

Instability marks countdown to Argentine elections next May

by Cynthia Rush

Argentina's presidential elections, scheduled for May 14, are now less than two months away. Although the candidate of the Peronist party, La Rioja governor Carlos Saúl Menem, has lost some of his lead over the Radical Civic Union's (UCR) candidate, Eduardo Angeloz, all indications are that a Menem victory is certain. The popularity of Social Democratic President Raúl Alfonsín is at an all-time low; the country's economy is in shambles, and a well-organized narco-terrorist apparatus has emerged to further threaten the nation's precarious stability.

Faced with the likelihood of a Menem presidency, factions within the international banking community, and their local collaborators within the Alfonsín government, the armed forces, and the political parties are placing themselves to prevent Menem from reaching the presidency—by whatever means they have at their disposal. The steering committee of creditor banks, led by Citibank's William Rhodes, has let it be known that Eduardo Angeloz is their preferred candidate.

Patriotic forces are on alert, in anticipation of an upsurge of terrorism, new assaults on the institution of the armed forces, assassination attempts, or other "emergencies" which would provide the pretext for either canceling or postponing the elections. Foreign Minister Dante Caputo, an asset of the Willy Brandt wing of the Socialist International, is fueling the unrest with the charge that "there are threats of a coup d'état" in Argentina, and has urged citizens to "be alert and careful."

The suspicious March 16 crash of Carlos Menem's campaign airplane, which investigators say was very likely caused by tampering with the plane's fuel, is indicative of the environment. The pilot and co-pilot were killed in the crash, and several other of the candidate's collaborators injured. Menem had been scheduled to board the plane, but changed his mind at the last minute.

The threat that Menem poses to the bankers is not based so much on his personal leadership qualities, as it is on the combination of forces that would be set into motion, were he to be elected. The traditional alliance of Peronists, including its powerful trade union movement, with nationalists within the armed forces, would not only challenge the policies of the U.S.-based Project Democracy apparatus; as Ibero-

America's foreign debt crisis careens out of control, it could spark a continent-wide movement capable, minimally, of disrupting the "New Yalta" plans currently being hatched between Washington and Moscow.

Thrown to the wolves

Foreign creditors and policymakers, and their local allies, are taking steps to both blow up the country's economic crisis and weaken the armed forces.

While still maintaining the appearance of wanting to "help" countries like Mexico or Venezuela, foreign banks have simply written off Argentina. Negotiations with the International Monetary Fund have been suspended until after the elections, and no new credit will be forthcoming as a result, either from the IMF or creditor banks. Technically, Argentina has declared a unilateral moratorium on its \$58 billion foreign debt. It has made no interest payments since April of 1988, and is now close to \$3 billion in arrears. Central bank president José Luis Machinea recently told the leftist newspaper *Página 12* that "the debt is absolutely unpayable, and under the current interest rates, so is the principal."

On March 2, the World Bank announced it would not disburse \$350 million in promised funds, because Argentina failed to meet guidelines established in an agreement with the Bank in the fall of 1988. The World Bank announcement caused shock in the Alfonsín government; however Finance Minister Juan Sourrouille stated that authorities were in no position to agree to IMF demands for a sharp currency devaluation or more stringent austerity measures, so close to the presidential elections. Everything is on hold then until after May 14.

On March 15, the Interagency Country Exposure Review Committee was to have met in New York to declare Argentina's credit rating to be "value impaired." Prior to the meeting, an agreement was apparently reached to postpone the classification until after the elections. Not that this matters. Foreign reserves are estimated to be in the range of \$1 billion, or less, only enough to cover two to three months of imports.

The last two months have seen wild speculation in local financial and currency markets. Due to lack of confidence in

the national currency, the austral, and the policies of Alfonsín's economics "whiz kids," there has been a mad rush into purchase of dollars, producing a gap between the official and free market rate sometimes as high as 110%. The inflation rate for March is expected to reach 15%, despite government predictions to the contrary. Prices of industrial inputs have increased by 40% within the last month, while meat prices have gone up by 30%.

Observers in Buenos Aires have told *EIR* that they expect the financial situation to become uncontrollable by the end of March or early April, producing unforeseeable consequences.

