

García's call to unity in Argentina rattles bankers

by Cynthia Rush

"Finally, someone introduced reality into the situation here. . . . We're tired of ideologies. For three days, García took over the country. It was as if *he* were really the President, not Alfonsín."

This was the way one political observer in Buenos Aires described Peruvian President Alan García's official three-day visit to Argentina, March 14-16. It is this reaction, expressed by members of Argentina's Peronist movement, the CGT labor federation, and even the ruling Radical Civic Union (UCR), that had Ibero-America's major creditors sweating profusely in New York, London, and several European capitals. One wire service remarked that during his visit, García had "captured, with his ideas, the attention of both Argentina's government, and the opposition."

The international banking community knows that its grip on Ibero-American debtors is precarious. The world economic crisis, and the years of the International Monetary Fund's usury, make foreign debt payments impossible, despite the threats, blackmail, and political destabilizations which creditors and the U.S. State Department are now directing against virtually all debtors.

The inability to continue tolerating the IMF's murderous conditionalities, which threaten economic and political stability, as well as human life, is driving debtors to seek alternatives to the existing bankrupt monetary system. One of those alternatives is *Operation Juárez*, the document authored by Democratic Party presidential hopeful Lyndon H. LaRouche, Jr. in 1982, in which he proposed the creation of a debtors' cartel, an Ibero-American common market, and new regional financial and credit mechanisms.

At this critical juncture, Alan García chose to travel to Argentina, to persuade his neighbors to act now to create a unified Ibero-American power bloc, along the lines of *Operation Juárez*. He came armed with a packet of proposals for economic defense, including the idea of expanding the existing Andean Reserve Fund to become a "Latin American Monetary Fund," and the proposal that Ibero-America have

"a common currency," which "would not be a paper bill," but a compensatory system, to allow for regional trade without depending on a foreign currency.

The Peruvian President, who has prohibited IMF visits to his nation and limited foreign debt payments to 10% of Peru's export earnings, had already won the respect and admiration of Ibero-America's population. But the overwhelming response he received in Argentina was without precedent.

After witnessing the success of this trip, Henry Kissinger's banker friends are madly trying to sabotage García's trip to Panama, set for early April. The Panamanian labor movement has just finished a nine-day general strike against the IMF; nationalist feeling in the country is explosive.

For three days, García addressed all sectors of Argentina's political spectrum—in the national congress, in private meetings with political and labor leaders, and spontaneously on the streets and from his hotel balcony—and provoked a tumultuous and emotional response to his call for Ibero-America's programmatic unity. Having witnessed their own President, Raul Alfonsín, succumb to the dictates of foreign creditors, Argentina's population and political leaders responded with unchecked enthusiasm to García's repeated call for Ibero-America to show the "voluntarism" to stand up to the "evil" IMF, and to unite as they had done at certain crucial moments in their past history.

Using, what is for all Argentines, the emotionally charged issue of Great Britain's illegal re-occupation of the Malvinas Islands in 1982, García likened Ibero-America's foreign debt burden to a "territorial occupation" by a foreign invading force. Speaking in the northern city of Salta on March 16, where he was greeted by 35,000 people, García said that this occupation "without weapons, but with the same deadly efficiency . . . destroys our industries, takes food from our children, and work from our citizens." In the face of this challenge, the Peruvian President stated, "We can give only one answer: to know that in Latin America, and in any threatened nation, there is a Malvinas conflict to be resolved."

Are there risks involved in forging continental unity? Yes, he told members of the national congress in a March 14 speech. But these are the same risks taken by the patriots who fought for the independence of Ibero-American nations, and built their political institutions. "Would they have done it, if they had asked themselves, as many now ask us, 'What will happen if we become the protagonists of our historical destiny?'"

Thirty-four times during that speech, congressmen interrupted García with applause, and often with standing ovations. The halls of Congress were packed, while 2,000 people demonstrated their support outside, and García's speech to the Congress was broadcast over a loudspeaker system from his hotel. After he left the Congress, before getting into his car, the tall Peruvian President mingled with the crowd, shaking hands and greeting the supporters who surrounded him. This scene was repeated again and again during the trip.

