

Menem claims that usury is Christian

by Cynthia R. Rush

Argentine President Carlos Menem announced with much fanfare during the first week of January that he intended to dedicate the second half of his term in office to a “preferential option for the poor.” Explaining that the economic policies that he and his finance minister, Domingo Cavallo, had applied over the past two years have “stabilized” the economy, Menem reported that significant funds were now available to combat poverty and show a more “humanized” side of capitalism. Close to \$2 billion will be allocated, he said, for an ambitious social plan to feed and employ the poor, provide medical services, take care of the elderly, set up new businesses, and rebuild cities. The amount of money allocated is “historic,” Menem crowed, claiming that no other Ibero-American nation can match it.

Has the Argentine President had a change of heart, after slavishly implementing the International Monetary Fund’s (IMF) policies over the past two years? Hardly. What worries him and his Anglo-American sponsors, is that the physical and human devastation wreaked by those austerity dictates, which he and his finance minister are committed to continuing in an even more draconian fashion in 1993, are creating political problems as well as a potential for social unrest.

Menem’s hopes of being reelected to the presidency in 1995, and obtaining congressional approval for the constitutional amendment which would make that possible, could be jeopardized by growing popular disgust with his policies and his government’s rampant corruption. Even more, his extremely unpopular government—polls place his popularity at an all-time low—could well be ousted, as was that of Collor de Mello in neighboring Brazil. For the past six months, Menem and Cavallo have found themselves repeatedly having to respond to charges that government policy is insensitive to the needs of the poor.

Any objective observer might conclude the same thing. Across the economic spectrum, Argentina is a disaster. The renewed outbreak of cholera in the country’s northern provinces, where Menem’s own health minister asserts that many agricultural workers “live like dogs” and “slaves,” is the best reflection of that. A decade of IMF austerity has wiped out sanitation infrastructure in metropolitan Buenos Aires,

a city of 10 million inhabitants, such that 6 million have no potable water, and 3 million live below the poverty line.

At the end of 1992, the country was shaken by reports that 500 retirees had committed suicide during the previous year, in despair over the fact that they could not subsist on a pitiful average monthly pension of \$150, when monthly expenses are five times that amount. There are constant reports of adolescent suicides, and growth of the AIDS and drug-consumption epidemics.

Industrialists and businessmen cannot stay afloat under the burden of prohibitively high interest rates—in some cases 50% annually—high taxes and debts, and no access to credit. Thousands of small and medium-sized businesses have gone bankrupt. Agricultural producers, the economy’s mainstay, have organized repeated protests over the past several months to demand a solution to their sector’s crisis. The flood of imports which has poured into the country as a result of the government’s free-trade policy produced an unprecedented \$2.5 billion trade deficit in 1992, compared to 1991’s surplus of more than \$1 billion.

The only people doing well are speculators and hot money operatives. In a 1991 report, the United Nations agency that monitors drug trafficking reported that Argentina has become a major drug money-laundering center.

An elaborate fraud

The President’s new anti-poverty program, which will be overseen by Interior Minister Gustavo Béliz, is intended to address this wreckage—not to alleviate poverty or provide the basis for real industrial development. It is supposed to do what Mexican President Carlos Salinas de Gortari has done through the National Solidarity Program, or Pronasol: continue with the IMF’s austerity policy, but contain social unrest through a vast social control apparatus, consisting of “participatory” self-help and fascist local control programs. This, the argument goes, will allow people alienated by austerity and corruption to feel more “empowered.” And, as the *Wall Street Journal* pointed out in a Jan. 8 article on Pronasol, it will cost a lot less, because the poor people themselves will do all the work with picks and shovels.

In Mexico, Pronasol, or what Salinas calls “social liberalism,” has been endorsed by some high-level figures within the Catholic Church. In Argentina, Menem is taking his Federal Solidarity Program one step further. Through the involvement of Gustavo Béliz, a member of Opus Dei who is also a disciple of Wall Street’s favorite Catholic “theologian” Michael Novak, the idea is to portray the government’s program as coherent with the social doctrine of the church and with Pope John Paul II’s encyclical writings, especially *Centesimus Annus*. Some top figures among Argentina’s Catholic hierarchy have bought this fraud, arguing that the government’s adjustment policy shouldn’t be abandoned, but can be made more “humane.”

Béliz’s own writings, as well as the content of the pro-

gram he will oversee, make clear that he is merely attempting to put a Christian facade on the Anglo-American establishment's policy of smashing the sovereign nation-state, to facilitate bankers' looting of Argentina's human and natural resources. All of this is done in the name of "pluralism" and "democracy."

