

Argentine presidential race begins amid general disgust with Alfonsín

by Cynthia Rush

The presidential candidates of Argentina's two major parties officially launched their campaigns in mid-October. Culminating in the May 1989 elections, the race pits the Peronist candidate, governor of La Rioja Carlos Menem, against the Córdoba governor Eduardo Angeloz, of the ruling Unión Cívica Radical (UCR) party. The campaign promises to be a heated one, given the volatile nature of Argentina's economic, social, and foreign debt crisis, and popular disgust with the last five years of President Raúl Alfonsín's submission to the International Monetary Fund's dictates.

Carlos Menem is the wild card in this race. The maverick provincial governor, not a nationally prominent figure, was not supposed to be the Peronist nominee. His rival, the social-democratic governor of Buenos Aires, Antonio Cafiero, had been the expected winner in last July's primary. But Menem's attacks on the IMF, his call for a moratorium on payment of Argentina's \$56 billion foreign debt, and defense of national sovereignty, served as a rallying point for nationalist forces who saw Cafiero as much more of a tool of the Socialist International than a defender of national interests.

Menem is still an unknown quantity, and has yet to present clear proposals on economic and other policy matters. Moreover, the Peronist movement, the Justicialista Party, is rife with internal dissent, as "reform" factions tied to the Socialist International and foreign creditors try to shape policies for the candidate that they hope will be less offensive to the international banking community.

Nonetheless, the danger that a Menem government potentially represents for Argentina's foreign creditors is that it would speak for a revitalized nationalist coalition of trade unionists, sectors of the Church and Armed Forces which have traditionally made up Peronism's base. If these forces are mobilized around a program for national industrial development, and realization of the nation's potential as a continental leader in science and technology, then the bankers' nightmare of Argentina slipping out of their control will become a reality. In the context of the explosive Ibero-American debt crisis, this option is not the creditors' preferred one.

Speaking from a conference in Paris on Nov. 4, Menem heightened bankers' fears when he called on Ibero-American

debtors to form a debtors' cartel, to jointly confront creditors. "There is no possibility of any country getting out of the debt trap, in isolated fashion," the candidate said. "We must act jointly."

Menem's campaign got off the ground officially on Oct. 15 and 17, in rallies held in La Rioja and Buenos Aires, respectively. Speaking before a raucous crowd of 80,000 at Buenos Aires' River Plate stadium on Oct. 17, Menem denounced the Alfonsín government for causing increased misery over the past five years, leaving citizens "without housing, without jobs . . . while illiteracy grows." He explained that his intention was not to confront workers with capital, but to unite all sectors around the goal of a "revolution of production."

In the La Rioja rally, Menem described the current government as "the magicians who, in a country with food, let many sectors of the community go hungry. They are magicians because they say they've progressed on the path to growth and development, yet they've mortgaged the country over the last five years by another \$15 billion," a reference to the increase in foreign debt. A week earlier, Menem had charged that the \$1.25 billion loan package recently granted Argentina by the World Bank would be used "to consolidate the culture of speculation, detrimental to the culture of production, work, and industrialization, which is our proposal." The World Bank funds are tied to Argentina's compliance in opening up its economy, banking, and industrial sectors to free trade, eliminating protection for industry and the possibility of sovereign economic development.

UCR candidate Eduardo Angeloz, a businessman with close ties to the military factions that ran the 1976-83 junta, is a rabid free-trader whose agenda is that of the Project Democracy crowd inside the U.S. State Department: Eliminate the role of the state in economic policy, privatize all major state-sector companies, open up the economy to "foreign competition," and let Argentina's relations with other developing-sector nations take a back seat to ties with the United States.

His disadvantage is that he is identified with the failed economic policies of the Alfonsín government which have

reduced living standards, gouged wages, and punished national industry with IMF-dictated restrictions on credit. Recently Angeloz has tried to distance himself from Alfonsín's policies by admitting that "mistakes have been made" and by expressing reservations about the government's policy of reducing protection for national industry. The Córdoba governor also has to contend with deep divisions within his own party, particularly resistance from the party's Socialist International wing, led by Foreign Minister Dante Caputo and Interior Minister Enrique Nosiglia.

Tense period ahead

The outcome of the next few months' political brawl is unpredictable, because of the depth of crisis in virtually every sector of the economy and political establishment, and a growing polarization among citizens.

