

Argentina's political parties battle the austerity policy of the IMF

by Cynthia Rush

On the eve of the International Monetary Fund's Interim Committee meeting in Washington, the coalition of Argentina's five major political parties—the Multipartidaria—shattered the image that the ruling military junta has been attempting to create: that the country is satisfactorily managing its debt crisis in coordination with the IMF and is even on the verge of an economic recovery.

On Feb. 2, the Multipartidaria issued a document challenging the junta to abandon its commitment to implementing the conditionalities included in the standby agreement signed with the IMF at the end of last year, and resolve those urgent political problems that stand in the way of a smooth transition to democratic rule scheduled to take place in late 1983 following national elections. The document charged that recent austerity measures implemented at the behest of the Fund—raising interest rates and public utility rates—represent a “new turning of the screws on economic and social policy . . . that establish grave conditionalities on the nation's march toward democracy.” Most astounding to the party coalition, the document asserts, is that these measures “award speculation and punish production . . . even while the country's foreign debt continues to grow with no valid official explanation.” In the 12 months following December 1981, a period during which Argentina was increasingly cut off from foreign credit, the country's foreign debt grew by almost \$7 billion to the present figure of \$43 billion.

The opposition document asserts that the crisis of the Argentine economy is the result of applying “monetarist policy, aggravated now by the commitments assumed with the International Monetary Fund.” Such policies have “served extranational interests, impoverished the country, and weakened it in its exercise of independent decision-making power.” The only viable alternative, the document continues, is “an immediate rectification in economic and social policy,” including increases in real wages, reactivation of the productive apparatus, real solutions to unemployment and combating the “economic causes” of inflation.

Aside from the sharp attack on current economic policy, the Multipartidaria also demands that those factions of the armed forces responsible for the monetarist destruction of the economy from 1976 onward, the excesses of the late-1970s war against subversion that created thousands of “dis-

appeared persons,” and the failure of the Malvinas War, be held accountable for their crimes.

Lines drawn

In the midst of a profound economic and political crisis, the Multipartidaria document hit like a bombshell. Not only did it expose the government's fraudulent claim to be reactivating the economy, it also dashed the junta's hopes of placing conditions on the transition to democratic rule. For months the junta has been trying to extract promises from the major political parties that the next government will not carry out Nuremberg-style trials or investigation of the crimes committed by the armed forces over the last seven years.

The government's initial response to the document, which it analyzed in a Feb. 4 emergency session, was defensive. Sources close to the junta reported that the generals were angered by the Multipartidaria statements and had determined, as a result, that all future dialogue with the political parties would exclude the issues that political leaders had identified as urgent: the “disappeared ones” and placing responsibility for the excesses of “dirty war” against subversion. The agenda for discussion, the junta revealed, will be restricted to “four or five” unspecified points.

Central Bank president Julio González del Solar, a former IMF employee, turned a deaf ear to the document's economic proposals. Just prior to leaving for the IMF meeting in Washington, he told reporters that the Argentine economy “shows clear and evident signs of reactivation,” including increases in real wages, and in exports and imports. At a time when Argentina is paying the highest interest rates in the world for new loans, and being told to put up its gold reserves as collateral, González del Solar had the nerve to say that there has been “an important drop in the cost of indebtedness.”

These responses represent a futile attempt to convince particularly the country's foreign creditors that the IMF's program can be implemented in Argentina. While in the United States for the IMF meeting, Finance Minister Jorge Wehbe will try to finalize a new loan package in the amount of \$1.5 billion from New York and Miami commercial bankers, and arrange refinancing of \$5 billion in short-term debt. He must be able to calm banks' anxieties about the country's ability to pay its debts and over the possibility that it would

consider such alternatives as forming part of an Ibero-American "debtors' cartel" to jointly renegotiate the continent's debt.

Concerned over the fact that political leaders such as Raul Alfonsín of the Unión Cívica Radical (RCR), a pre-candidate for his party's presidential nomination, and Juan José Taccone of the Peronist party have publicly called for the joint renegotiation of Ibero-America's debt, Wehbe told reporters on Jan. 26 that the idea of Argentina joining a debtors' cartel was "fantasy . . . Argentina should confront its debts with dignity and in accordance with its traditions . . . not only for ethical but for practical reasons. . . ." The finance minister chided the "poor in spirit" and the "pessimists" who criticize government economic policy, and expressed his confidence in the full recovery of the nation's economy in the framework of the program agreed upon with the IMF.

