

## LaRouche: What Argentina Must Do Now

Calling the collapse of Cavallo, De la Rúa, and the whole IMF showcase policy in Argentina “a Christmas present for all decent people internationally,” Lyndon LaRouche outlined six steps Argentina now should take:

1. Argentina must immediately decouple the peso from the U.S. dollar. There can be neither dollarization nor devaluation. Each would be horribly destructive.

2. This action of decoupling should be combined with the immediate implementation of currency and capital controls, of the 1950s style of measures that were the proven effective methods for protecting national currencies.

3. Argentina must also immediately adopt the proven, dirigist measures to expand productive investment in industry and farming, with emphasis on medium-sized industrialized firms, as LaRouche has proposed many times, and was earlier the core of the proposals of FDR and Lautenbach, in dealing with similar crises.

4. There must be an immediate freeze on all foreign-

debt obligations.

5. The new Argentine government must initiate criminal proceedings against ex-Presidents Menem and De la Rúa, and Cavallo, for having systematically lied to the Argentine people in hiding the de facto bankruptcy of the country, for the past ten years, and who, in lying to their own people, in criminal fashion, further increased Argentina’s foreign debt and systematically and corruptly sold out Argentina’s most productive and vital national assets. These criminal proceedings must also include the corrupt foreign accomplices, who abetted in driving up the debt and selling off the national assets—no matter where they are, in the private banking sector, in government, or in international lending agencies.

6. In dealing with foreign creditors and foreign powers, Argentina must recognize that its weakness is its strength. Argentina is merely a symptom of the current state of the global financial system. Therefore, whoever is pushing Argentina should realize that Argentina has the means to set in motion a process which will accelerate the true state of the bankruptcy of its foreign creditors—Spain, Italy, Germany, France, the United States, and Japan. Argentina can reveal what is the true financial conditions of those countries and the global system.

is trying to stage a political comeback. The way things are going in Mexico, former President Carlos Salinas de Gortari might be expected to show his face there soon.

### Free Seineldín

Argentina can’t tolerate another Carlos Menem. IMF policy has reigned here since 1990. Cavallo’s mad determination, since taking office last March, to service an unpayable foreign debt by imposing ever deeper austerity, turned the country into a killing field. His insane “zero deficit” plan, which subordinated all economic activity to debt payment, gouged wages and pensions, cut funding to provincial governments and vital public services. Month after month, as tax revenues plummeted, Cavallo announced deeper budget cuts, culminating in the 2002 budget, slashed by almost 20%, as ordered by the IMF.

The only way he was able to come up with money to make even a partial debt payment, such as the one on Dec. 14, was by stealing from the population, first restricting cash withdrawals from banks and imposing partial exchange controls on Dec. 1, and then, seizing private pension funds, ordering them to liquidate their term deposits in banks, and hand the cash over to the government. Even with this theft, Cavallo could only cough up \$700 million of \$980 million owed by Dec. 14; only half of that was in cash; he told the IMF it would have to wait until later for the other \$180 million.

Meanwhile, the country has seen its once excellent health-care system disintegrate, as funding for public hospitals is cut to shreds, and the state agency in charge of retirees’ health care, PAMI, is no longer able to fund nursing homes and clinics falling under its purview. Elderly who relied on PAMI are being thrown into the streets. Unemployment hovers close to 20%—one in five workers are out of a job—and Argentines, who could at least always be assured of a good meal, are now starving.

Now, more than ever, it is imperative that former Colonel Seineldín be released from prison. Pressure for this is building. In mid-November, Army Chief of Staff Gen. Ricardo Brinzoni took the unprecedented step of visiting Seineldín in jail, where he has been for 11 years on charges stemming from the Dec. 3, 1990 uprising against the Army high command. The significance of this act wasn’t lost on the government. Seineldín has already requested he be released, and on Dec. 14, three thousand citizens marched from the Obelisk in downtown Buenos Aires, to the Casa Rosada, to demand the war hero’s freedom. The march was led by Mrs. Marta Labeau de Seineldín, who, upon reaching the Presidential palace, delivered a letter to President de la Rúa, requesting her husband’s release from prison. One of the officers who had participated in the 1990 uprising, told *EIR* that the march was the beginning of the movement that would lead to Seineldín’s release.