

## Argentina: Infrastructure for General Welfare, Not Profit

by Cynthia R. Rush

On April 27, when Argentine President Néstor Kirchner announced bidding on the *Plan Circunvalar*—a project to build a major railroad complex around the inland port city of Rosario—he also unexpectedly announced that bidding would soon begin on construction of a high-speed train connecting Rosario with the capital of Buenos Aires. At an anticipated cost of between \$600 and \$800 million, and a target completion date of 2009, the TAVE, as it is called, would be the first such “bullet train” in Ibero-America, and a crucial element in the Kirchner government’s National Railroad Modernization and Recovery Plan. The plan also includes a second rail line, although not a high-speed one, connecting Rosario to the city of Córdoba.

Kirchner’s announcement generated considerable excitement, and official bidding on the project was opened just a few days later on May 8. Most striking about his April 27 remarks was not the fact of the project itself, but the principle he identified that stands behind it. “Anywhere in the world you go, you can see that railroads are fundamental,” he said, “but their profitability isn’t financial.” Rather, “uniting the country through a modern, high-speed railroad is fundamental for the citizenry. . . . The country must be united by the infrastructure it needs!”

The *Plan Circunvalar*, that will facilitate overland cargo transport into Rosario’s port and rail terminals, is an example of a project that is “strategic” in nature, Kirchner said. It is “a policy of State” with the potential to transform this vital port city into “the São Paulo of Argentina,” (a reference to Brazil’s industrial center) for the benefit of the entire nation and its people. This is not just a local project, he underscored. “Rosario is Argentina.”

### Build for the General Welfare

For international financial centers, the Argentine President’s public assertion that infrastructure must be built as

part of a national project to integrate the country, promote economic development, and benefit the population, could not have come at a worse time. Just a few days later, on May 1, Bolivian President Evo Morales announced the nationalization of his nation’s oil and gas industry, setting off a wave of nationalist ferment across Ibero-America around the issue of sovereign control over natural resources and against the globalization and privatization policies imposed on these nations for decades.

The impoverished and relatively powerless Bolivia, by itself, doesn’t worry the financial predators. But as the global monetary crisis escalates daily, they *do* fear that the conceptual leadership Kirchner is providing to the informal “Presidents’ Club” of Ibero-American heads of state, could push the region in an entirely different and very non-linear direction. Exemplary was Kirchner’s pivotal role at the May 3 summit in Puerto Iguazú (Argentina) of Evo Morales, Venezuela’s Hugo Chávez, and Brazil’s Lula da Silva, in which the four leaders forged a strategy to stymie financier attempts to use the Bolivian nationalization to destabilize the whole region.

Taken in combination with the LaRouche movement’s offensive in the United States to force the Congress to reverse 30 years of globalization policies, and enact legislation modelled on Franklin Delano Roosevelt’s wartime mobilization to lift the United States out of the Depression, Kirchner’s leadership poses an ever greater threat to financial oligarchs’ interests.

Their panic that recent events are more than just a momentary upsurge was evident in the London *Financial Times*’s May 3 reference to a wave of “resource nationalism” internationally, which in the case of Ibero-America, it admitted, came in “response to failure to develop economically” and the “persistence of widespread poverty.” The financial daily desperately insisted that what Evo Morales did in Bolivia could not be compared to Mexican President Lázaro Cárde-



*Infrastructure development is on the agenda in Ibero-America. Here, the summit of the Presidents of (from left) Argentina, Bolivia, Brazil, and Venezuela, in Puerto Iguazú, Argentina, May 4, 2006.*

nas's 1938 oil nationalization, which caused "poor countries everywhere to rejoice," but rather "history repeating itself as farce."

### **Energy Is a Human Right**

Or so they hope. But the history of 20th Century Ibero-America, during which several governments founded state-sector companies to take control of oil and other natural resources, does not offer synarchist banking circles much comfort. Argentine Army Gen. Enrique Mosconi founded Ibero-America's first state oil company, YPF, in 1922 and then travelled around the continent encouraging other governments to do the same. The founding of Mexico's Petróleos Mexicanos, Brazil's Petrobras, Bolivia's YPFB, Colombia's Ecopetrol, and Uruguay's ANCAP followed in rapid succession, and Venezuela's PDVSA came somewhat later in 1976.

