

the money supply, and maintenance of positive real interest rates. Wage increases will be limited to between 3% and 4% a month, and price increases and increases in public-utility tariffs to 3% in September and 2% in December.

The new measures aren't expected to keep the lid on the explosive economic crisis. What the IMF's free-enterprise cultists are demanding now is the right to squeeze the last ounce of loot out of the population, which they call "opening up the economy." As conditionalities for a new standby agreement, negotiations for which are now under way, the IMF wants Argentina to lift all restrictions on imports, remove other mechanisms which protect domestic industry, and allow greatly increased foreign investment, especially in the extractive industries like oil.

The government has also just presented a project to capitalize a portion of its foreign debt, allowing creditors to convert debt into equity in state-sector companies which are slated to be "privatized." Industry and Commerce Minister Roberto Lavagna, the only Peronist in the cabinet, swears that the debt capitalization project will not hand portions of the economy over to foreign interests, because it includes stipulations for "fresh funds" to be provided for private investors. But underneath, it is nothing more than Henry Kissinger's plan: You can't pay your debt, so give us your country instead.

Drugs legalized

The Argentine Congress is abetting this process of cultural and economic decay.

In late August, the Senate approved a bill which legalizes the "acquisition and possession of drugs for one's own immediate consumption, when the quantity and the means do not jeopardize the health of third parties." The law, which was subsequently approved by the lower house of Congress, removes all penalties from the cultivation of plants used to produce drugs, the purchase of raw materials or elements needed for their preparation, or import of these drugs into the country, as long as the quantities are only for "personal consumption"!

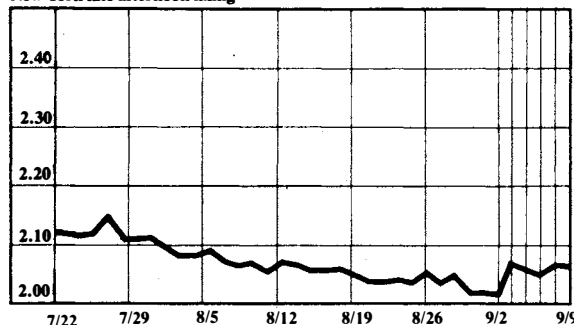
The vote in the Senate was not unanimous, although it had the support of members of the ruling Radical Civic Union and the opposition Peronist party. Radical Senator Lorenzo Cortese stated that "possession is a crime in existing legislation. This must be maintained. . . . Possession, although it may be the last link, is part of the traffic. The possessor, represents the risk of a new transfer [to others]." Dr. Elias Neuman addressed a broader point: "Among the new groups of delinquents, are those who commit crimes from the boardrooms of banks, financial institutions, transnationals. . . and the inductors who sell the human being to drugs, and not drugs to the human being."

Argentina's Supreme Court put the crowning touch on the package when it ruled in early September that laws penalizing drug possession are unconstitutional. Its rationale was that the court could not rule on the "private" actions of men."

Currency Rates

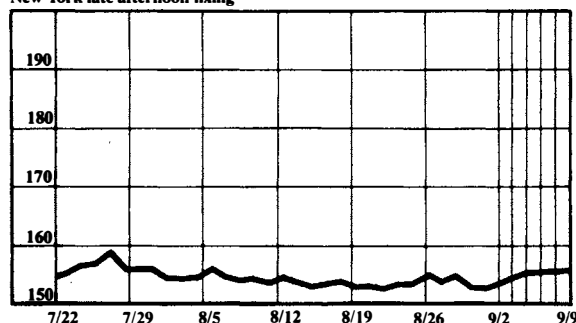
The dollar in deutschemarks

New York late afternoon fixing



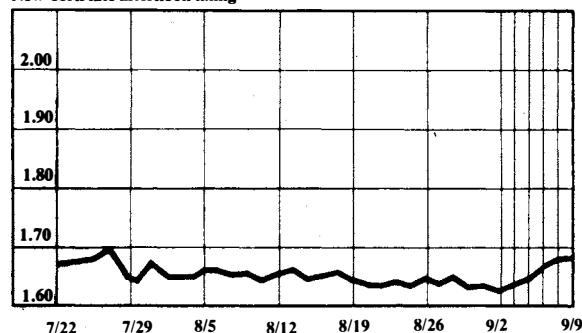
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing

