

Hongkong as the perfect model of free enterprise, with no government intervention on the free flow of drug money, and no bothersome constitutional rights of the citizenry to worry about. In his meetings, including a well-publicized two-hour interview with Zhao in September 1988, "Chinese Milton" (as he was dubbed by his friends at William Buckley's *National Review*) proposed the idea of recreating the Hongkong experience all over China. This in fact became Deng's slogan in expanding the Special Zones along the coast: "Build many Hongkongs."

After the 1988 meeting with Zhao Ziyang, Friedman reported: "We have a good impression of this person and his wisdom. He has profound knowledge of economic problems and is determined to enlarge the scope of the market. He is willing to experiment and learn, and listen humbly to the suggestions and opinions of other people."

Zhao arranged for some of the young economists in the think-tanks associated with him to travel to Chile, another of Friedman's favorite "free economies." Chile's economy was set up by Friedman and his associates from the University of Chicago following the imposition of a military dictatorship in 1973. As the cases of Hongkong and Chile demonstrate, Friedman's form of "freedom" works best under a dictatorship or overt colonialism!

### **George Soros and Zhao Ziyang**

Another primary sponsor of Zhao's policies was George Soros, a Hungarian-born billionaire who made his money as a Wall Street speculator. Soros has been a primary promoter and financier of the Jeffrey Sachs shock therapy in eastern Europe, with branches of his Soros Foundation in Hungary, Ukraine, Romania, and Russia. He has promoted various schemes to open up these nations to unrestrained looting by western speculators, while opposing the reconstruction of industrial infrastructure.

Soros is an ardent advocate of the Alvin Toffler style of "post-industrial" economics, "chaos theory," and other New Age quackery. He describes hydroelectric dams and steel mills built under Stalin as "pyramids built by a modern pharaoh."

This same George Soros financed the "Fund for the Reform and Opening in China" with the sponsorship of Zhao Ziyang. In fact, Soros considers a primary cause of the difficulties in Russia to be the lack of "an accomplished economist" like Zhao Ziyang, with his think-tank of "brilliant young intellectuals at his disposal."

The Fund for Reform and Opening in China helped "educate" some of the young economists around Zhao in radical free trade shock therapy. When Zhao was purged during the Tiananmen Square demonstrations in 1989, the fund was also shut down, amidst accusations of CIA connections. Soros is now trying to redeem his good name with Deng Xiaoping, according to his office in New York.

## **Argentina's battle for national development**

by Carlos González

*This speech was given by Mr. González, private secretary to former Argentine President Arturo Frondizi, to a conference of the Schiller Institute and International Caucus of Labor Committees in Northern Virginia on Feb. 20 (for a full report, see p. 54). The speech has been translated from Spanish.*

It is a great honor for me to have been invited to this conference, entitled "Reason versus the Conservative Revolution," and it is a matter of great pride for me to represent the former President of Argentina Dr. Arturo Frondizi, who with full generosity and openness of mind, has given me the freedom to express my own ideas and thoughts without reservation.

But it will also prove an unforgettable experience to have attended a political-economic conference presided over by our great referent, Lyndon LaRouche, a conference convened by the clamor of poor and oppressed peoples. I share this fraternal moment with other brothers of our continent and other parts of the world. Our fight in defense of the underdeveloped nations and for the dignity of our children gives all of us here the right to assume, with no other credentials required, the representation of our respective countries—in my case, the Argentine Republic, land of the Liberator, Gen. Don José de San Martín.

During my presentation, I will try to describe for the friends present here the reasons and circumstances which brought Arturo Frondizi and Lyndon LaRouche together. Between them is a friendship sealed by adversity and by common objectives of actions on behalf of the happiness of mankind. Also, I feel obliged to briefly describe the history of an Argentina which was and has now ceased to be, because of those who hold that the concept of the nation-state must be eliminated. To this end, they have created non-governmental organizations which, in the words of a member of the Trilateral Commission, will help to do away with national sovereignties.

### **Frondizi's fight for national development**

When Arturo Frondizi was sworn in as President of the country in 1958, he told his fellow citizens that Argentina

had reached a crossroads. He stated, in the following words, that there were two choices: "Either our development remains paralyzed and we continue to impoverish ourselves . . . or we move forward with decisiveness and courage to conquer the future through the path of progress and national greatness"; he stressed the concept of "man as a sacred being."

