Now, Argentina is importing meat

Another crime of U.S. Federal Reserve chairman Paul Volcker, who helped impose the Austral Plan.

You may not believe it, but Argentina, formerly one of the world's major meat-producing countries, now, on the eve of the first anniversary of the launching of the famous "Austral Plan" of President Raúl Alfonsín, has begun to import meat.

In fact, the Alfonsín government has just authorized importing 5,000 tons of chicken from Brazil, and will import 5,000 tons more in the next month. At the same time, Argentina has begun to import lambs from Uruguay, and it is reported that the Economics Ministry is now studying the possibility of importing beef from the European Common Market.

The implications of this situation go far beyond Argentina itself, since Argentine agricultural products are key to the survival of other nations, particularly within Ibero-America.

The cause of this situation is the Austral Plan, which was negotiated under the table, with the officious aid of U.S. Federal Reserve Board chairman Paul Volcker, to pay war reparations for the 1982 Malvinas conflict.

The Plan, fraudulently advertised as a "heterodox" solution to the problems of a debtor nation outside the strictures of the International Monetary Fund, brought in a new currency, the *austral,* and pretended to make concessions to the populace by means of a wage-price freeze.

The measures of the Austral Plan have provoked a drastic drop in Argentina's agricultural production, at the same time that the Plan has raised the domestic price of meat by increasing the production costs, with very high interest rates.

Although the alleged aim of the Austral Plan is to hold down inflation, reality is that inflation has gone up, reaching truly astronomical levels.

Despite the brutal recessionist measures imposed by the International Monetary Fund, the rate of inflation achieved this year shows that the "anti-inflationary" effects of the Austral Plan, which will have been in effect one year on June 13, do not exist. Between January and February inflation went up at a monthly clip of 3%. In March, it was 4.6%; in April it grew at the rate of 5%; and in May, in *just the first three weeks* inflation reached 4.4%, and could climb to 6% for the month.

As for industry, the situation keeps getting worse. Already in the last quarter of 1985 the Gross Industrial Product had suffered a record descent of 15.7% in only three months. Today, Argentina has a Gross Industrial Product equal to that of 13 years ago, and the per-capita GIP has dropped to the level of 1970.

The fall in industrial production has been worsened by the very tight money policy, which has provoked high interest rates that impede reactivation of the economy. During May, the interest rates paid by the Central Bank for the so-called "treasury letters" mounted to 4.75% monthly for operations of $7,000 and up.

For figures below $7,000, the interest rate on fixed-term deposits is 4% monthly. Moreover, corporate and private borrowers have to pay the so-called "interbusiness circuit" which is 7% monthly, if they are top businesses, and make a reserve deposit in dollars or government bonds.

The medium-sized and small businesses, which don't have dollars or government bonds as guarantees, pay a monthly interest rate that runs between 8% and 15%. In addition, when the top firms get behind in paying their vendors, the latter charge interest rates of 9% monthly on the back debt. This figure is higher yet when the debtor company is of smaller size.

These interest rates and the fictitious stability of the austral/dollar exchange rate imposed by the government have reintroduced the notorious "financial bicycle" practiced during the era of Treasury Minister José Martínez de Hoz, a good friend of Henry Kissinger and the international banking fraternity who has so far managed to stay out of jail despite his key role in the abuses of the former military regime.

Any foreign or national investor can exchange his dollars for australs, lend the australs at these exorbitant interest rates, get back the australs after one, two, or six months, and return to buying dollars with them or take them out of the country.

Riding this bicycle, for every $100 which in the past 11 months of the Austral Plan came into the country as short-term loans, the speculators extracted between $160 and $200: that is, an annual financial "profit" of 60-100%.

It is calculated that the "financial bicycle," invented by the wizard Martínez de Hoz and reiterated by the wizards of the Austral Plan, has already cost Argentina about $1 billion in the first five months of 1986.