

Argentina General Rips IMF, Rockefeller For Economic Sabotage

ARGENTINA

Argentina's leading military strategist, General Juan Guglielmelli opened a campaign to prevent monetarists in the Economics Ministry from deindustrializing Argentina. In a series of published statements, Guglielmelli, a retired Division General with strong prestige in the armed forces throughout Latin America, intervened against the International Monetary Fund program applied to Argentina by Economics Minister José Martínez de Hoz. Guglielmelli named Nelson Rockefeller as the mastermind of Martínez' schemes.

Guglielmelli is associated with the MID (Independent Development Movement), Argentina's second largest political grouping. Industry and working class organizations, as well as the nationalist military, have until now been waging separate, rearguard battles around issues defined by the hegemonic monetarist forces. Although he does not control any significant portion of the Armed Forces, Guglielmelli's anti-IMF campaign could rally a national coalition in defense of the economy.

The June 23 announcement that Argentina would fight inflation by eliminating protective tariffs, so that local industries would have to compete with a flood of manufactured imports, triggered Guglielmelli's initial remarks. According to the Buenos Aires daily, Clarín, the tariff-cutting gimmick was pledged by de Hoz in a letter of intent which he signed in order to receive IMF standby credits last year. Bankrupt Argentina is now asking the IMF for \$200 million more in debt rollover funds.

Last week, Guglielmelli published two articles denouncing "technocrats with vocation of international bureaucrats" who implement the policies of Nelson Rockefeller and the IMF.

He noted their efforts to dismantle Argentine industry were an extension of the "free trade" policies imposed by the British and their local agents on Argentina during the 19th century, and described the historical background of the fight for protection of national industry a hundred years ago as providing a lesson for today's defenders of national sovereignty.

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According to our economic policy makers, the tariff cuts serve a dual purpose, on the one hand to preserve in the present productive apparatus "efficient" industries, while eliminating all others. On the other, to contain inflation by facilitating the import of competing foreign products to provide "price ceilings."

In our opinion, despite the announced purposes, what is involved is much more transcendent and dangerous. It's a question of inserting Argentina in a foreign ordering based on the formula of Nelson Rockefeller: that each country should specialize "according to its greatest selective and relative efficiency." Under such a premise, our role will be to specialize in agriculture....

The medium term plan of the Economics Ministry postulates that the greater "relative efficiency of the agricultural sector gives it an advantage in the world market, which could be translated into an increase in agricultural exports... It is expected that there will be a major increase in imports of other goods (especially finished products) encouraged by the tariff cuts."

...The obvious implicit consequence is the underestimating of urban industrial sectors and the deterioration, or even liquidation, of our production of finished products... The tendency of international trade is for the prices of raw materials to fall or stagnate, while those of finished industrial products unceasingly increase.

...The imbalance described even falls on agricultural production, since agriculture inevitably must use industrial inputs. It's here that the supposed "comparative advantages" of our agro disappear in the face of the production of lands less favored by nature, but which are worked with mechanization and other technological contributions (fertilizers, herbicides, etc.) provided by their own integrated industrial structure.

The alternative chosen by the economic decision-makers also vetos the setting up or expansion of basic industries, since their starting up implies costs, and thus prices, above those whose industries of this type are already in full operation... National industry is thus checkmated from two directions. From one side by being forced into an unequal competition with foreign production. On the other by preventing the nurturing of its indispensable base, which is the internal production of intermediate inputs and capital goods...

Less Protection

As an anti-inflation mechanism, the tariff cuts on imports could cause a momentary drop in some prices.... But that transitory containment of prices will be achieved at a high industrial and social cost: the imported articles which displace the national one will restrict local production with a train of bankruptcies and resulting loss of employment. We also expose ourselves to the risk of imports at "dumping" prices whether to get rid of foreign surpluses or to wipe out our business and then buy them up at a miserable price, as has happened.

...Instead of encouraging competition from within, creating favorable conditions for our businesses (less tax pressure, cheap credit and basic inputs, increase in consumer buying power, expansion of the market, etc.),

even promoting real investment, they operate in terms of foreign competition. Is this procedure valid? The answer is negative....

