

Only LaRouche's Policy Can Save Argentina

by Cynthia R. Rush

With growing frequency, both Argentine and international media publish horrifying reports on the poverty and despair afflicting a once optimistic people and prosperous economy. The latest shocking statistic from the government agency INDEC is that 53% of the Argentine population—19 million people—are now officially classified as “poor,” and a majority of these are “indigent,” which means they cannot buy enough food to satisfy even minimum caloric and protein requirements.

This is in the country whose economic development in the early 1960s was comparable to Japan's, and whose name always evoked images of the vast *pampas*, covered with wheatfields and cattle pastures as far as the eye could see, and in which no one went hungry—not even the poor. Today, thanks to the free-market “adjustment” model for which Argentina was the International Monetary Fund's success story of the 1990s, parts of the country resemble Africa.

Because Argentina's crisis is so desperate, it is particularly important that a debate on the kind of infrastructure development program proposed by 2004 Democratic Presidential pre-candidate Lyndon LaRouche has begun to occur publicly, not mentioning LaRouche openly, but reflected in a focus on what President Franklin Delano Roosevelt did between 1933 and 1945 to lift the United States out of economic depression. *EIR* and the Ibero-American Solidarity Movement (MSIA) have widely disseminated LaRouche's New Bretton Woods proposal, calling for a revival of the tradition of the American System of political economy, which has existed historically in Argentina, and of which FDR was one crucial example in the United States.

“Just as Roosevelt changed the face of a large region of his country through the Tennessee Valley Authority (TVA),

so Argentina is positioned to do the same,” wrote nationalist Sergio Cerón, in a proposal published recently by the Argentine Regional Strategic Council, of which he is a founding member. Cerón identifies two projects capable of transforming Argentina—the Multiple Bermejo River hydroelectric and canal-building project, and the Trans-Patagonian Railway—to create jobs, revive heavy industry, build new cities, and feed its own population (and the rest of the world).

The Bermejo River projects could “green” the desert which now covers 50% of the Northern Argentine provinces of Salta, Formosa, Chaco, Santiago del Estero, and northern Santa Fe, Cerón writes, quoting the Italian expert Guido Maranca, of the International Labor Organization, who studied this region in detail in 1965, and noted its potential for development. Adm. Gregorio Portillo had also carefully studied the technical and economic feasibility of the Bermejo River project for the exploitation of natural resources, and creation of strategic industries.

He estimated that 11 million hectares could be incorporated into agricultural production, 775,000 of which would be irrigated, with a tripling of agricultural production. The project envisioned building of two canals, with locks, along which mini-electricity plants could be built. In this way, the desert could be transformed into a “dynamic geo-economic space, with industrial, mining, forestry, and agricultural activity.” Salta and Jujuy, now terribly economically depressed, could be transformed into “geopolitical axes in the heart of South America, connecting key regions of Argentina with Bolivia, Chile, and Paraguay.”

The Trans-Patagonian Railway, as Cerón explains, would extend from Esquel in the province of Chubut, down to the very bottom of the Patagonia to Río Turbio and across to Río

Gallegos and the deepwater Port Loyola. The project would “definitively link to the rest of the Republic a region subjected to intense geopolitical, strategic, and economic pressure by Chile and Great Britain,” Cerón added, referencing British-inspired proposals to sever the mineral- and oil-rich Patagonia from the rest of the country. The project would also revive the now-dead steel, metallurgy, railroad, and cement industries, and others which supply public works projects. Cerón also quoted the nationalist Ezequiel Ramos Mejía, who as Public Works Minister in the early 1910s advocated a project to industrialize the Patagonia, through railroad construction and city-building.

The electrification of the railroad grid to achieve high speeds, would become feasible through hydroelectric projects in the Santa Cruz River basin, or through the installation of CANDEM mini-nuclear reactors, which use a combination of lightly enriched uranium and light water, produced by the INVAP Company in San Carlos de Bariloche. Installation of these reactors would also serve to create development poles, “as India has done for several decades,” Cerón proposed. He noted how nuplexes have been successfully used in India, and that like Argentina, India chose to use natural uranium as fuel, in order to avoid being dependent on countries “which monopolize enriched uranium.” The CANDEM reactors would stimulate industrial growth, provide home heating and water desalination, all of which would contribute to growth of new population centers.

Argentina’s Crisis ‘Cries out to Heaven’

As positive as these proposals are, however, they don’t address the real causes of Argentina’s breakdown crisis—the bankruptcy of the world financial system—requiring the New Bretton Woods solution that LaRouche uniquely has put forward. It is in this context that an FDR-style infrastructure mobilization would work for Argentina.

Otherwise, there is no local solution that can reverse the destruction which the IMF’s criminal “fiscal responsibility” policies have wrought on the country’s physical economy, wiping out jobs, living standards, and essential health and social services. Absent this approach, Argentina’s disintegration is accelerating, as the government of President Eduardo Duhalde insanely continues its efforts to comply with International Monetary Fund demands for more austerity and elimination of any remaining vestiges of national sovereignty. The IMF has no intention of giving Argentina a penny, but continues to make demands that cannot be implemented. In its latest outrage, the Fund has ordered the government to abolish its state-run banks—specifically, Banco de la Nación Argentina and Banco de la Provincia de Buenos Aires—so that a “restructured” banking system can be run by foreign banks for their own usurious purposes.