Destabilization plans

The military junta understands that it has no political backing for a program premised on the same monetarist looting of productive capacity that has characterized the country's economic policy since 1976. Even the London *Financial Times* reported in a Feb. 8 article that Finance Minister Wehbe will have a rough time with the U.S. bankers because he is having "increasing difficulty reconciling some of the IMF dictates with pressures from within his own cabinet, the employers' federation [the Argentine Industrial Union (UIA)—ed.], and the unions to modify some of the main planks of his economic program."

Nonetheless, the generals have decided to play hardball. They will do everything possible to destabilize the country economically and politically such that the next government will be unable to govern effectively—if at all.

A dangerous element in the junta's response is the decision to postpone the Vatican's mediation of Argentina's dispute with Chile over control of the Beagle Channel at the tip of the continent. Last week, following the death of Papal mediator Cardinal Antonio Samore, the junta revealed that it intends to let the mediation "vegetate" for the time being and let responsibility for resolving the dispute lie with the next government.

The interruption of the mediation, begun in 1979, is guaranteed to intensify tensions with Chile, and perhaps lead to an armed conflict. Rumors of troop movements in southern Argentina are already circulating in the country. To aggravate the situation, Chilean dictator Augusto Pinochet is scheduled to begin a 17-day trip on Feb. 14 that will culminate with a visit to Puerto Williams, the site of a Chilean airbase right on the Beagle Channel. Pinochet is expected to make provocative statements implying Chile's ownership of the channel during the visit which will, minimally, enrage the Argentine armed forces.

Argentina's opposition leaders understand that if negotiations with Chile are postponed and tensions allowed to build up through provocative acts on both sides, the next govern-

ment will be faced with an untenable situation when it takes power. As the daily *Clarín* noted on Feb. 6, the junta's strategy on the Beagle will create "new obstacles for what will surely be a fragile democratic government . . . that will find a country economically convulsed and with open wounds from the Malvinas War, from the 'disappeared' issue, among others." A high-level Argentine diplomat involved in the mediation noted that "to delay the decision now . . . could be very comfortable for those who will later accuse the constitutional government of betrayal and use the Beagle issue as an element for internal political destabilization."

Interview: Juan José Taccone

Argentine leader for joint debt action

Juan José Taccone, a leader of Argentina's Partido Justicialista and potential vice-presidential candidate in this year's elections was interviewed by EIR's Cynthia Rush on Feb. 9. Mr. Taccone, who had just returned from a European tour, has been active in his country's trade union movement for 40 years, holding positions in the commerce workers' union and the electrical workers' union, and serving as secretary-general of the light and power union. In 1973, he was named president of the Electrical Services Company of Greater Buenos Aires, and in 1976 helped found the America Latina 2001 Foundation. Currently he serves on the national directorate of the Peronist "62 Organizations" and is the international coordinator of the Office of Latin American Economic Information in Buenos Aires.

Rush: Mr. Taccone, you have just finished a tour of several European countries—Spain, France and Italy. What was the purpose of your trip, and how do European political and labor leaders view the situation in your country?

Taccone: The basic purpose of the trip was to explain the Peronist position—its principles and future positions—to the political forces of Europe and the United States. In this regard, we explained that Peronism is a strongly popular movement in Argentina that has carried out a profound social revolution, and is based on an alliance of values that unites people from diverse social sectors, but fundamentally workers. This is not simply a unity of interests, but a unity of great national and humanist values.

During the trip, we also observed the problems arising from an economic crisis imposed on the world by those monetarist and financial sectors who have planned recession to force the world into backwardness.

As for the views of Europe's labor and political leaders,

all of them are hopeful that Argentina will quickly achieve its institutional normalization. We consider it very positive that they reject anything that might postpone that institutionalization.

Rush: In Madrid you posed the necessity of Ibero-American unity and a joint renegotiation of the continent's debt. Can you elaborate your thinking on this point?

