

# Menem pardons nationalist leaders, but Argentina is still starving

by Peter Rush

Defying advice from Henry Kissinger and the Project Democracy crowd in the United States, and also from a strong anti-nationalist faction within Argentina, President Carlos Menem has chosen to dismiss all charges of insubordination against Col. Mohamed Alfí Seineldín, Col. Aldo Rico, and more than 400 officers who supported them in a series of military actions conducted over the last two years, and to reinstate them in the Argentine Army.

Argentine Defense Minister Italo Luder put to rest weeks of rumors and uncertainty as to how Menem would handle the controversial cases, when he announced Menem's resolution of the matter in a radio interview July 30. Luder said that the government had already dismissed charges against all lower-ranked officers who had participated with Seineldín and Rico in their military actions, and that, in a "second stage," to be completed in a couple of days, Menem "will dismiss cases against those officers who were being tried by military courts for insubordination." The first group of officers is already back on active duty, subject to nothing more than light disciplinary action by the Army.

Luder justified the action on the grounds that "the country is undergoing a situation that compels it to change its international image," and said, "We need [foreign] investment to create jobs, and that means showing an ordered country, with no points of tension."

With this action, Menem has reestablished unity within the Argentine armed forces, and very much strengthened the nationalist faction within the Army headed by Colonel Seineldín. By the same action, he has dealt a blow to long-standing Soviet efforts to destroy the armed forces of most of Ibero-America, in the Soviet push to have guerrilla and subversive groups eventually collapse the nation-states of the continent. Had Menem followed the advice of Kissinger and others, and fired Seineldín and the officers who supported him, it would have meant the effective dissolution and final wrecking of the Argentine armed forces, insofar as Seineldín commands the respect and support of the vast majority of lower-ranking officers and rank and file of the Army.

Seineldín is remembered as one of the officers who fought heroically in the 1982 war against Britain over the Malvinas

Islands (which the British call the Falklands), and is known as a devoutly religious, incorruptible officer and a staunch nationalist. Precisely for these reasons, Seineldín was attacked as long ago as 1984 by Kissinger, who, without mentioning him by name, referred to the danger of "a new Qaddafi" emerging from the Argentine military. The reference to Seineldín was unmistakable, since Seineldín is of Arabic descent, and is a Catholic convert from Islam. Since leading his military action in December 1988, Seineldín has also come under heavy attack from international press outlets associated with Project Democracy, which in numerous articles since that time have attacked him as a "fanatic," and played up internal attacks on Seineldín for being a "fundamentalist" and potential coup-maker.

Since July 8, there has also been a desperate effort within Argentina, primarily through use of disinformation, to force Menem's hand and get him to dismiss the nationalist officers. As recently as July 24, an unnamed senior official of the Defense Ministry and a former officer told Reuters news agency that a pact had been reached between Seineldín's wing of the Army and the Army top command, whereby Seineldín and the 27 officers closest to him would request their own retirement. The official said that the final decision was in Menem's hands, but he added that "the rebel leaders will certainly be dismissed." This entire report—the second time such a false story has been "leaked" to the press in three weeks—was shown to be false less than a week later.

With the economy in shambles and the danger of social unrest still growing, Menem's action also ensures a unified military response, should one be necessary, to maintain order in the country, and especially to deal with any attempts by leftists and guerrillas to utilize any such unrest for subversive or insurrectionary purposes, as already began to happen in the context of food riots in several cities last May.

## Alfonsín's 'scorched earth' policy

On the economic front, however, with the Argentine people sinking ever further into poverty and hunger, Menem's economic policies have yet to begin to repair the devastation left by the previous administration of Radical Civic

Union (UCR) President Raúl Alfonsín. Alfonsín, who left office five months prematurely on July 8, had blithely permitted hyperinflation to take off following his party's loss to Menem in the May 14 elections, with catastrophic consequences for the entire country.

While the local press has begun reporting in detail the conditions of abject poverty into which millions of Argentines have recently fallen, the State Intelligence Secretariat (SIDE), the equivalent of the FBI, issued a report charging the UCR with "extremely grave responsibility" for the nation's crisis, and accused the UCR of practicing a policy of "scorched earth." The report accuses the UCR of not understanding that "economic and social annihilation of the population can only lead to situations of exceptional gravity."