In 1958, the situation in Argentina was dramatic. Besides political intolerance, there was also an exhausted economy with paralyzed trade. This, despite the fact that in 1916, on the 100th anniversary of its independence, Argentina had been the fifth-ranking country in the world; that it has 3 million square kilometers of the most fertile land in the world; that it possesses iron, copper, coal, oil, and vast natural gas deposits. In its favor, it also had a steel program under way and could draw on the thinking and influence of enlightened military men who had understood the demands of world progress. Among these were generals Enrique Mosconi, Manuel N. Savio, and Juan E. Guglielmelli.

Given this situation, Frondizi decided to launch a dynamic plan for national development, to increase productive capacity. If any factors could contribute to the national effort, these were technology and foreign capital. Regarding the latter, the government was very clear: It would accept all investment destined for the progress and well-being of the country, but would reject any design that threatened national sovereignty. He thus encouraged investments in economic activities that would consolidate the productive apparatus or increase productivity of the regional economies. Frondizi was very clear that the problems of unemployment and underemployment—a critical problem in the world—could not be solved without industrial growth.

From the foregoing, I don't think I have to detail any further the points of agreement that exist today between Frondizi and Lyndon LaRouche, who met each other in Argentina in 1984. Those attending this meeting are perfectly able to do so on their own, and with precision. The great majority of Argentines, in launching this plan of stability and development, felt that we were undertaking the definitive battle against underdevelopment and dependency. We had once again embraced our culture and national identity.

### **Kennedy's statesmanship**

In this situation, if it were technology and capital that were required, one had to turn to the United States of America. Although Frondizi had already proposed the need for aid to a joint session of the U.S. Senate and House of Representatives on Jan. 31, 1959, during the Eisenhower presidency, it was on his second trip and when he met John F. Kennedy, that positive bilateral relations between the two countries were sealed. These relations were governed by cooperation in the economic sphere and independence and respect for self-determination in the political sphere. The

industrializing dynamic that the Argentine government had been developing succeeded in attracting both public and private capital from the United States.

It is necessary to emphasize that Kennedy directly intervened to block a World Bank veto, so that Argentina could launch the great "El Chocón" hydroelectric project, which enabled us to open up the richest half of the country to development. Kennedy told Frondizi: "Mr. President, I want you to understand clearly what I am going to tell you. The triumphs and the failures of Argentina are the triumphs and the failures of the United States. Your success is our success." In this way, the American President took advantage of what had been called "the historic opportunity," so that the free and industrialized nations of the world would help the less-developed nations.

If there is anything that demonstrates both the greatness and the modesty of John F. Kennedy, it is his response to Frondizi's observation that the Alliance for Progress should not have a welfare approach, since in his opinion, Ibero-America did not need charity but development capital. Kennedy categorically emphasized: "Mr. President, you have convinced me; from this moment on, your ideas are my ideas."

It is for this reason that when Frondizi called upon President Clinton on May 14, 1993 to free Lyndon LaRouche, he also warned that Ibero-America was undergoing a dangerous convulsion as the result of the political, economic, and social policies being applied on the continent. He also suggested that it was necessary to immediately revise the actions originating with President Bush's Enterprise for the Americas and the free-trade agreements. Finally, Frondizi told Clinton: "Just as John F. Kennedy in his day, destiny has placed you, Mr. President, at the crossroads between freedom and well-being, or subjugation and poverty." In March 1994, he reiterated publicly that Clinton should think like Kennedy.

That undertaking by the Frondizi government should serve today as an inspiration for all the nations of Ibero-America. Were an American government to again take up the path of Kennedy—of course adapted to the times—the Ibero-American countries could once again march toward a destiny of greatness.

Argentina proved in 1958-62 that it was possible. It defeated inflation, achieved oil self-sufficiency, tripled its steel production, built thousands of kilometers of roads, established an auto industry, exploited its energy and mineral wealth, gave priority to its educational policy, encouraged scientific research, and gave the Armed Forces the resources to achieve high levels of readiness.

That government was overthrown on March 29, 1962, by a civil-military coup. The month before he was overthrown, Arturo Frondizi publicly denounced the reactionary sectors that were organizing the international conspiracy against those governments of Ibero-America that were applying the

liberating ideas of Alexander Hamilton and Friedrich List, in open opposition to the British empire and in defense of the nation-state. He stressed that the engine driving that conspiracy was not the American people, but rather the same groups that had opposed Kennedy because of his democratic ideals. At the same time that they were undermining the confidence of the American people in their institutions and government, they were deploying their agents to foment insurrection throughout the continent.