Taccone: We believe that the indebtedness of our countries originated with world financial sectors who at a given moment had liquidity available through petrodollar deposits and imposed their policies on those governments in the developing sector and especially in Ibero-America, that favored this easy money policy. As this was a global plan, we have determined after examining the foreign debt of our own country for example—where there is a discrepancy of \$6.8 billion in our debt not explained by the entry of loans into the country—that it is necessary to convene an Ibero-American conference, including a meeting of the Organization of American States, to discuss the problem of Ibero-America's \$260 billion in foreign debt, and propose a joint renegotiation. This situation was imposed on our countries as a collective process, and as an antibody, there must be collective response from our side.

Rush: Argentina's finance minister, Dr. Wehbe, recently said it was "fantasy" to think that Argentina would ever join a debtors' cartel. Both he and central bank president González del Solar appear determined to implement the program agreed upon with the International Monetary Fund. Will Argentina have to wait for a new government before there can be changes in monetary policy?

Taccone: Recently the *Multipartidaria*, representing the majority political parties or 90 percent of the country's votes, stressed the necessity of this collective action as well as the urgent necessity of changing the monetarist policy still defended by Dr. Wehbe and the president of the central bank. That declaration called for reversing a policy that every day brings Argentina closer to a process that can have no positive results. The inflation rate announced today for the month of January was 16 percent; that means that we are entering an ever more recessionary phase with rates that already approach hyperinflation. It is imperative therefore that this policy be immediately reversed and that restrictions of the type imposed by the International Monetary Fund be rejected.

Rush: The founder of *EIR*, Mr. Lyndon LaRouche, estimates that we have only weeks to forge Third World unity—and particularly the unity of Ibero-American nations—to form a debtors' cartel and force the advanced-sector nations to carry out needed reforms of the international monetary system. In this regard he emphasizes the importance of the New Delhi Non-Aligned summit in early March as a forum in which these proposals must be taken up. How do you view this situation?

Taccone: I would say that we have little hope that, in spite

of our fight, those sectors now ensconced in power in this country will carry out these urgent changes in policy. Of course we will continue fighting. From the day that I returned from my trip, I have been continually insisting in my statements and in the reports that I give within my movement on the need to take immediate collective action with the countries of the Third World, and to have Peronist observers at all the [international] forums that take place from here on.

Rush: Historically, what is the origin of the notion of continental integration developed by your party?

Taccone: Until the time of Perón, the concept of Ibero-American integration was essentially denied us; the idea was always that our country was simply a European country, integrated with Europe. But this didn't refer to the Europe from which we originated—that is the Europe of many of our Spanish and Italian immigrants. This was considered too mediocre. Rather it was the Anglo-Saxon plan conceived by British imperialism. That was the European project that our oligarchy bought in the field of economics. And for reasons of status, they also bought French literature. This is what distorted Argentines' understanding—originating from within our schools—of what its mission of brotherhood must be with other Ibero-American nations.

When Perón entered Argentine politics, he began to talk of a third position vis-à-vis imperialism, and he formulated the necessity of Ibero-American unity. That was his constant espousal which in the later period took the form of a warning, a message to the continent's youth that if by the year 2000 Ibero-America were not strongly united, it would be irreversibly enslaved. This idea also provoked a strong popular response from the Ibero-American people, and today the immense majority of the Argentine people are imbued with this concept of continental unity.

Rush: If Peronism wins in the next elections, what specific means will it use to achieve these goals? I know that you have had extensive experience in the field of energy, for example. What form will cooperation among Ibero-American nations take?

Taccone: Aside from the unity of the popular parties of the continent to achieve common goals, we feel there must also be a unity of Ibero-America's labor movement to achieve common demands such as minimum levels of consumption for all the peoples of Ibero-America, that will also unite us in the perspective of the equality that must exist among all men.

Otherwise, we understand that there are fundamental Ibero-American infrastructural projects that can unite us. One essential one is the plan to integrate the Orinoco, Amazon and Rio de la Plata basins. This would achieve the fluvial integration of Ibero-America, and at the same time integrate it in terms of energy production. That would mean a great savings of fuel and allow an enormous energy development. It would also permit the colonization of Ibero-America's

lands that would allow us to expand food production.

