

Menem's austerity dismembers Argentina

by Cynthia Rush and Gonzalo Huertas

On Sept. 18, President Carlos Menem finally succeeded in getting the Argentine Chamber of Deputies to approve a package of harsh austerity measures dictated by the International Monetary Fund (IMF). The lower chamber, in which Menem's ruling Justicialista, or Peronist, party has a majority, had balked on passing the measures since their mid-August unveiling by Finance Minister Roque Fernández. Reflecting widespread popular anger and disgust with the government's convertibility plan, modeled on the British colonial policy of a currency board, legislators hesitated to approve measures that will further gouge wages and living standards in order to reduce a fiscal deficit that could reach more than \$6 billion this year.

Passage of the austerity package, based on raising taxes and eliminating family subsidies, is central to a new standby agreement the IMF will sign with Argentina, which is to include a waiver for non-compliance of fiscal goals for 1996-97. The Fund itself has already concluded that Argentina will be unable to pay the \$14 billion in debt which comes due in 1997, even though the government's 1997 budget allocates more than 40% to debt service.

It took all the bribery, threats, and blackmail the government could muster in order to get the package approved; orders were even given to legislators who were otherwise too ill to attend, to show up for the vote—or else. Opposition deputies were excluded from the speakers' list, so no remarks against the package could be heard.

A week earlier, on Sept. 12, Menem had suffered an embarrassing defeat in the same Chamber, when all opposition legislators plus 14 from the Peronist party, failed to show up for a vote; without a quorum, the austerity package was left in limbo. Menem was enraged.

This occurred despite a deployment of heavy guns into the country from the international banking community. On Sept. 7, IMF Managing Director Michel Camdessus flew into Buenos Aires on an unscheduled visit to warn that continued international support for the country was contingent on the package's approval. A day earlier in Montevideo, Uruguay, Camdessus admitted publicly that the IMF's policies applied in Ibero-America had produced "no miracles . . . only problems of poverty, insufficient growth, and decomposition of the social fabric." But in Argentina, he singled out for special praise Menem's cutting of "useless expenditures," by which he meant elimination of family subsidies and labor benefits.

'They are coming to squeeze us'

Just a few days later, on Sept. 11, Chilean Tomás Reichman, the head of the IMF delegation visiting Argentina at the time, barged into the lower Chamber with his delegation in tow, and arrogantly ordered congressmen to vote up the package. As Oscar Lamberto, president of the Budget Commission, correctly observed, "They are coming to squeeze us." When the hoped-for vote failed to materialize, the enraged Reichman and his delegation packed their bags and left the country earlier than planned.

In early September, in his crazed drive to secure votes for the IMF package, Menem baldly stated that "there are no other proposals in Argentina, no other proposals in Latin America, and *the Argentine model is catching on in many parts of the world.*"

The Argentine model is catching on in many parts of the world? No. The reality is that the model, so praised by the fascist Mont Pelerin Society, is crumbling—along with the international financial system. Menem's hysteria is the product not only of the growing political opposition to these policies, evident in the Congress and in the General Confederation of Labor's (CGT) mobilization for a general strike Sept. 26-27, but also in the collapse of the physical economy. A 20% unemployment rate and deepening recession are only the tip of the iceberg.

Menem's current attempt to transform the once highly-skilled and well-paid Argentine labor force—which also has a strong Catholic tradition—into a mobile, slave-labor force, bereft of all benefits or even a minimum wage, is not driven by the success of his policies. Rather, the IMF and its purportedly Catholic director Michel Camdessus demand that Argentina and its people be looted to the bone in a vain attempt to keep the model afloat and debt service coming into their coffers.

To boost its failing program, on Sept. 23, the government even dragged in another alleged Catholic, Gary Becker, a Mont Pelerin Society member and 1992 Nobel Prize laureate in economics. A former University of Chicago professor who had taught Finance Minister Roque Fernández, on whom he lavished praise, Becker argued for "labor flexibility," the term these fascists give to their plan to eliminate collective bargaining, severance pay, and the minimum wage. Drug legalization proponent Becker told the daily *Clarín* that Argentina's high unemployment rate is due "in part to recession, but also to labor restrictions," i.e., to labor benefits. The British-inspired convertibility plan must be maintained, and deregulation accelerated, he added.