- The foreign debt crisis is out of control, despite recent publicity about new loans from the World Bank and the Bank for International Settlements. Argentina needs at least \$3.5 billion in fresh funds from foreign creditors, but the latter are demanding that the government pay a significant portion of the \$1 billion in interest arrears before new funds can be committed. The government paid \$500 million in arrears, but must pay at least another \$500 million to be considered worthy of more loans. Argentina's negotiations with the IMF for a new \$1.2 billion standby arrangement are proceeding at a snail's pace.

- There is a growing tendency toward public revolt by angry Argentines over the collapse of public services and exorbitant and constantly increasing utility rates. Organized rallies in which citizens burn their unpaid bills are becoming commonplace. There is talk of more organized "civil disobedience."

- During the weekend of Oct. 22-23, seventeen Peronist governors met in the province of Chubut to "declare war" on the Alfonsín government. The governors charged that the UCR government has deliberately withheld federal funding for those provinces governed by Peronists, to bankrupt them, provoke social conflict, and politically discredit Peronism. The governors called for a series of popular assemblies to meet around the country, culminating in a Nov. 11 demonstration in Plaza de Mayo in Buenos Aires, to include delegations of businessmen, farmers, trade unionists, and political leaders from all of the provinces. The demonstrators will march to the National Congress to state their case there.

- In the Army, crisis has erupted over the fact that 15 generals have been called to appear in federal court to answer charges of human rights violations committed during the late 1970s' "war against subversion." Several of the generals have stated that they will not appear in court, creating the conditions for a showdown with the government.

The accused generals reportedly have the backing of Army Chief of Staff, Gen. Dante Caridi, who promised some time ago that no Army officer would have to appear in court to

answer such charges. At the same time, Caridi's determination to purge some 120 nationalist officers, on the grounds that they are sympathetic to the rebellious Col. Aldo Rico, has created a virtual state of revolt among these middle-level officers against the Army high command. Inadequate wage levels are exacerbating the crisis.

Alfonsín may seek postponements of the generals' court appearances, with the intention of foisting the problem off on the next President. However, the Oct. 21 issue of the weekly *El Informador Público* reported that some of Menem's advisers fear that the current Army crisis could evolve into a preemptive coup against the Peronist candidate, to prevent him from becoming Argentina's next President. In statements to the press in mid-September, Menem even suggested that Alfonsín might attempt an *auto-golpe*—a self-inflicted coup—as a way of escaping the consequences of his failed policies, and preventing the Peronists from coming to power.

A major element in UCR strategy is to rely on the State Department's portrayal of the Peronists as "authoritarian," violence-prone, and even Nazi-leaning forces who will deprive Argentines of the "democracy" Alfonsín has bestowed on them. Angeloz has reportedly met with unnamed consultants from the U.S. Republican Party, to help plan his media campaign. His running mate, Juan Manuel Casella, returned from a trip to the U.S. at the end of October to give glowing reports that the negative campaign ads employed by George Bush would lead to a Republican victory and to the growth of a new "conservative nationalism" in that country based on "free enterprise." Undoubtedly the Angeloz-Casella ticket entertains similar fantasies for Argentina.

Argentine pollster Manuel Mora y Araujo went to great lengths in a commentary in the Oct. 7 *Wall Street Journal* to assure readers that Carlos Menem's unexpected victory last July was little more than a fluke. No Argentine wants to return to the dirigist policies associated with Gen. Juan Perón, Mora y Araujo asserted. Why, he continued, "more than half the adult population thinks that Argentina should improve links with Western countries, and accept negotiations with the International Monetary Fund to deal with the foreign debt problem."

Pollsters and U.S. media consultants notwithstanding, the reality is that Argentines are enraged over the economic and moral dissolution of their nation, and want some straight answers. The Catholic Bishops Conference reflected this in a strongly worded document issued on Oct. 28, which describes the depth of corruption and cultural decay afflicting Argentina. Entitled "Only God Is the Lord," the bishops charge that there is an "idolatry of power, sex and money" in Argentina, seen in "the scandal of poverty and misery in large sectors of the population, unemployment, and the loss of a true culture of labor." The Church lambasts political leaders for thinking that their power is "divine," and for not seeking urgent solutions to the deteriorating conditions.