"From the social point of view," the SIDE report charges, "Argentina is today in worse condition than the majority of Third World countries," and notes that there are 10 million marginalized citizens, out of a total population of 30 million, a foreign debt of \$67 billion, 15% of the work force un- or underemployed, and a 65% reduction in buying power of the average wage in the course of the Alfonsín administration.

The Alfonsín administration also looted the government treasury. On taking over, Menem's administration discovered every single ministry stripped utterly bare of funds, with nothing in the till to pay for health services, education, sanitation, etc. The hospital system was left in a shambles, and even the PAN, a federal food distribution program, was out of funds and totally unable to function on an adequate level.

The Menem administration has begun probing corruption among members of Alfonsín's cabinet. Former Foreign Minister Dante Caputo has been accused of billing the government for travel expenses for trips he allegedly never took, totalling many thousands of dollars, based on evidence seized in a raid in July. Former Interior Minister Enrique Nosiglia, known for having had ties to left-wing terrorists while in office, is also believed a target of investigations for corruption.

### **Hunger and disease spreading**

The state of health and nutrition of the Argentine population is dire, and worsening daily. Buenos Aires province Gov. Antonio Cafiero reported July 23 that 700,000 residents of his province of 10 million are living in "sub-human" conditions. "Buenos Aires has become an enclave of misery and injustice, without the most elemental human rights, such as access to land, housing, health, education, and work," he said. "More than 13 million fellow citizens live in conditions incompatible with human dignity." His government has opened 1,500 soup kitchens feeding 820,000 people daily, but he said that this is far from enough. More than 3.2 million people living on the outskirts of Buenos Aires live in poverty. Malnutrition is reported to be endemic in more and more areas of the city, and infant mortality rates are soaring.

Yet the new government has been unable to do anything,

as the budget of the Ministry of Health was found to be totally exhausted. Argentina has almost no vaccines, and cannot afford to import them, leaving the country "totally vulnerable to any epidemic that might break out," according to Social Action Minister Julio Corzo. He told the press that "the government's programs against AIDS, measles, and Chagas, among others, are absolutely paralyzed." Other officials revealed that public hospitals are in crisis, some patients in psychiatric hospitals are starving, and even the most minimal measures had not been taken for hospital maintenance for years.

### **Monetarists argue for harsher policy**

On top of the wreckage left over from Alfonsín's term, measures taken by Menem's government in the first three weeks, while they reportedly lowered inflation in the last two weeks of July from 200% to 30%, also hit the population with a wallop. In July, wage increases for many were 20% or more below the rate of inflation, and millions didn't even qualify for the increases. The average wage in mid-July was 86,000 australs, whereas the basic cost of a family's market basket was 155,000, *Somos* magazine of July 19 reported. Gasoline price hikes of over 600% have sent the cost of transporting many products above the price they can be sold for at market, while electricity prices have risen from 800% to 2,000% for most businesses. Retail sales of gasoline have fallen more than 60% in Buenos Aires. Retail sales have plummeted even for such basics as milk, sugar, flour, and pasta, whose sales are down by 30-40%.

In the face of this situation, some of Menem's cabinet ministers have been pushing for even more drastic monetarist measures. It has been reported that in a cabinet discussion July 14, hours after the unexpected death of Menem's first finance minister Miguel Roig, Foreign Minister Domingo Cavallo, hoping to secure his own selection for the vacant post, argued for implementing a "shock" program of total liberalization of both prices and import tariffs. However, a majority favored continuing with the more "gradualist" policy already announced, and which had largely been designed by Nestor Rapanelli, of the Bunge and Born grain cartel, and accordingly Menem named Rapanelli to the post.

The Cavallo "shock" approach was also pushed from outside the country by two "supply-side" economists, Jeffrey Sachs of Harvard, and Rudiger Dornbusch of the Massachusetts Institute of Technology. Both men argued that the government had to immediately end all subsidies to industry, "privatize" the large public sector, and raise interest rates sharply to attract capital from outside the country. It was reported July 23 in a Brazilian newspaper that when in Buenos Aires, Henry Kissinger likewise advised very high interest rates, saying that the only solution for Argentina was to attract foreign investment. Alan Stoga, president of Kissinger Associates, in Argentina, was quoted in *Somos* of July 19 advocating the same policy.