

tended on Jan. 25: "The time has come to restrict debt service exclusively to revenues from non-oil exports," which are only about 15% of Mexico's exports. The leader of Mexico's industrialists recalled that his Canacintra has fought for years for that solution, "just as Peru is doing now."

In the back rooms of Mexican politics, the labor movement, the most powerful constituency of the ruling Revolutionary Institutional Party, is conspiring to make sure that the 1988 presidential succession goes to a nationalist and to block President de la Madrid from further imposing IMF policies.

Mexico's strongest union, the oil workers, has started publicly attacking de la Madrid to keep him from dismantling or even denationalizing the state oil entity, Pemex. Union leader José Sosa remonstrated the President in early January, "We are up to our ears in debt . . . without state budgets for public works; everything suspended in the country; the banks without money; a day's minimum wage buys only a kilogram of meat; every day there are more unemployed who have to hustle or rob." Mexico's Pemex has gotten back so little of its oil revenues that maintenance and equipment replacement have been cancelled, leading to fires, explosions, and reduced pumping capacity.

Sosa urged the President, "Save Pemex, which is about to collapse, because if Pemex sinks, you sink, we all sink, the country sinks." That is strong language to be told to a Mexican President.

While Citibank's William Rhodes pronounced in London, on Jan. 27, "Mexico has been responsible and we expect they'll continue that responsibility," other bankers are fearful. The *Wall Street Journal* quotes one New York banker with big loans to Mexico: "What's the impact of falling oil prices on Mexico? I don't know. I've been too busy adjusting my parachute. I'm on the 22nd floor."

Venezuela and the García option

Venezuela should "take a position like that of Peru, of paying only 10% of the value of its exports for debt service," Cesar Olarte, secretary general of the Confederation of Venezuelan Workers, told the daily *El Nacional* on Jan. 23. He insisted the government do that, rather than compensate for the collapse of oil prices by further cutting the living standards of Venezuelan workers.

The oil shock woke up a complacent Venezuelan labor movement, which has taken a coherent stance on the debt for the first time in its history. In late January, several union federations signed telegrams drafted by the Schiller Institute Labor Commission, an international organization founded 14 months ago to fight for a New World Economic Order, supporting the leaders of the Jan. 24 Argentine general strike, in their fight for all countries to follow Peru's debt policy. Labor began to act days after the Venezuelan bishops issued a document describing the "drama of the unemployed and their families," and the "alarming fall of real incomes" of employed workers.

Argentine strike shakes IMF regime

Argentina's three million unionized workers shut down the country on Jan. 24, with a general strike which their General Confederation of Labor (CGT) said was 97.4% effective. The CGT proclaimed, "The general strike has been, as we had foreseen, a popular referendum against the subordination of our economy to the demands of the International Monetary Fund. . . . The people have given a definite *no* to the socioeconomic policies" of the Alfonsín government.

The strike's leader, CGT president Saúl Ubaldini, a Catholic and a Peronist, declared: "When capital puts itself in the service of the economy, and thus of man, devotes itself to producing rather than speculating, understands that property has a social function, then we are not enemies of capital." Ubaldini's statements unmistakably echoed the words of Joseph Cardinal Ratzinger to reassert the primacy of moral law in economics, during the December 1985 Extraordinary Synod in Rome—an event which has a profound and growing impact in Ibero-America.

The CGT's strike call clearly spelled out the approach Argentina must take to solving the debt crisis now ravaging every nation in the Americas: "Until the government takes a clear and dignified position, as the President of Peru took with valor and patriotism, the position of the Argentine workers will be constant resistance to the looting of the product of our labors and of our goods."

This statement was dramatized by posters put up by the youth movements of all opposition political parties, posters which showed a little girl imploring, "Dear Fatherland, Give Me a President Like Alan García." Peruvian President Alan García set a policy of not paying more than 10% of export earning for debt service.

The "democratic" regime of Raúl Alfonsín blacked the CGT statement out of all the press, while filling the media with allegations that labor leaders were providing pretexts for the overthrow of democracy.