Later, from his hotel balcony, in a spontaneous address to citizens gathered below, he said, "We should fear no one, and nothing, in the creation of the Great Fatherland," and warned that "any aggression against a country because of the debt, will be taken as an intervention against Latin America."

Sour grapes

Aware of the impact that the Peruvian head-of-state could have in Argentina, where the IMF's "Austral plan" has made Raul Alfonsín dangerously unpopular, foreign interests and other pro-IMF elements within the government tried to create mistrust in the country against García, even trying to cancel the trip altogether.

Foreign ministry sources lied to Alfonsín that García secretly planned to aid the opposition to the government, led by the Peronist party, or trigger a coup. Hard-core defenders of the IMF from the Radical Party who met with President García, emerged from these meetings apparently unaffected by the Peruvian's leadership. Foreign Minister Dante Caputo, a Socialist International asset who meets with Henry Kissinger on every trip to New York, sniffed: "The Peruvian solution to the debt issue has been judged inconvenient for Argentina, by the government of President Alfonsín. . . . Our purpose is to remove from the debt problem all demagogic components, letting our voice be heard, but without proposing confrontation."

These petty efforts to contain García's impact on the population failed. A particularly warm reception was accorded him by leaders of the Peronist movement, and the CGT trade union federation, who see close parallels between García's nationalism and that of their founder, Juan Domingo Péron.

The CGT, under the leadership of its secretary general, Saul Ubaldini, has repeatedly denounced the Alfonsín government's submission to IMF policy, and mobilized several million workers in general strikes against it. Its next general

strike is planned for March 25, to protest the wage-slashing policies of the "Austral plan."

On March 15, Saul Ubaldini met with García at the latter's hotel, and then told the press, "Alan García has spoken sincerely to all Argentines, and has put forth the guidelines of one who loves liberty. . . . We have spoken of the drama which payment of interest on the alleged foreign debt could bring, [because] it does not permit reactivation [of the economy] for the attainment of social justice." Ubaldini also announced that he and the Peruvian President had discussed summoning a meeting of all Ibero-American labor leaders, to be held in either Lima or Buenos Aires, before June of this year.

García also met with most of the top leadership of the Peronist movement in Buenos Aires; and in Salta, on the last part of his trip, he held an unscheduled meeting with a group of Peronist governors from Argentina's northern provinces. At that meeting, Salta Gov. Roberto Romero presented Peruvian Foreign Minister Alan Wagner with several proposals on Argentine-Peruvian cooperation. The Peronists recommended that Argentina sell Peru food, tractors, and other agricultural machinery and that government-to-government contracts be signed with a special focus on development of Argentina's northwest, Bolivia, and southern Peru.

Bilateral agreements

The final communiqué, signed by both Presidents, reflects García's thinking on a number of key programmatic points, despite Alfonsín's efforts to keep his distance from the Peruvian President. The document states: "In the framework of the solidarity of the region's debtor nations," the two countries "agreed to give reciprocal and effective support to any measures relating to the foreign debt adopted by either of them . . . and to seek formulas allowing for the creation of a Latin American mechanism for support for balance of payments, taking as a base, the experience obtained by the Andean Reserve Fund."

The document places special emphasis on "food security for the nations of the region," noting Peru's willingness to seek a regional assistance agreement for any food emergency. The communiqué also states that both heads of state believe that "new forms of cooperative mechanisms could consolidate the basis for establishing a network of regional economic security," which would permit reciprocal assistance among member nations, in the event that any nation were the victim of "economic aggression." This proposal was first raised by the Latin American Economic System (SELA).

The two Presidents also agreed that Argentina will continue to provide Peru with technology for its nuclear industry, and to explore "new areas of cooperation in the area of the peaceful uses of nuclear energy." Argentina will complete the projects now under way at the atomic center in Huarangal, Peru.