

# Ibero-American labor says that the foreign debt is 'illegitimate'

by Cynthia R. Rush

Argentina's General Confederation of Labor (CGT), under the leadership of the Peronist movement, has sent president Raul Alfonsín a stern message: If he insists on following the International Monetary Fund's orders to sacrifice the living standards of the Argentine population to pay off a foreign debt that is largely "illegitimate," he will likely find himself out of a job very soon.

At a May 13 demonstration in the northeastern capital of Formosa, organized in preparation for a mass protest in Buenos Aires on May 23, CGT secretary general Saúl Ubaldini told 5,000 workers: "On May 23 we'll go to the Plaza de Mayo [in Buenos Aires] to tell the government to either change its economic policy or get out. On May 23, we'll say we've had it with the International Monetary Fund, because all our citizens are prepared to defend democracy, but only with social justice."

Sources in Buenos Aires have told *EIR* that the CGT is circulating a poster that shows a malnourished Argentine child over a caption saying, "If you don't want any more of this to happen, stop the IMF."

Beginning on April 30 in the industrial center of Rosario in the province of Santa Fé, the CGT kicked off three weeks of public demonstrations, organized by its locals in the six most important provincial capitals. It is in the provinces where signs of ecological holocaust as a result of IMF policy are rapidly emerging, and where rage over government acquiescence to foreign creditors is running the highest. The province of Salta has already been forced to create its own currency—"Salta bonds"—to meet wage bills and pay for services, and now the governor of La Rioja has announced that he intends to do the same in his province. Thousands of workers, as well as other political leaders and business representatives, traveled from the provinces to Buenos Aires on May 23. Participants estimated that 200,000 attended the anti-IMF march, bringing to half a million the number of Argentines who have marched against the IMF since the beginning of May.

## Why pay?

The labor upsurge occurring in Argentina is the leading edge of continent-wide ferment directed at the International Monetary Fund's murderous conditionalities, and at the local oligarchs who've worked with the banks to loot their nations

of capital and vitally-needed resources. Trade unionists, businessmen, and political leaders from several nations are united around the fact that a significant portion of the foreign debt that the IMF and creditor community are now trying to collect, at whatever price, was illegally contracted in the first place, and simply should not be paid.

As a congressman from Argentina's ruling Radical Civic Union (UCR) put it, "Let the IMF wait. We'll pay only what we can. The bankers will have to understand, and help us out, because they are more guilty than anyone else in this situation for having lent money with no limitations to a de-facto [military] government which had no guarantees to offer. If not, let them go collect the debt from the *Proceso* [the previous military regime—ed.]."

Francisco Mieres, chairman of OPEC's Research Center, told the Caracas daily *El Nacional*, "Creditors have in their hands the money to pay the debt; they can cash it from the \$35 billion looted from Venezuela. IMF and private banks' conditionalities make the debt impossible to pay . . . for a moral reason, because [the debt] was acquired illicitly and illegitimately; and for a social reason: we cannot drive Venezuela into ruins. There is a very simple solution. Venezuela can pay with the money and goods that Venezuelans have in the foreign banks and countries. It could never be less than \$30 billion. That is fair from the standpoint of natural law."

Reflecting the thinking of a growing number of political leaders, Manuel Rodríguez Mena, dean of the Economics School of Venezuela's Central University, commented, "I ask myself if having acted in concert with the Latin American countries in a debtors' club, wouldn't we have gotten, as a whole, better conditions than those gotten in isolation against a creditors' cartel? Foreign investment is foreign debt in disguise. . . ."

## Creditor strategy

Ibero-America's creditor banks, most of which are also insolvent, want to make sure that such ferment does not become organized around the perspective outlined in the 1982 *Operation Juárez*, written by *EIR* founder Lyndon H. LaRouche, Jr. That document called for the formation of a continental debtors' cartel and common market, and establishment of a new international monetary system.

In Colombia, where the IMF is demanding that the gov-

ernment of Belisario Betancur apply a harsh "adjustment" program, agents within the labor movement are attempting to organize popular anger over austerity into a Jacobin mob which would unleash violence and social chaos in an already volatile social climate. To counter this, leaders of the Union of Colombian Workers (UTC) have announced that on June 14, they will hold a nationwide protest against the International Monetary Fund's plan to destroy Colombia, and call for unity of the debtor nations.

In Argentina, where banker thuggery has reached extraordinary proportions [see preceding article], the Alfonsín government has come down on the side of the IMF. Following Saúl Ubaldini's May 13 denunciation of government economic policy, Alfonsín called the CGT leader a "milk-sop, complainer, and crybaby."

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Radical party spokesmen also accused Ubaldini of harboring "anti-democratic" intentions and of coup-mongering, for telling the government to change its policy or "get out." The governor of the province of Rio Negro, Osvaldo Alvarez Guerrero, characterized Ubaldini as a "retrograde element," part of the "labor-military" pact which he said intended to overthrow democracy at the first opportunity.

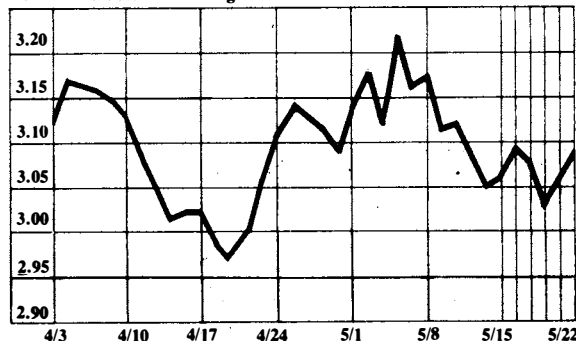
Balbino Zubiri, UCR deputy from the province of Buenos Aires, announced that unless Ubaldini retracted what he had said in Formosa, he would charge him with the crime of "inciting to rebellion," in violation of Article 226 of the criminal code. Such a violation carries a jail term of from 3 to 10 years in jail.

Such statements have only further unified the trade union movement around its opposition to the International Monetary Fund. "The only pact in existence is the one that exists between the government and the International Monetary Fund, and with those foreign banks which claim to be our creditors," Ubaldini responded. "The Argentine people are still waiting to hear the names of the authors of the illicit activities with which the military dictatorship destroyed the nation," the CGT leader told workers in Formosa. "Or," he inquired, "perhaps the government doesn't have what it takes to unmask the enemies of the nation?"

## Currency Rates

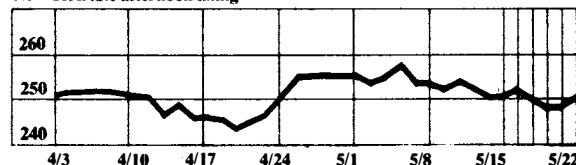
### The dollar in deutschmarks

New York late afternoon fixing



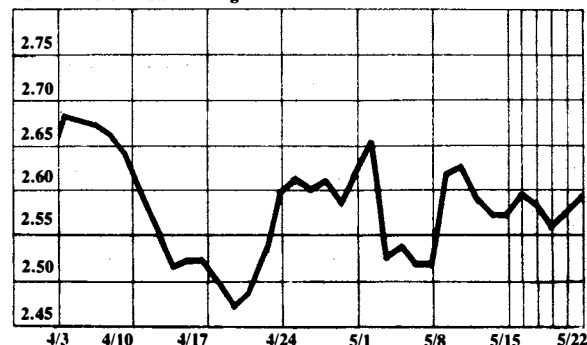
### The dollar in yen

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### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing

