

Argentina's Real Debt Is To Its People

Accepting his election as interim President of Argentina on Dec. 23, 2001, Adolfo Rodríguez Saá announced the nation would suspend payments on a foreign debt whose legitimacy is questionable, in order to use the money thus saved to secure social progress. The response from Congress was dramatic: the legislators applauded, then rose for a standing ovation, and finally began to chant, "Argentina! Argentina!" It was that defiant reassertion that the overriding obligation of a government is to defend the general welfare, and the response it evoked from the Congress, which so frightened Wall Street and London. Brief excerpts from that speech follow:

... [E]very Argentine has the right to a dignified job, and we want to make that a reality. Tonight, we shall begin to develop a social plan to create 1 million jobs in Argentina. ... It is inconceivable that in a country with all our possibilities of food production, people are subjected to hunger, marginalization, and poverty. ...

Some say that the so-called foreign debt, at least par-

tially, is the biggest economic deal ever experienced in Argentine history. This situation is made worse, because it has always been dealt with ... in offices behind closed doors, with decisions made apart from the general interest. Worse, payment of the so-called foreign debt has been prioritized over the debt which this nation has to its own citizens.

I want to be very clear: The Argentine foreign debt has been paid without fulfilling the Constitutional requirement that says that the settling of the payment of the domestic and foreign debt of the nation, is an attribute of Congress.

We are going to take the bull by the horns: we are going to speak of the foreign debt. First, I announce that the Argentine state will suspend payment on the foreign debt. This does not mean the repudiation of the foreign debt; this does not imply a fundamentalist attitude. On the contrary, it is the first act of a government of rational character, to deal with the foreign debt correctly.

My administration invites this Congress to study all the books and administrative acts related to Argentina's foreign debt, including during this administration. ... Gentlemen, the books are open for you.

All money allocated in the budget for the foreign debt, for as long as that payment is suspended, will be used, without doubt and without exception, for plans to create jobs and social progress.

final breakdown phase. Subordinating all economic activity to foreign debt payment, he stole from pension funds, gouged wages, and even used Central Bank reserves to pay debt. In early December, his seizure of bank deposits, making it impossible for people to access their savings, wages, and pensions, unleashed a popular fury which drove him and de la Rúa from office.

A 'Parade Of Successions'

The installation of successive governments in Argentina, and the accompanying political and economic chaos, is the only lawful outcome of a refusal to make a clean break with the IMF and return to the tested protectionist policies of the American System of Political Economy, including national banking. There are precedents in Argentina's own history which can be appealed to (see article, page 9). And, while heads of state and finance ministers from various countries are all loudly protesting that "we're not Argentina," the upheaval in that nation over the last several weeks, is just a foretaste of what awaits all nations, should they fail to adopt LaRouche's policy proposals for a new Bretton Woods system, and European Land-Bridge.

The demise of the de la Rúa government should have led to the emergence of a nationalist alternative, based on protectionist policies to rebuild the country's shattered econ-

omy and defend the principle of the general welfare, so brutally trampled on by the Harvard-educated Cavallo. What followed instead was a "revolving door" Presidency, which saw four individuals named between Dec. 20 and Dec. 31, culminating with the Jan. 1 swearing-in of number five, Peronist Eduardo Duhalde.

No one knows how Duhalde will respond when he is clobbered with the reality that there can be no return to IMF policy without unleashing uncontrollable chaos. Immediately, he is faced with the question of whether to follow up on the policy initiatives made by Adolfo Rodríguez Saá, the Peronist governor who ran the country from Dec. 23 to Dec. 30. Not only did Rodríguez Saá declare a debt moratorium; he made "social justice"—the general welfare—the centerpiece of his program, terrifying London and Wall Street. In his Dec. 23 inaugural speech, the former Governor of San Luis announced that funds allocated for interest payments on the debt would instead go to finance the creation of 1 million jobs.

The IMF and other Wall Street vultures watched in horror as Rodríguez Saá outlined programs premised on defending the general welfare. "I believe it is possible to have an Argentina without poor, without unemployed, without hunger and misery; I believe in social justice." Vowing to investigate the legitimacy of the foreign debt, Rodríguez Saá underscored that the government has a *constitutional* mandate to care for