Mosconi became known as the "Mattei of Latin America," a reference to the founder to Italy's state oil company, ENI, Enrico Mattei. In a 1927 radio address, Mosconi observed that "the Argentine Republic is similar to that of other Latin American nations which are fighting to consolidate their economies and their moral and material progress. . . . [In this endeavor], oil plays and will play a vital role in the future, because it is the indispensable tool to promote and protect the growth and development of national industry, and thus continue the evolutionary process of our people, who, in the full expansion of their creative powers, have arrived at a positive well-being and consolidated their nationalism." Oil must be protected from "all influences which are not eminently nationalist; it is the base upon which future industrial organization will be built."

It's no wonder that *The New York Times* reported with great relief on June 28, 1993 that then-President Carlos

Menem's privatization of the profitable and productive YPF a short time earlier was a huge blow to the concept of state energy companies, which "historically . . . have been considered the crown jewels of any Latin American government . . . the patrimony of its history and the ultimate financial refuge from the pressures of international bankers and other foreign interests that threaten national security."

But now, Bolivia's oil nationalization has injected greater force to the paradigm shift that was already under way against the International Monetary Fund's free-market insanity, threatening to undo the privatization policies of the past 20 years. In Argentina, the demand that the Kirchner government re-nationalize YPF, now in the hands of the Spanish oil giant Repsol and known as Repsol-YPF, has intensified since May 1. On May 5, leaders of the Movement for the Recovery of a Directed National Energy Policy, MORENO, met with Kirchner and urged him to make a "revolution like Evo Morales," by reversing the deregulation and privatization policies of the 1990s, and reestablishing the model of state control over energy resources that Argentina pioneered.

Energy is not a "commodity," as the free market dictates, MORENO's leaders asserted, but a "human right and social asset." It is time to dump the "market system" once and for all, the group urged, and tell the foreign oil multinationals that their illegal, predatory practices, carried out under cover of "juridical security," will no longer be tolerated. According to a Bolivian military source, Evo Morales's deployment of 6,000 Army engineers to protect oil installations after the nationalization was motivated by a determination to hold companies like Repsol to account for their plundering, ensuring that executives wouldn't abscond with company books that the government intends to audit.

The Second Forum of Latin American and Caribbean

Energy Workers, held May 2-4 in Mexico City, also vociferously repudiated foreign looting. Hosted by Mexico's Electricity Workers' Union (SME), the conference emphasized that participants were not limiting their actions only to energy issues, "but to all the changes now taking place in Latin America." Demanding the right "to participate in the elaboration and implementation of national and regional energy plans," the conference's final document asserted that Ibero-America's energy workers have a special responsibility, given the strategic nature of energy resources, and agreed to create a mechanism through which to coordinate their actions continentally. José Rigane, the head of Argentina's Energy Workers' Federation (Fetera), who helped draft the document, warned that energy workers "are going to fight for state sovereignty, with the idea of taking back our national patrimony and preventing any privatization plans."

### **Time To Go Nuclear**

Given the price of oil and growing uncertainty over other fuel supplies, it is lawful that Ibero-American governments are also actively pursuing nuclear energy as a viable energy source. Nuclear energy was, in fact, the topic of one of the workshops held at the Mexico City conference.

Brazil and Argentina, both pioneers in the field, are already moving aggressively in this area, and the LaRouche Youth Movement (LYM) has launched a campaign to pull Mexico into the nuclear energy arena as well, despite President Vicente Fox's commitment to free trade. On June 15, the LYM will host simultaneous conferences in Mexico City and Buenos Aires, spearheading the continental offensive on the call to exchange oil for nuclear technology.

On May 5 in Brazil, Science and Technology Minister Sergio Resende inaugurated the government's industrial-scale uranium enrichment plant, describing it as Brazil's first step towards nuclear self-sufficiency. The investment in uranium enrichment will pay for itself in ten years, Resende told the press, "but the significance for our country's sovereignty is much greater." If the international nuclear situation were to worsen, he explained, "and there were to be a pact among countries not to supply uranium to others, we would become dependent." Brazil recognizes the need for a diverse energy base, he concluded, and pointed to the urgency of completing the long-mothballed Angra 3 nuclear plant.

Similarly, Néstor Kirchner has committed his government to completing the Atucha II nuclear plant, whose construction was halted 15 years ago. But he is also reversing the insane austerity policies of the 1980s and 1990s, which gutted the country's scientific capabilities and forced tens of thousands of scientists to leave the country to seek jobs abroad. In an April 28 press conference, Education Minister Daniel Filmus announced increased funding for scientists' salaries and for scholarships at the National Council of Scientific and Technological research (CONICET) in order to significantly expand the number of researchers and doctoral candidates.