Seineldín statements widely covered

Recent publicity given to statements by Col. Mohamed Alí Seineldín, the hero of the 1982 Malvinas War who is now serving a life sentence on charges stemming from the Dec. 3, 1990 nationalist uprising against the Army high command, reflect growing recognition that "the model"—and Menem—can't last much longer. Argentine media reported in some

detail on Seineldín's Aug. 22, 1996 letter to Carlos Menem, requesting a pardon for his jailed fellow officers—not himself—while two local radio stations ran a lengthy interview with him on Sept. 19 (see *Documentation*).

Why Seineldín? Although unable to mobilize major forces from his Campo de Mayo prison cell, at a moment of political and economic collapse, the nationalist officer represents a *moral* authority which the Argentine, and Ibero-American, people desperately need. Throughout his career, Seineldín has stood unflinchingly for defense of Argentina's national sovereignty, and its founding institutions, particularly the Armed Forces. He has been jailed for over five years, not for breaking the law, but for *telling the truth*. And the international oligarchy dreads the day he might be free to organize in Argentina, or Ibero-America.

In his August 1991 statement before the Buenos Aires Federal Court, and again in his Sept. 19 interview, Seineldín charged that the policies of the Menem government which provoked the December 1990 uprising, had one purpose: to bring Argentina into George Bush's "new world order"—the same George Bush *EIR* has now exposed as a leading international drug kingpin. Specifically, that meant destroying the military as the "armed branch of the Fatherland, and safeguard of the highest interests of the nation," while imposing an IMF-run financial dictatorship on the country. This was the reason, he said, for the bloody repression of the 1990 uprising, the order to execute Army nationalists "suggested by the government of the United States," whose President was then George Bush, and Bush's own arrival in Buenos Aires on Dec. 4, 1990, to gloat in the name of "democracy" over the smashing of the Army patriots.

Seineldín warned Menem in 1991 that were he to dismantle the Armed Forces, this would result in the "dislocation" of every other aspect of national life. These warnings have now come to fruition. The President is moving frantically to dismember what remains of the nation-state, proposing to divide the country into six semi-autonomous regions, to introduce legalized casino gambling (and by implication dirty money laundering), while killing off the most defenseless sectors of the population through privatization of health and social services.

Standing in stark contrast to Mont Pelerin's "Social Doctrine of Satan" is the combative and optimistic outlook Seineldín expressed in his Aug. 22 letter to Menem—one which causes severe anxiety in the City of London and on Wall Street. "The time which has passed since I was sentenced to life imprisonment, far from depressing me, has strengthened the profound convictions which led me to undertake the military actions which are publicly known, both nationally and internationally. The ideals I defended and shall continue to defend until my death, have to do with 'an ethical consideration of the human being, the family and society.' "

Documentation

The following are excerpts from the Aug. 22, 1996 letter to Argentine President Carlos Menem, from jailed Army nationalist Col. Mohamed Alí Seineldín.

I remain convinced that you well knew that the political and economic instability you found when you were sworn in as President, urgently required, among other things, changing the country's prevailing military situation. . . .

The deficit that had to be covered, as you recognized, required the strengthening of the Armed Forces as a fundamental institution of the republic, at the same time that they were brought into play in the process of industrializing the country. . . . What you said then, is fully valid today: "In a democratic system, the military potential applies to the development of a national military doctrine, as well as to an industrial production of their own. . . ."

Even more important was what you said when you attacked the [Raúl] Alfonsín administration's attitude of de-Malvinization. Your words then were: "De-Malvinization is a crime against our ancestors and our sense of nationhood, it offends the community, it distorts history and is an attempt to replace the principles and interests of the Nation, with the convenience of the colonialist powers. . . ."

The foregoing, and developments following the Dec. 3 1990 [nationalist uprising], are undisputed proof that by that time, there was already a military crisis that had been worsening since the Alfonsín government. That situation was extremely dangerous for the peace of the Republic and for the defense of its legitimate interests. That reality impelled us to mobilize to save the Fatherland, the honor of the military, and "the respect of the institutions and their principles." It was, to our mind, the correct path to take to affirm the functioning of democracy and to lend stability to the authorities elected by the people. . . .

The time that has passed since I was sentenced to life in prison, far from depressing me, has strengthened the profound convictions that led me to undertake the military actions that are publicly known, nationally and internationally. . . .

