

# Argentina's New President Wins Mandate 'To Do Great Things'

by Cynthia R. Rush

In an achievement that has provoked howls of rage from Wall Street and the City of London, Sen. Cristina Fernández de Kirchner, Argentina's First Lady and Presidential candidate of the Victory Front, won a resounding victory in the Oct. 28 Presidential elections, with 45% of the vote. She demolished her nearest rival, the snarling Elisa Carrió of the Civic Coalition, who garnered 23%, and former Finance Minister Roberto Lavagna with 17%.

The Victory Front, a coalition created by President Néstor Kirchner, which includes smaller non-Peronist allies as well as factions of the broader Peronist movement, also won eight governorships and a majority in both houses of Congress. The Victory Front thus will easily be able to debate and pass its legislative initiatives without fear of obstructionism from opponents.

With this undisputed electoral mandate, Senator Fernández is poised not only to continue the nation-building policy of her husband—domestically as well as in South America—but to expand on it as well.

When he became President in May 2003, President Kirchner faced the horrific economic and social crisis brought on by decades of the IMF's murderous free-market dictates and looting by allied banks and speculative vulture funds. Coming into office with only 22% of the vote, he stunned foreign creditors when he made the general welfare—not debt payment—his first priority, to lift the population out of a crisis that included a 60% poverty rate and an unemployment rate close to 30%.

Financial predators have never forgiven Kirchner for boldly renegotiating the debt defaulted on in 2001, in which he offered bondholders 30 cents on the dollar, and left those who refused to participate out in the cold. Kirchner "stiffed" the creditors, the *Washington Post* wailed in its Oct. 30 editorial, as it threatened the President-elect with financial warfare and chaos should she dare to continue her husband's policies.

In the context of a rapidly disintegrating global financial system, it is the fear that Fernández and other Ibero-American leaders will adopt these policies and more, that has financiers tearing their hair out. It explains much of the obscene election press coverage which has labeled both the Kirchners as "authoritarian" and "populist"—the latter the bankers' term for any policy that even hints at opposition to the free mar-

ket, or approximation to the American System of political-economy.

## Pulling No Punches

Néstor Kirchner likes to remind people that when he took office, Argentina was in "hell." In the country known as the "breadbasket" of South America, and one of the world's premier food producers, children were dying of starvation. Citizens in Buenos Aires were seen picking through garbage heaps searching for food, or discarded items they could sell for food. Those images are seared in the national memory.

The combative and articulate Senator Fernández is a political leader in her own right, having served as a legislator for many years before becoming First Lady. While she frankly attributes her victory to her husband's substantial achievements—an 8% average annual growth rate over the past five years, and significant decline in poverty and unemployment—she also points out that she has played a key role in the decisions that produced those results. The President-elect has never pulled her punches in denouncing neoliberalism and the "casino economy" based on greed, which she says the IMF's free-market dogmas have spawned.

When the IMF demanded several times during September and October that the government apply "stabilization" policies to "cool off" an allegedly overheated economy—raise utility and interest rates, cut public spending, and allow the currency to appreciate, among other things—the candidate caustically asked a group of businessmen to recall anytime in Argentina's past when such stabilization policies "didn't lead to recession." Instability, she has repeatedly said, is caused by poverty and misery, not by policies that defend living standards, bolster the internal market, and create jobs.

## Roosevelt ... and LaRouche

For the defenders of British economic liberalism, such talk is bad enough. But they see the Rooseveltian impulse that Cristina Fernández has on occasion openly displayed, as far more dangerous.

In her March 21, 2007 speech at the Latin American College of Social Sciences in Quito, Ecuador, she stated that her husband's infrastructure development program was modeled on that of Franklin Roosevelt. He copied FDR's New Deal policy when he was the governor of Santa Cruz, she explained,



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*Sen. Cristina Fernández de Kirchner votes in the Presidential election on Oct. 28. She won an overwhelming victory, and her party carried both houses of Congress, ensuring continuity and expansion for the nation-building policies of her husband, President Néstor Kirchner.*

and continued it as President.

"We understood the multiplier effect that [infrastructure development] had, both economically and socially," she said. "Economically, it gave birth to industries. . . . It provided basic infrastructure required for economic activity, so that businessmen could carry out their activity using railroads, communications systems, airports; and society could do the same, with hospitals, schools, potable water, housing. It's all a virtuous cycle, that also recreates a country's confidence in itself."

She went on to say that Argentina's experience in recovering from a vicious neoliberal policy that dated back to the 1976-83 military dictatorship, showed that it is possible to govern on behalf of the general welfare. In standing up to the IMF, and rejecting its policy of "permanent adjustment," she said, Argentina was not struck dead "by Jupiter." On the contrary, it made enormous strides forward, serving as a example to the rest of Ibero-America.

For foreign bankers, talk of Franklin Roosevelt's New Deal is too close for comfort to statesman Lyndon LaRouche's call for creating a new international financial system which would put a definitive end to globalization, and return to the FDR system of fixed exchange rates and big infrastructure projects.

The demise of the world's financial system has laid the groundwork for non-linear developments, and LaRouche's programmatic solutions and writings have circulated widely

in Argentina. In its nervous Oct. 26 editorial, the *Wall Street Journal* reflected bankers' hysteria, noting that Argentina "has often been a standard-bearer for economic trends in Latin America." In this election, "the fate of Ms. Kirchner and Argentina could affect policy choices around the region."

## A New Financial Architecture

Fernández has made clear that she will be an activist regional leader, just as her husband has been in promoting economic integration and in creating the new Bank of the South. Scheduled to come into being on Dec. 5 with eight full members, the bank has been conceived of as a regional financing entity that will fund infrastructure development without the IMF's austerity conditionalities. Together with President Kirchner, Ecuador's President Rafael Correa and Venezuela's Hugo Chávez have been the driving forces behind the project.

LaRouche has supported the Bank's creation, seeing it as a potentially key regional component of a new international "financial architecture." As the global system implodes, interest in the Bank of the South has grown.

On Oct. 12, Colombian President Alvaro Uribe, until recently viewed in Washington as the U.S.'s "closest ally" in Ibero-America, has come on board the project, while Chile, now with only observer status, could move to full membership at any point. Chilean President Michelle Bachelet maintains a warm friendship with Cristina Fernández, and expressed her intention of working closely with the new President on bilateral and regional issues.

In her first post-election interview Oct. 30 with conservative columnist Joaquín Morales Solá, Fernández emphasized that with her election, Argentina "has repositioned itself in Latin America. We've come home, after having left thinking our partners were the big boys." The latter is a reference to former President Carlos Menem, who boasted during his 1989-99 Presidency that his IMF-dictated free-market policies had placed Argentina in the "First World," apart from its Ibero-American neighbors. In contrast to this insane outlook, the President-elect underscored that Argentina "has an important role to play in Latin America," helping to strengthen the region, while expanding the Common Market of the South (Mercosur).

Ibero-American leaders welcomed Fernández's election, sending her warm congratulations, and immediately inviting her to visit their countries.

Luiz Inácio Lula da Silva, President of Brazil, who has been far more reluctant than President Kirchner to battle with the international financial oligarchy, sent a message expressing his "effusive congratulations" for the First Lady's election, which he called "a clear endorsement of continuity of the sure process of transformation which, under the leadership of President Kirchner, placed Argentina again on the path of development, prosperity, and social justice, and reaffirmed its sovereign presence in the world."