This is a vital project. There is no doubt that there could then be development of minerals—in Venezuela, Brazil, Bolivia, Argentina, and Chile. And to this we can add the concept of integrating our own country from the stand-point of populating our empty spaces. Argentina must open its frontiers in an expression of solidarity with its Ibero-American brothers. Argentina currently has over 1.6 billion hectares in colonizable lands; it now cultivates only 20,000 out of a potential 70,000 hectares of arable land; it has large reserves of food and energy, and can contribute enormously to the process of Ibero-American integration through its own development.

Rush: Over the past week, the military junta has decided to postpone the Papal mediation in the dispute between Argentina and Chile over the Beagle Channel. How will that decision affect the country's internal situation, and what do you propose as a solution to that dispute?

Taccone: The postponement of the Papal mediation is not to our liking. We believe that the criteria outlined by the Pope to resolve the dispute should have been ratified; but we also support the idea of expanding those criteria in the sense of returning to the plan proposed by Peron and Chile's General Ibañez in 1952, in which they agreed that within five years they would eliminate the borders between Argentina and Chile. Given the problems that both countries have today with their national production, I would propose that a deep-water port be built on the Pacific [in southern Chile—ed.], another deep-water port be built on the Atlantic, and a highway of a distance of no more than 1,000 kilometers built between them that would unite the two oceans and open the ports to use by either country. This is the path to brotherhood, and to destroying the "Balkanization" plan imposed on both our countries by British imperialism. Our answer must be the elimination of frontiers, and integration with brother countries.

Rush: If this dispute is not settled, how will it affect the internal situation, and what are the implications for the next government?

Taccone: Like other urgent problems, if this is not resolved it will further aggravate the tasks of the next constitutional government; from the very first day that government will find itself imprisoned by a series of urgent problems aside from the serious economic, political and social problems caused by the past seven years of non-government.

Rush: How do you perceive Argentina's relation with the United States, and what type of relation would a Peronist government seek?

Taccone: We think that we should start from the premise of a real friendship with the United States. What we want however is for financial sectors of the United States to stop interfering in the internal problems of our countries, the way that Mr. Rockefeller has been doing during the past seven years,

and imposing policies on our nations. We believe in political brotherhood with the United States and we have friends there. We believe that we have to develop that friendship, but we're convinced that it will only consolidate itself when the forces of world monetarism are also defeated in that country.

Rush: Last October, a new institution—the Club of Life—was created in Rome at the initiative of Mrs. Helga Zepp-LaRouche, to oppose Malthusian policies as expressed in the conditionalities imposed by the IMF for example. At that time Pedro Rubio of the Colombian Workers Union [UTC] proposed the creation of a North-South Labor Committee within the Club of Life in which workers from the advanced sector would unite with developing-sector workers around a program to foster the industrialization of both and in defense of the proposals put forward in [Lyndon LaRouche's memorandum] "Operation Juárez." Is there support in the Argentine labor movement for such a proposal?

Taccone: I am certain that once the Argentine labor movement is informed of Compañero Rubio's proposal, it will support it because the Argentine labor movement has always been present in every action and discussion that intends to guarantee the development of our peoples. We observe with great concern those theories proposing limits to growth, de-industrialization, or those that might mean the imposing of a new monetary system behind our backs. Workers in particular believe that we have the right to participate in all discussions on the development of our nations. So Compañero Rubio's proposal seems very positive to me, because that working men, from the industrialized nations as well as from the developing nations, can sit down to discuss these issues. This moment is right for this. Perhaps a few years ago, our trade-union friends from the advanced sector feared discussion with us. But today they are experiencing the same crisis as we are, and confronting the same interests of backwardness that we have confronted and continue to confront. That is why I believe that Compañero Rubio's proposal is more positive than ever at this time.

Colombian press: 'Club of Life vital to Third World'

The following article by Jaime Sanin Cheverri was distributed by the Colprensa news agency. It appeared in El Colombiano in Medellín on Feb. 3 and La Republica in Bogotá on Feb. 4, and elsewhere throughout Colombia. The author is the publisher of Arco magazine, a member of the Colombian Academy of Letters, and a close friend of President Belisario Betancur. The article was titled "The Club of Life." Subtitles have been added.

An international conference of the Club of Life will be held in Bogotá on Feb. 18. This is a newborn institution, one founded in Rome last Oct. 21 under the special direction of