Foreign Dependency

It is worth recalling once more, the Morgenthau Plan, drafted in 1944 to be applied to a conquered Germany. According to an unimpeachable source, W.W. Rostow, "the plan called for a restructuring of the German economy in such a way as to eliminate or reduce its component of heavy industry and turn the Germans back to agriculture and light industry in search for a modest and unaggressive subsistence." In the end the plan was rejected, partly because Germany, with the resulting economic weakness, would not provide an adequate

barrier to Soviet penetration attempts. Could we accept an economic structure similar to one which the Second World War allies considered applying to their unconditionally surrendered enemy? Would a productive apparatus thus disintegrated solve the Argentine problem?

The role of agricultural exporting country which we would be relegated to by the ending of industrial protection restricts our freedom of strategic action in regard to national security, creates grave vulnerabilities in regard to the power relations between the nations of the Southern Cone and, on the internal front, puts us up against a situation of permanent dissatisfaction and social agitation.

EXCLUSIVE

Romulo Betancourt — Nelson Rockefeller's 'Warrior For Democracy'

"The most destabilizing factor against the government of Carlos Andres Perez is not the Central Intelligence Agency, not the *New York Times* or those who are behind it...it is Romulo Betancourt." So wrote the widely read Venezuelan weekly *Resumen* June 19, correctly noting the concrete objective of Betancourt's recent efforts to get his man Luis Pinerua Ordaz nominated the Accion Democratica's candidate for the 1978 presidential elections.

My intimate friend for more than a quarter of a century...

—Nelson A. Rockefeller

Although Pinerua is given no better than a fifty-fifty chance in an honest July 17 election against Jaime Lusinchi, a supporter of Perez's economic development policies, *Resumen* predicted that "Within scarcely a month, the real political power of Carlos Andres Perez will have diminished considerably," and that Venezuela would be ruled by "three presidents:" Perez, Pinerua ... and Betancourt.

Twice president of Venezuela, now "president vitalicio" of the ruling social democratic party, Accion Democratica, Romulo Betancourt is widely credited with being the "father of Venezuelan democracy." In fact, he is neither a democrat nor a nationalist, but has belonged to Nelson Rockefeller throughout his public political career, now nearing 50 years of faithful service. It is he who has played a leading role in destroying every real development of democracy in Venezuela in the last half-century.

Betancourt's greatest political crime, prior to his current subversion of the government of Carlos Andres Perez was the overthrow of the progressive bonapartist regime of General Isaias Medina Angarita in October 1945. Like the Perez government today, the government of General Medina from 1941 to the 1945 coup was a *truly* democratic government in its battle to organize the Venezuelan population in defense of its right to progress and

industrialization. Betancourt actively led the military coup which overthrew the Medina regime and destroyed that opening for democracy. Then, as provisional president from the 1945 coup until 1947, Betancourt turned Venezuela over to the multinational oil companies and the Rockefeller family, and paved the way for the brutal Perez Jimenez military dictatorship in the decade that followed. This is the legacy of "democrat" Betancourt.

The charge against Don Romulo is not merely that he has served Rockefeller interests. Other national leaders throughout the world have found themselves — for reasons of ignorance, gutlessness, or opportunism — in that ignominious position at various points. But others have broken from Rockefeller when he has demanded the literal destruction of their nations. Romulo remains firm: his *outlook* coheres with the psychotic monetarism of the parasitical Rockefellers.

Don Romulo is an ideological fascist. His conception of "democracy" is the demagogic manipulation of an uneducated, lumpenized and peasant multitude in the tradition of Danton and Marat — the Jacobins who, in the name of the "people," massacred the republicans in the French Revolution.

Betancourt's demagogic populism is the very antithesis of real democracy and humanism, embodied in the republican form of developing an educated population around a policy of progress and growth for the nation as a whole. Indeed, if actual democracy is to survive in Venezuela today, the legacy of Betancourtian democracy — the mafia and boss-ridden parties that manipulate the fears and prejudices of the population against the national interests — must be destroyed. Unless Betancourt's control, both actual and *ideological*, is broken, that legacy will be turned once again against industrial development in Venezuela, this time to bring down the Perez government.

The antidote is simple, but urgent. An immediate vigorous and systematic education of the population around its actual interests of expanding industrial growth will rapidly destroy the basis for Betancourt's manipulation.

Towards that end, the Latin American Labor Com-