point to Peru, whose economy and people have been devastated by the combined efforts of the IMF and the Shining Path narco-terrorists, and where cholera is rampant, as "a country in which 64% of the workers are businessmen. You see them at the airports and on all the streets." The only thing that need be done, Novak argues, is to provide these people with some credit and a little education, and give them the facilities to set up businesses and they'll be fine.

The usefulness of an Hernando de Soto to the Anglo-American oligarchy is that his organizing of impoverished "entrepreneurs" provides a vehicle for tearing down those institutions of the state designed to provide the population with basic services and rights—trade unions, social security agencies, pension funds—along with what remains of industrial capitalism and the regulatory mechanisms which protect it. This form of social Darwinism is what De Soto and Novak call "democracy."

Bankers' democrats and communists

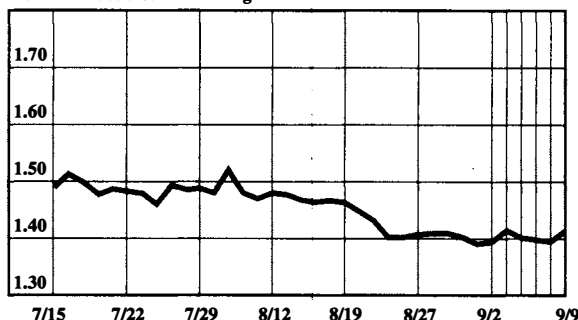
As a recent exposé published in Mexico's *Proceso* magazine reveals, not only do these bankers' "democrats" pose no threat to avowed communists, they work *with them* to achieve their shared goals. *Proceso* reports that many of the top leaders of Pronasol include former communist guerrillas, Maoist peasant leaders, as well as Guatemalan and Uruguayan "social science" graduates who, according to the magazine, have "evident experience in mass political work." Terrorists from both these countries have been exiled in Mexico for years. These "former" subversives are well positioned to organize acts of violence and terrorism in an environment made volatile by 10 years of IMF policies.

Similarly, experts in Argentina have reported that in the very slums targeted for organizing of "neighborhood" and community groups, terrorists once affiliated with groups such as the Montoneros or People's Guerrilla Army (ERP), as well as new guerrilla groups, are rapidly recruiting among the poor for a subversive offensive. Curiously, the government agency formulating this new social policy includes a number of well known leftists as well.

Currency Rates

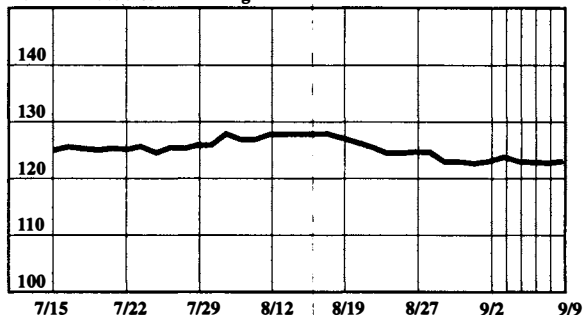
The dollar in deutschemarks

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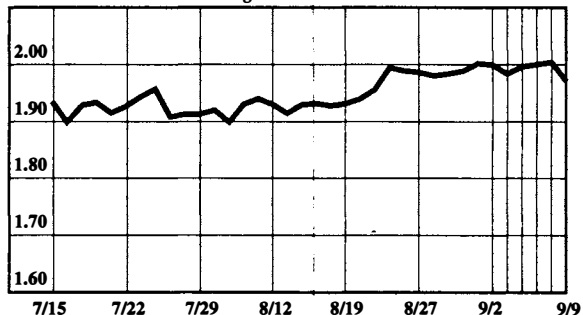
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