Before I describe the somber picture of Argentina today, let me first state the following. If many see Arturo Frondizi, at age 86, as an inspiration in the fight against usury, against privilege, and to rescue national sovereignties, I feel obliged to state categorically that Lyndon LaRouche, with his intelligence, his ideas, his example and his courage, has given us new strength to take up the fight not only in Argentina, but in the whole world. We also give thanks to his wife Helga, and to the rest of his untiring and loyal collaborators around the world. Divine Providence seems to have contacted these two statesmen.

### Argentina today

With Arturo Frondizi overthrown, Argentina began to follow the road toward dependency. Its fate was being decided by the major multinational corporations and by the international banking system, under the authority of the International Monetary Fund, the World Bank, and usury. They led the country into decadence and corruption, with a government which confined itself to carrying out the orders of the Anglo-American establishment. Its perversion was consummated, the act of treason complete, by decorating Citibank Vice President William Rhodes with the May Order of Merit, designating him a Grand Officer of the Order of the Liberator.

Argentina today is an underdeveloped and indebted nation, defeated in a [1982] military war in the South Atlantic and with foreign troops on its territory. Despite this, it maintains, as Foreign Minister Guido di Tella described it, "carnal relations" with those who were its enemies in that war. Education is far from considered a national priority, and scientists are forced to emigrate for lack of opportunities. The government boasts of having entered the "first world," but—among other things—it starves its people, renounces the marvel of the Condor II missile program, has neutralized its nuclear policy, destroyed steel production and the rest of the industrial sector, and hands over its oil like currency for payment, while George Soros and Mark Rich expand their operations. Current Finance Minister Domingo Cavallo's best-known previous achievement was his action during the 1976-83 military dictatorship for the state to assume the foreign debt of large companies, forcing the population to assume that burden.

Argentina is making Kissinger happy by paying its illegitimate foreign debt with real assets, that is, by surrendering

the patrimony of state companies. I must stress, although it gives me great pain as an Argentine, that my country today is seeing the birth of a race which must inexorably be inferior as the result of neoliberalism. Empty stomachs, the malnutrition of mothers and children, and the lack of minimum protein levels required for concentration and learning, are the emerging signs of an ominous future. The elderly are being abandoned and thousands of children live in the streets, trapped between begging and crime. Recently, and according to official reports, we have stopped being a country through which illegal drugs are transported, and have become a consumer of those drugs. Even so, President Carlos Saul Menem recently met with the British rock band Rolling Stones—in the company of Britain's ambassador to Argentina—an event organized by the chief of the State Intelligence Service (SIDE).

This is the Argentina which has destroyed its Armed Forces and made the nation defenseless. This is the nation which has imprisoned Col. [Mohamed Ali] Seineldín and the men who accompanied him in his effort to rescue their honor after the government failed to fulfill its pledged commitments. Frondizi called on President Menem to release these soldiers, and Cynthia Rush in her article in *EIR* magazine, was especially correct when she linked the freedom of Seineldín and his followers to the future of the republic. The book sponsored by Lyndon LaRouche and presented by Colonel Seineldín, entitled *The Plot to Annihilate the Armed Forces and Nations of Ibero-America*, has allowed us Argentines to revive ourselves spiritually with regard to the heroic effort to take back our Malvinas and to find new strength to fight against the invaders.

It remains only for me to say that Arturo Frondizi publicly supported Venezuelan President Rafael Caldera because, as he understands it, if [Caldera] can take even bolder action, for which he should be encouraged, this could very possibly unleash a chain reaction on the continent.

Arturo Frondizi has also informed His Holiness John Paul II of all of his efforts on behalf of the freedom and definitive exoneration of Lyndon LaRouche, as well as his request that President Clinton review his policies toward Ibero-America.

If there is anything truly urgent at this moment, it is to achieve the full exoneration of Lyndon LaRouche and at the same time work for the freedom of Colonel Seineldín. I shall end by asking God to give us strength and imagination so that we may become efficient communicators with the youth of the world and urge them not to forsake becoming active protagonists of universal history. Young people are frightened, confused, and witness the fading away of national sentiment; so it is a matter of helping and saving a youth which, 14 years ago in Rome, was characterized by what His Holiness John Paul II described as "in search of truth, of ideals by which to live, of responsibility, moral beauty, innocence and happiness."