

# Where Is Argentina's 'Moral Reserve'?

by Cynthia R. Rush

Appearing before a Buenos Aires federal judge on May 21, Malvinas War hero Col. Mohamed Alí Seineldín testified that the 1989-1999 government of President Carlos Menem was rife with corruption, one example of which were the illegal weapons sales to Croatia and Ecuador between 1991 and 1996—shipments destined, on paper, for Panama and Venezuela. Although *EIR* does not have Seineldín's full testimony, accounts indicate that the former Army colonel, who was sentenced to life in prison on charges related to his involvement in the December 1990 uprising against the Army high-command, based his testimony on his personal investigation of the illegal weapons sales. From that, he concluded that Menem had "organized" the "illicit association"—one of many during his administration—and had benefitted financially from it.

As Seineldín arrived at the court to testify, he was greeted by a rally of his supporters holding large banners reading "Freedom for Seineldín, the Moral Reserve of the Nation," and "Seineldín, Hero of the Malvinas." His staunch defense of Argentine sovereignty, and defiance of Anglo-American plans to force his country's submission to globalization, has earned him the respect of many Argentine and Ibero-American patriots—and the hatred of London and Wall Street. He is, as he has noted many times, a political prisoner of Sir George Bush, father of the current U.S. President.

The December 1990 military uprising was directed against an Army leadership committed to dismembering the Armed Forces, the policy demanded by the Anglo-American oligarchy, and vigorously carried out by the senior Bush. *EIR* has made that policy notorious in Ibero-America, where it is known as the "Bush Manual, or "The Plot" to destroy the continent's national institutions. Well-acquainted with that plot, and an intimate friend of Carlos Menem, the elder Bush was about to arrive in Buenos Aires on a state visit when the 1990 rebellion occurred.

Under U.S. pressure to clean up the military "mess" before Bush arrived, Menem called for Seineldín and his comrades to be summarily executed. That didn't happen, but the Anglo-Americans—Bush personally—saw to it that Seineldín was sentenced to life in prison, to serve as an example for others who shared his passionate commitment to the defense of the nation-state. According to *La Nación*

on May 22, in his testimony, Seineldín raised the issue of broader Anglo-American strategic policy, naming Gen. Martín Balza, Menem's former Army Chief of Staff, as the person "responsible for having demilitarized the Army," through the illegal weapons sales to Croatia and Ecuador, "and eliminating the draft, which left the country without any military reserves."

## 'What Must Be Done To Generate Hope?'

The issue of morality in politics has been the subject of intense discussion recently. Wracked by financial and political turmoil, Argentina is barely surviving as a nation. The International Monetary Fund's criminal austerity dictates have taken a devastating toll on the population, evident in the dramatic increase of poverty, hunger, and unemployment. President Fernando de la Rúa has become an object of ridicule and hatred for his subservience to the IMF, and has left the country in the hands of Finance Minister and George Soros cohort Domingo Cavallo—de la Rúa's recent assertion, "I am the President," notwithstanding. Political instability is such, that the IMF recently noted in an internal document, that government weakness would jeopardize "efficient" application of its draconian policies.

In a statement issued on May 12, the Argentine National Bishops Conference sharply criticized the country's political leadership, echoing themes enunciated recently by Pope John Paul II. The document, entitled "Today the Nation Requires Something Unprecedented," warns that society demands "a just order, which succeeds in separating the republic from the dictates of power groups, domestic and foreign, and is capable of preventing the subjugation of that dignity proper to every human being."

"Who is thinking of Argentina's future? What is the country's mission which orients our action? What must be done to generate hope?" the bishops ask. "It is necessary to re-create politics as the primary instrument for achieving the common good, such that *it* will be the one to direct, and also guide the economy, in the framework of existing republican institutions."

On May 24, the eve of the 191st anniversary of Argentina's 1810 independence from Spain, Cardinal Jorge Bergoglio, Archbishop of Buenos Aires and Primate of Argentina, delivered an even harsher condemnation of the nation's political leadership. The Cardinal warned that they have "no right" to demand "incalculable sacrifice" from the people, while they live in "bubbles of abundance" and "avoid their social responsibility."

As President de la Rúa listened at a mass at Buenos Aires's cathedral—security whisked the President in and out for fear he would be booed—Cardinal Bergoglio told political leaders that "power is service. Power only makes sense if it serves the common good." Poverty has been globalized in Argentina, he said. Instead of the "oppressive abuse of one sector by another," political leaders must "de-

fend our rights . . . to life, to receive education, and medical care (which no policy can postpone), and the unrenounceable responsibility of strengthening the elderly . . . and the children,” whose needs are “today treacherously set back and disregarded.”