The strike action was provoked by Alfonsín's applying what Chemical Bank vice-president Terrence Canavan called "the most dramatic monetary reform in Latin America" and paying billions of dollars in interest which has helped bankrupt U.S. banks to report profits. While food prices have risen 59%, according to government calculations, since last

June's "wage-price freeze." Alfonsín refuses to give more than a 5% wage increase. Unemployment has risen by 58%, according to the CGT.

Most Argentines allowed themselves to be fooled into complacency when Alfonsín installed his "Austral Plan" on June 14, 1985 as a "shock" program to end inflation. As an Argentine banker mused, "Before we had inflation and no growth; now we have no inflation and no growth." Key economic indicators show he was being generous.

Labor leader: No to orders from Rockefeller

Saul Ubaldini, 49, is a newcomer to Argentine labor leadership. In four months at the head of the General Workers Confederation (CGT), he has upstaged the old guard of Peronist union leadership, debilitated by decades of back-room intrigues, with his open manner toward the public and with his humility.

From the balcony of the labor headquarters Jan. 21, Ubaldini urged on 1,000 strike delegates from all over the country "to fight to confront the IMF. . . . The labor movement does not take orders from Rockefeller. . . . The CGT is the battle trench of the fatherland and the voice of the people; and governments which don't listen to the voice of the people better watch out because they are forgetting the voice of God."

From an interview with the Spanish wire service EFE, on the eve of the general strike:

Ubaldini: Most of the money the foreign banks demand from us as alleged foreign debt is deposited in the same creditor banks, which irresponsibly loaned to speculators from one window and received the money back in the other. The working people had nothing to do with that. However, the government made official the entirety of the debt and committed the efforts of all Argentines to pay it.

If Mr. President does not change the course of his economic policies, economic and social disaster will be inevitable; it's a question of mere survival. [The CGT proposes setting a term during which Argentina will not pay interest abroad, so those resources could be applied to internal economic development—ed.] Other solutions, on our part, are neither possible nor realistic. The creditors will have to accept it, if they want to save something of the adventure they embarked on by financing an unconstitutional regime.

EFE: If Argentina acts unilaterally on the debt, might not

● *Cement* consumption in 1985 was 11.8% below the previous year and 35.1% below that of 1980. Sixty-one percent of capacity was idle.

● *Steel* consumption was down 38% from 1984.

● *Retail sales* in December were 27% below the previous Christmas season, the Buenos Aires Federation of Commerce reported.

● *Tractor sales* were down by 35% from 1984, which demonstrates that the impoverishment of urban workers was

angry international creditors blockade it?

Ubaldini: Aren't we already blockaded? Our industries are shut down or working at minimal levels; credit is managed by the creditor banks; unemployment has reached alarming figures; could a blockade produce more devastating effects?

[The CGT is anti-capitalist] if capital is the accumulation of money for speculative purposes. If by capitalism is understood a supranational power which decides the future and the development or the misery of the peoples, without consulting their opinion or respecting their will, we are anti-capitalists. When capital puts itself in the service of the economy, and thus of man, devotes itself to producing rather than speculating, understands that property has a social function, then we are not enemies of capital.

Ubaldini told Radio Rivadavia on Jan. 27:

If we go back for a round of conversations [with the government and businessmen], we will never exclude the Church. The Church would not be involved as a sector but to provide spiritual aid. . . . We have worked with it in difficult moments and at difficult moments, the Church is present.

Excerpts from an interview with La Semana weekly, published Jan. 22, shortly before the strike:

Semana: Do you still think the foreign debt does not have to be paid?

Ubaldini: I say that it is not possible to pay the presumed foreign debt with the hunger and misery of the people. The CGT affirms that a moratorium is necessary to permit first the recovery of the economic apparatus, to then be able to deal with those foreign commitments which were "genuinely" contracted. To determine the legitimacy of the debt is the job of Congress, not the Executive.

Semana: Do you think the Baker Plan holds any solution for the workers?

Ubaldini: For me it is a solution neither for the foreign

not for the benefit of agriculture as was alleged to have been the case in previous Argentine wage-cutting operations.