Beginning in August 1992, in his former position as public function secretary, and as the creator of the National Public Administration Institute, Béliz organized a series of conferences to publicize Menem's alleged shift to this happier form of capitalism. Among those brought to the country to promote the thesis were French economist Michel Albert; former State Department employee Francis Fukuyama, who openly advocates the destruction of Christian civilization; Novak himself; and Henry Kissinger. In numerous press interviews during his late August visit, Novak raved about "capitalism from below," and pointed to the work of the Swiss-Peruvian Hernando de Soto, as a successful example of how man's creativity can be "liberated" from the encumbrances of the "oppressive" state.

In his own book *Vale la Pena (It's Worth It)*, a series of essays published in 1992, Béliz regurgitates Novak's nostrums. He baldly states that "it is essential to lay the basis for a new humanism which allows us to *reconcile capitalism with justice and the market with the state.*" That is, to achieve the impossible task of reconciling the economic looting policies of British colonial agent Adam Smith, whom Béliz defends, with social justice.

That Béliz is committed to the international bankers' goal of smashing the nation-state is seen in the fact that in his entire book, he never once mentions the IMF or any of the other financial agencies whose austerity dictates have destroyed his nation over the past decade. Rather, he repeats the litany of Novakian formulations that the crisis has been caused by the state with its "damaging and discriminatory protection" and its "totalitarian temptations and absolutist tendencies."

Social control

Béliz suggests that the underlying cause of Argentina's crisis is to be found in Ibero-America's culture, a not-too-subtle hint by this nominal Catholic that the Protestant "work ethic"—as lauded by sociologist Max Weber—might be more efficient than the existing predominantly Catholic cultural matrix. If the nation is to survive, he warns, a "new political culture" must be created, based on discipline and competition, creating a more modern managerial class, and eliminating "special interests." And if none of this manages to meet the citizenry's "unsatisfied demands," Béliz offers new forms of political representation and participation intended to keep them quiet: "intermediate associations, cooperatives, volunteerism, housewives leagues, and neighborhood clubs."

Discussing Argentina's Solidarity program in the Jan. 12

daily *Ambito Financiero*, Béliz stated outright that "state control is not sufficient. What is needed is greater *social control.*"

This is to be achieved by thoroughly decentralizing all of the vital functions and services normally relegated to the state, and distributing them through a network of small, community-based operations that function independently of each other. In his book, Béliz emphasizes that this type of deregulation will help eliminate "foci of corruption," by which he really means political machines that might offer resistance to the IMF.

As for economic development, the emphasis in the Argentine program is on *small* and *labor-intensive*. There is no mention of large infrastructure projects or development of scientific or technological capabilities, which were elaborated in Lyndon H. LaRouche's 1982 work *Operation Juárez* and *EIR's* 1983 book *Argentina Industrial: Eje de la integración iberoamericana (Industrial Argentina: Axis of Ibero-American Integration)*. Béliz's program calls for setting up 206 development poles, for example, to benefit 4 million people. Yet even government officials admit that at least 11 million Argentines, a third of the population, live in extreme poverty.

The economic activity in these "poles" will include small farm plots or *minifundios*, micro-enterprises, and municipal and urban development programs. The World Bank will offer financing for infrastructure and social programs in five provinces, to benefit 400,000 people. Urban employment programs will reportedly provide 4,000 jobs in labor-intensive projects. No one has yet explained how this will benefit 5 million Argentines who currently have no stable employment.

Growing opposition

How successful this program may be remains to be seen. But judging from some of the public commentary, not everyone has bought Béliz's line that it is coherent with Christian doctrine. A column in the Dec. 7, 1992 *Página 12* described the plan as an "attempt to deepen liberal policies and humanize the adjustment in terms of Rome's social doctrine." But if it is successful, the daily warned, "it will permanently consecrate the exclusion of no less than one-third of the population from the benefits of modernization, in exchange for an unprecedented concentration of wealth and power; remove the specter of corruption from the government, while at the same time adopting measures tending to guarantee its impunity."

From within the church, the outspoken Msgr. Jorge Novak, bishop of Quilmes, called the new program a mere electoral ploy. The fact that the interior minister is a "militant Catholic" is irrelevant, the Argentine Novak (no relation to Michael) said. "This won't Christianize the government nor improve its image." The economic adjustment program, he added, "is intrinsically unacceptable."