Over the past 12 months, according to INDEC, 6.2 million more people have entered the ranks of the poor, at the rate of 16,856 *per day*. The indigence rate has doubled over the same



Argentines, who for decades had Ibero-America’s highest living standard and industrial employment, are reduced by the nation’s IMF-driven economic breakdown, to scavenging for food outside a McDonald’s in Buenos Aires. The sudden collapse of a decade’s “free trade” and privatization has made these scenes common nationwide.

period, adding 4.5 million more to this category, at the rate of 12,300 per day. These are people who are literally starving to death. While the government cannot find funds to pay for vital services, it has paid \$3 billion in debt service this year to the IMF, and other multilateral institutions.

To take this out of the realm of statistics, there is the painful example offered by retired Army Maj. Adrián Romero Mundani, president of the Movement for National Identity and Ibero-American Integration (MINeII), allied with Malvinas War hero ex-Col. Mohamed Alí Seineldín. Speaking at the Aug. 22-23 seminar “Mexico-Brazil-Argentina: The Hour of Integration; March Towards a New Bretton Woods,” held in Guadalajara, Mexico (covered in this section), Major Romero Mundani cited the case of a small starving girl, who,

before dying, asked her mother, “Mama, will there be food in Heaven?” The crisis exemplified by these recurrent scenes “cries out to Heaven,” Romero Mundani said. “People may starve when there is no food, but it is inadmissible that children starve when there is a surplus of food, because my country . . . can feed the hungry world.”

Children are indeed the most vulnerable. Seven of every ten children under the age of 14, are now classified as poor. That means that 4 million out of 5.7 million children have absolutely no access to the minimum market basket of goods and services. Undernourished and indigent children number 2.1 million, and it is a common occurrence for children to faint from hunger at school.

Because public schools provide subsidized meals, which are often the only food a poor child might get in a day, some of the worst cases of malnutrition are seen among preschool-age children, who have nothing to eat at home, and can’t benefit from subsidized school food programs. School officials say learning can’t even occur, since undernourished children can’t concentrate, or are too ill to do so. Budget cuts have also eliminated supplementary school food programs.

Rates of malnutrition among infants and children are soaring, as are cases of low birthweight among newborns, on a scale seen only in the poorest of countries. A survey of three hospitals in the working-class neighborhood of La Matanza, in Buenos Aires, revealed that among 6,889 newborns, 1,830—26.6%—showed symptoms of malnutrition, and another 17.8% suffered from other illnesses.

Driven to Madness

With the official unemployment rate now at 21.5%, the highest in Argentina’s history, yet also understated, it is hunger which drives former members of the middle class, including unemployed teachers and state-sector workers, to pick through the garbage in urban areas, or outside open air markets each night, in search of food. But the problem, one citizen reported, is “there’s not enough trash to go around for everyone.” If Buenos Aires mayoral candidate Mauricio Macri has his way, even this practice may be prohibited. He vowed on Aug. 27 that, if elected, he will arrest the poor who pick through the garbage, and “get them off the streets.” Why? They are guilty of the “crime” of “stealing garbage”! Circles linked to the fascist Mont Pelerin Society, are courting Macri as a potential Presidential candidate, portraying him as one of the “new breed” of politician Argentine needs.

The Aug. 6 *Washington Post* reported on an incident in which slum dwellers attacked and slaughtered cattle, roaming loose from an overturned truck that was taking them to market. Six hundred people quickly appeared on the scene with machetes and carving knives, shouting, “Kill the cows!” butchered the animals right on the road, and carted off the meat. One participant was later quoted, saying, “I felt like we’d become a pack of wild animals.”

Thousands of unemployed heads of households collect

plastic bottles, cans, and anything else they can find to sell, to buy food. But the 33% inflation rate this year places most staples out of their reach. In the first quarter of this year, the price of the monthly market basket of essential food items increased by 42.4%, while real wages declined by 25.5% between January and May.

Some desperate older and retired women have become prostitutes, because, as Argentine documentary filmmaker Rolando Grana told BBC news service, “They are women who have lost everything, who have no pension, and the only thing they can think of doing is overcoming embarrassment and prostituting themselves.”

Health Sector in Shambles

What was once Ibero-America’s premier health-care system, to which students from around the hemisphere flocked to study medicine, is collapsing. Where health insurance used to be almost universal, through trade union-managed programs, today 18 million people are without health insurance, and depend on public hospitals which are collapsing due to budget cuts. Even the most basic supplies are no longer available in the public hospitals, and doctors often use their own funds and credit cards to pay for such items as syringes, bandages, and latex gloves.

Since January’s peso devaluation, the cost of medicine, components of which are imported, has increased almost 200%. Official government expenditures on the health sector will drop by 15% this year. Also since January, per-capita health expenditures have dropped from \$650 to \$184, plunging the country that once had Ibero-America’s highest per-capita investment in medical care, into last place on the continent.

Argentina is the only Ibero-American country whose scientists have won the Nobel Prize three times, but the current crisis threatens to extinguish that tradition of excellence. One example is the project at the Italian Hospital in Buenos Aires, which has developed a bio-artificial device designed to keep children with liver disease alive long enough to receive an organ transplant. Because the government has ceased giving grants for scientific projects, the doctors and researchers have donated parts of their salaries to keep the project going.

As the *Washington Post* reported on April 26, the Italian Hospital project is unique, in that instead of focussing on adults, as is done in the United States, it tackled “a problem common in developing countries: children and babies with chronic hepatitis A,” who “often die before receiving liver transplants.” After funding cuts slowed down the project, 500 doctors at the hospital donated 1% of their salaries to keep it going. Project director Pablo Argibay said, “Every time you take money out of your own pocket to keep a project like this going, you think ‘I’m doing this for science, but also, for my country.’ The day we decide to give up on the search for higher knowledge, is the day Argentina admits it has no future. I, for one, am not ready to admit that.”