It has been proven that we were not attempting a coup, and this was recognized by the judges who sentenced us to prison. Starting from the need to unify and revive the Armed Forces, we sought to consolidate the integration of the nation and to strengthen human rights through political and economic sovereignty with social justice, in accordance with the [principles established] by the government that was inaugurated on July 8, 1989. Time has demonstrated what our real aims were, and the contrary views—that not only confused

public opinion, but prevented an open debate about the national interest—have been discredited. . . .

To make it perfectly clear, I again reaffirm that in August 1995 I learned, through the press and through official statements, that the possibility of granting us a pardon was threatened by contrary demands coming from international entities of varying ideologies, which explicitly opposed my release. . . .

Because of this, I request, Mr. President, that you exclude me from any possible pardon you may grant to those who participated in the military actions referenced in this letter. This is in order to make it easier for you to make a definite decision on this issue.

In light of the foregoing, I formally request that the President of the Nation exercise the powers vested in him by the national Constitution, and pardon all my comrades who were sentenced for the military uprising of Dec. 3, 1990.

Excerpts from radio interviews Colonel Seineldín gave to Radio El Mundo and Radio F.M. Horizonte on Sept. 19. Some of the questions have been paraphrased.

Q: Regarding the issue of the Dec. 3, 1990 uprising against the Army high command.

Seineldín: “We were sentenced that same day, to be shot at 4 in the morning. . . . Those were the orders that the national government had received, at the suggestion of the U.S. government. . . . The United States could not have Argentina join [the new world order] unless it had a submissive Armed Force. . . .

“[Carlos Menem] was totally in agreement that we should be put in front of the firing squad. . . .”

Q: When the United States invaded Panama, you strongly protested and suggested that the U.S. pretext was just that—a pretext. Do you believe that was also part of the plan for a new order?

Seineldín: “. . . I learned about that plan during a conference held in Panama, sponsored by the United States, which was attended by delegates from all countries. . . . I was sent to Panama by the Argentine government to try to strengthen the police . . . that is to say, to transform the police into a strong military force, because the Torrijos-Carter Treaties required General Noriega, or the government of Panama, to have a strong armed force to defend the canal. I was given that task, and when the job was nearly completed, seeing how easily they were handling their transformation into an effective force, they invaded, using the pretext of General Noriega, that’s the pretext. . . .”

Q: What have the Argentine Armed Forces become today?

Seineldín: “Their mission is that of international cops. . . . The controls that the new world order has imposed on the

Armed Forces will continue to tighten until they have a National Guard in this country, and that National Guard will be placed under the hegemony of the United States. It will be an army styled as a military police, because the defense of the Fatherland is no longer necessary, since sovereignty is limited. That’s why we nationalists are [considered] antiquated; that is, the Fatherland as a Fatherland, the great home, is ceasing to exist, and we will live under a sort of limited sovereignty. . . .”

Q: Regarding the war against terrorism waged by Argentina’s previous military government.

Seineldín: “. . . In 1976, during the military regime, I strongly expressed my view that the *Proceso* [National Reconstruction Process, the name for the military junta] was going to affect the institution of the Armed Forces, as well as the country itself. . . . I told [my superiors] that it was no longer necessary for a military government, which had already defined the operative order for the war against subversion with perfect clarity, to continue, and that it would be better to carry out the war against subversion with a constitutional government, as Peru intelligently did, learning from our experience, instead of through a military government. . . .”

Q: Why are nationalist military linked to a sort of radical anti-Semitism?

Seineldín: “This is a total fabrication. . . . I am a descendant from the People of Israel in two ways: One, through Abraham, because Arabs are descended from Abraham, and the other, because of my conversion to Christianity, through Christ, who comes from the House of David. So that belies the slander of [anti-Semitism]. It’s a term that is totally missapplied. . . . It’s a total fabrication. What I can tell you, is that I am against extremist organizations, for example, those which killed Yitzhak Rabin, who was a brilliant general. . . .

“Those who are constantly leveling those sort of charges are organizations such as B’nai B’rith, an organization which has nothing to do with the Jewish religion nor the state of Israel, and which is constantly spreading views that truly affect us, but which have nothing to do with anything. . . .”

Q: Where will the decision-making center be?

Seineldín: “. . . As you know, the new constitutional reforms have yielded a Constitution that is more international than national; it has eight international treaties included. Thus, by being included in the United States’ bloc, America, the United States will directly—in the manner you now see the International Monetary Fund doing—be monitoring all our reserves, our wealth, what we have left of the economy, or the FBI will come and install itself here. In a word, the controls will be permanent. . . .”