Military nationalists targeted

At the behest of Project Democracy and State Department socialists, Alfonsín has used his term in office to strip down the institution of the armed forces, and remove those nationalist officers who oppose the country's surrender to the IMF and the Soviets. The government and the ultraleft have particularly targeted Col. Mohamed Ali Seineldín, the hero of the 1982 Malvinas War, who is the recognized leader of these nationalist forces, and the natural ally of the Peronists. They charge that Seineldín is a messianic "fundamentalist" who intends to stage a military coup.

Argentina's creditors especially fear the role that the nationalist military, referred to as the "New Army," or the "Malvinas army," would play in a Menem government. In a recent campaign statement, the Peronist candidate stated that the armed forces "have been totally dismantled" by officials of the Alfonsín government, such that in the event of an attack on Argentina's southern territory, "we wouldn't be able to last for more than three days." A Menem government, he said, would seek the "professionalization of the military for national defense."

Such is its concern, that during the first week of March, the State Department sent the director of its Southern Cone division, Richard Howard, to Buenos Aires to scope out the situation. Howard's conversations with Peronist leaders reportedly focused attention on the danger of "fundamentalism," and pointedly mentioned Colonel Seineldín.

Members of the Army high command, in which generals linked to the country's financial oligarchy are dominant, have been meeting with government officials, specifically with the leftist *Junta Coordinadora* of the UCR, to find ways to bolster the candidacy of Eduardo Angeloz, or alternatively, to prevent the elections altogether. This unholy alliance of leftists and monetarists has directed several provocations against the nationalist military, with the expectation that some uncontrolled elements within the army might be moved to respond violently, and provide them with an excuse to declare an "emergency."

Responding to pressures from monetarist generals, the Army Qualifications Board voted to impose sanctions on 13 army officers who participated in a military action led by

Colonel Seineldín in December of 1988. At that time, Seineldín and troops loyal to him took over the Villa Martelli army base, to protest Alfonsín's anti-military policy and demand a serious discussion of wage and budget issues. The nationalists also demanded the resignation of Army chief of staff, Gen. José Dante Caridi. The incident ended without bloodshed, following a meeting between Seineldín and Caridi, in which the latter promised that no officer who participated in the uprising would be punished. Shortly afterward, Caridi resigned his post and was replaced by Gen. Francisco Gassino.

The high command's decision to impose sanctions now is a violation of the Caridi-Seineldín agreement, and has greatly increased tensions within the armed forces. According to the decision, three colonels and three lieutenant colonels will be effectively retired, while five captains and two lieutenants have been declared "unqualified to hold rank," and will probably be stripped of rank or court martialed.

Raúl Alfonsín's personal efforts to deny the military a role in the fight against subversion, even after the violent terrorist assault on the La Tablada army base on Jan. 23, are also increasing unrest within the armed forces. As indicated by the character of the group which attacked La Tablada, which included trained former guerrillas of the People's Revolutionary Army (ERP), a CIA-backed narcoterrorist apparatus does exist in Argentina. There have been several armed attacks on other military bases since then. Yet, in the newly created National Security Council (CONESA) and Interior Security Committee, Alfonsín is stipulating that the armed forces must not be involved in intelligence-gathering activities, and can only be deployed to combat subversion under very specific circumstances defined by the President.

With the backing of the government, Argentina's "human rights" organizations are now directing a campaign to portray the 14 jailed terrorists who survived the La Tablada attack as innocent victims of a "fascist" military which, in repressing them, violated their "human rights." Despite overwhelming evidence as to the international backing for the All for the Fatherland Movement (MTP), whose members led the attack, leftist press organs assert that the terrorists were really poor working class youth tricked into making the assault by military intelligence services.

Martin Andersen, a former *Newsweek* correspondent in Buenos Aires, recently published an "exposé" in *The Nation* on ties between army intelligence and Mario Firmenich, former leader of the terrorist Montonero group. The article follows the same line of thinking—that it is really the armed forces which deploy terrorism. Not surprisingly, Andersen, works for the U.S. Democratic Party's National Democratic Institute for International Affairs (NDI), a primary vehicle for implementing Project Democracy's policies abroad. He was the major organizer of a December 1988 NDI conference in Santo Domingo, on how to further dismantle the Argentine armed forces.