David Rockefeller visited Alfonsín on Jan. 14, to express his "great admiration" for what he had done to Argentina so far, while privately ordering him not to yield an inch to the strikers. A few days later, International Monetary Fund headquarters in Washington informed Alfonsín's emissaries that it was holding back \$235 million scheduled to be loaned to Argentina in late January to make sure Alfonsín ignored the

debt nor for the workers. It is an analgesic for a disease which really needs surgery.

Semana: What do you think about the fact that many North Americans say "that Argentina could be a model country" for them?

Ubal dini: Look, the CGT intends for Argentina to be a model country. But for the Argentines who live and work here. . . . The strike . . . is a valid step to get us out of the straitjacket which, with government acquiescence, the IMF put on us. . . .

Semana: What conditions does the CGT demand to go back to the negotiations table?

Ubal dini: With a stagnant economic policy like the one the government has adopted which is committed to foreign demands from international usury, there is nothing to negotiate. Simply because the right to social justice never will be material for negotiation. . . . The government's economic policy froze wages and increased tax pressure for the sole objective of the state paying, with the sacrifice of all, interest on the supposed foreign debt. All this in an economic context in which financial speculation did not lose its privileges.

Other voices

The president of the Radical Youth, the youth movement of Argentine President Alfonsín's Radical Party, told the daily *La Capital* of Mar de Plata on Jan. 26 that Argentine society is politically prepared "to face the consequences which could come from taking a severe decision to resolve in some fashion, the conditionalities imposed by the payment of the foreign debt. The foreign debt implies a draining of foreign exchange, which cuts off the possibility of economic growth. . . . No solution of this theme can be taken by a country as an individual, but this must take place in the context of the integration, cooperation, and solidarity of Latin America."

"We are the only ones exercising democracy; and, to those who want to accuse us of destabilizing, let their little ears hear that this is a general strike and not a strike for any general."

strike and then applied even *greater* austerity and sold off more state-financed enterprises to speculators.

From the balcony of the labor headquarters, Jan. 21, Ubal dini called on 1,000 strike delegates from all over the country "to fight to confront the IMF. . . . The labor movement does not take orders from Rockefeller."

In Argentina, as elsewhere, the power of the organized labor movement has been sapped by labor leaders who, at best, look out only for the narrow interests of their own members. In this, the CGT's most successful strike in more than a decade, the CGT made clear it was fighting not just to regain the 30% of the wages which have been stolen from salaried workers since June. The CGT strike call proposed that Argentina tell creditors that, for a certain number of years, instead of using 40% of the country's export earnings to pay \$6 billion annually in interest on the foreign debt, that money would be better used for internal economic development.

The response of the majority of Argentines who are not union members was markedly different from what it had been to the three previous strikes called by the CGT in the last two years and to the significant electoral victories given Alfonsín's Radical Party in November's elections, which he considered a "mandate" for his policies.

La Razón, the daily which most supports the government, expressed the view on Jan. 25, "What is worth stressing was the extremely broad support which the act of force obtained in the middle layers of the population. In the face of such a definitive demonstration of rejection of the official economic policy," *La Razón* concluded, "it would be ingenuous to think that all could remain just like it was before."

While Alfonsín declared, "The strike is irrelevant," major chunks of his political base crumbled out from under him. The Buenos Aires Federation of Commerce announced it would violate government orders that strikers lose the day's pay. The president of the youth movement of his own Radical Party, Carlos Raimundi, argued on Jan. 26 for "a severe decision" radically changing the conditions of the foreign debt to be taken "in the context of integration, cooperation and solidarity of Latin America."

To consolidate the broad support for its leadership into a force capable of extracting Argentina from the jaws of the IMF, the CGT is convoking a Congress of National Unity for late February. Business, political, and social groups are already excited about helping forge an economic reactivation plan to impose on Alfonsín and the national Congress. The real coup is that CGT head Saúl Ubal dini is inviting the Church to participate in his congress and in whatever further talks the labor movement has with the government and business. Ubal dini commented on Jan. 27, "The Church will not intervene as a sector but will provide spiritual aid." Although it is up to the bishops to decide on participation, the head of the Social Pastorate, Monsignor Di Stefano, emphasized that his team is always willing "to mediate understandings between parties in conflict."