As social protest and popular anger grows—a general strike is about to be announced—one hopeful sign is a document issued on May 29 by the Argentine Industrial Union (UIA), entitled “Bases for Rebuilding the Nation.” Under new leadership, which is closer to national companies which produce for the domestic market, the UIA had submitted the document, which is harshly critical of the government’s economic program, to the Bishops Conference in advance. Pointing to “factory closings, denationalization, and unemployment,” the document warns that “the time to carry out urgently required initiatives is running out, and social impatience is seen in actions whose violence and aggressive force, are dictated by desperation.” It concludes that Argentina “can and must fight for the gradual elimination of poverty, but cannot accept the existence of hunger among its people.”

### Is Anyone Listening?

Argentina’s political leadership is thus far ignoring the bishops, the Cardinal, and the Pope. To attract foreign creditors to a \$20 billion debt-swap plan he hopes will avoid default on the country’s \$211.7 billion foreign debt, Cavallo has come up with a new, and more perverse looting scheme. He proposes to introduce a “public credit law” into Congress, by which tax revenues would be assigned as guarantee of payment of the new bonds. This, despite the fact that tax revenues have been declining steadily, 9% lower in April than a year ago.

Should the law be approved, it would make bondholders “privileged” creditors of the state, with priority collection rights over suppliers, public employees, or retirees. The best analogy is the gunboat diplomacy of colonial powers, Teddy Roosevelt-style, who seized revenues from countries’ customs houses or tax revenues to guarantee debt payment.

At a May 24 press conference before the elites of the Buenos Aires financial community, Cavallo officially announced that the government would be issuing three groups of high-interest bonds, in the range of 14% to 15%, with differing maturities, to swap \$20 billion in short-term debt for longer-term bonds. He then left the country on an international tour, in the company of his mentor, former U.S. Deputy Treasury Secretary David Mulford, now a Crédit Suisse-First Boston executive, to help convince international bankers to participate in the swap. It was Mulford who originally proposed the plan to Cavallo.

No one, certainly not Argentina’s creditors, believes that this scheme is going to work, just as the IMF’s \$39.7 billion bailout last December did not work, despite all the government blather about Argentina being protected by “financial armor.”

# India, Malaysia Pledge Broader Cooperation

by Ramtanu Maitra

Continuing with his “Look East” policy, adopted less than a year ago, Indian Prime Minister Atal Behari Vajpayee concluded a successful May 13-16 visit to Malaysia. As became evident from the outcome of the trip, both India and Malaysia were keen to expand their economic and trade ties. While broader security and strategic issues were discussed, the emphasis was on how to benefit from each other’s economic and technological strengths, and to jointly fight the threats posed by the globalization of economies and the broken-down international monetary system.

Since the last visit by an Indian Prime Minister, P.V. Narasimha Rao in 1995, a lot of changes have taken place, not only in Malaysia, but also on the world scene. Not the least of which is the emergence of China and India in Asia, the region’s two largest nations, and their willingness to integrate Southeast Asia with North and South Asia.

### India’s ‘Look East’ Policy

Despite the fact that India has enduring civilizational relations with Southeast Asian, India has for years virtually neglected to strengthen its ties with the region. The Non-Aligned Movement (NAM), which was inspired by India, Yugoslavia, Indonesia, and Egypt during the 1950s, for a while brought India closer to a number of Southeast Asian nations. But the muscle of the Cold Warriors, as exhibited in Vietnam and elsewhere, and the economic and political weaknesses of the NAM member-nations, changed the scene quickly. By the end of the 1960s, Southeast Asian nations had become an extension of American allies in the Pacific. Japan played second fiddle, while Washington set up the security and economic structure for Southeast Asia.

Japanese and Western investments in the region brought prosperity to Southeast Asia, where five major nations formed a loose non-military federation, calling itself the Association of Southeast Asian Nations (ASEAN), to facilitate rapid economic development and internal non-tariff trade. The grouping was a huge economic success, and it raised the quality of life for its citizens significantly.

But, at the same time, the policy actions formulated by the grouping virtually cut the region off from the two largest nations in Asia—China and India. While China was identified in the region as a communist nation, and hence a threat, India was considered simply an extended arm of the erstwhile Soviet Union. In the corridors of power in New Delhi and