

Argentine government descends into crisis

by Cynthia Rush

Popular support for Argentine President Carlos Menem is starting to unravel, sparking a crisis within his cabinet. One sign of this was the miserable showing at the Peronist gathering organized by Menem on Nov. 17 at the Plaza de Mayo, in an attempt to bolster his image as leader of his movement and unite squabbling factions.

Instead of the several hundred thousand one might expect for a Peronist head of state, whose political movement includes the majority of the workforce, only about 35,000 showed up. Throughout the event, people in the crowd shouted "Ubal dini, Ubal dini," the name of the militant leader of the General Confederation of Labor (CGT), who has attacked the government's economic policies. Angry, Menem warned that "difficult days" lie ahead, and accused those who questioned his austerity program of being "saboteurs." On Nov. 10, the International Monetary Fund (IMF) approved a \$1.4 billion standby credit to Argentina, praising government "firmness" in imposing strict austerity measures.

Since Nov. 17, things have been shaky on several fronts. The Argentine currency, the austral, has continued to plummet on the black market, dropping more than 2%—to 1,055 to the U.S. dollar on Nov. 30 alone—bringing its decline to 10% during the last week of November. The drop is attributed to continued labor strife, and uncertainty about the future. Despite the government's insistence that no wage increase is to exceed 15%, the powerful Union of Metallurgical Workers (UOM) won a 71% pay hike and other unions have received raises of between 20-40%. On Nov. 30, Reuters wire services reported new strikes over wage demands by mint workers, court officials, teachers, and aircraft mechanics.

Buenos Aires is rife with rumors of cabinet resignations and policy changes, despite Menem's assertions that his government is "united." On Nov. 23, economist Javier González Fraga resigned as Central Bank president, after disagreeing with Finance Minister Nestor Rapanelli on the issue of exchange rates. Jorge Born, president of the Bunge and Born multinational holding company which is the primary backer of Menem's government, rushed into conference with the President on Nov. 22, following a report that Born would be replacing Rapanelli at the Finance Ministry.

One barometer reading is that citizens are turning to political options outside the two major parties (Peronist and Radical), as seen in recent local elections. On Nov. 26, a candidate from the unknown Popular Socialist Party won the mayoralty in the important industrial city of Rosario, in Santa Fé province. For six years the Peronists have controlled Santa Fé's governorship, while Rosario has been in the hands of the Radical Party. Similarly, in Tucumán province, in the northwest, the "Republican Force" party formed by former military governor Gen. Antonio Bussi (ret.) won important victories in legislative elections earlier this month, and Bussi now has his eye on the provincial governorship.

Military ferment

Despite the pardon granted by Menem to military officers in early October, tensions within the Armed Forces are intensifying. Acting as if the pardon had never been granted, the Army high command, and Chief of Staff Gen. Isidro Cáceres, continue to make provocative decisions, seeking ways to punish nationalist officers who took part in actions against Menem's predecessor, the rabidly anti-military Raúl Alfonsín. After the forced retirement of nationalist leader Col. Mohamed Alí Seineldín, General Cáceres rejected the colonel's letter requesting that officers who benefited from the pardon not then be subject to administrative sanctions, as Cáceres proposed. Seineldín's letter was passed on to the Defense Minister for his consideration.

In a Nov. 26 interview with the daily *Clarín*, Cáceres threatened that if nationalists continued to "confront authority"—that is, question policies which have been damaging to the Armed Forces—they will "pay dearly . . . and be eliminated from the Army." In an unobvious reference to the popular Seineldín, who is respected throughout the Army because of his defense of that institution, Cáceres warned "what we cannot accept are threats of demonstrations or violence . . . threats of a parallel leadership."

In the same interview, Cáceres announced his opposition to the creation of a special anti-drug unit, to which Seineldín's name has been linked as possible commander. Using terminology often used by Henry Kissinger and his friends, who lie that Colonel Seineldín is a coup-monger, Cáceres expressed the fear that such a special unit might be "transformed into a force with a certain 'mystique,' which could then endanger the stability of the institutions or interfere in the political actions of the government."

It is known that the U.S. government opposes naming Seineldín to any post, and Menem has yet to announce any decision on the anti-drug unit. Probably reflecting U.S. pressure, however, on Nov. 18 he warned Seineldín and other officers to abstain from a public jogging and exercise session they had organized in Palermo park. Menem characterized the session as a "provocation," and warned that "if they do it again without heeding our warning, we will do something about it."