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## Argentina

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# Bush's Friends Jailed; Will Cavallo Be Next?

by Cynthia R. Rush

Wall Street and London are doing a lot of hand-wringing these days over the possibility that their man in Argentina, Finance Minister Domingo Cavallo, could end up in jail sometime soon. A close collaborator of drug legalizer George Soros, Cavallo is one of several former high-level officials in the 1989-99 government of President Carlos Menem, implicated in illegal weapons sales to Croatia and Ecuador, between 1991 and 1995. As Finance Minister from 1991-96, Cavallo, together with Menem and other cabinet ministers, signed secret Presidential decrees authorizing the weapons sales, which on paper, were destined for Panama and Venezuela. But the weapons went to Ecuador in 1995, while it was in a border war with Peru.

Argentina's creditors fear what might happen, were Cavallo, supposedly the country's financial savior, to be arrested. The country is in disastrous financial shape, thanks to the criminal free-market policies imposed by Cavallo during his 1991-96 tenure as Finance Minister under Menem. And, the crisis will worsen, because of the usurious terms of the recently announced plan to swap \$30 billion in short-term debt for longer-term debt, orchestrated by Cavallo's mentor at *Crédit Suisse-First Boston*, former U.S. Deputy Treasury Secretary, David Mulford (see *EIR*, June 8). Wall Street analysts are warning that were Cavallo subpoenaed to testify in the arms case, Argentina's bond rating would go through the floor—and they would lose billions.

Carlos Menem, a longtime friend of the Bush family, is already under arrest on charges of "illicit association" in the weapons case, being investigated by federal Judge Jorge Urso and Prosecutor Carlos Stornelli. Two days before Menem's June 7 arrest, his former Army Chief of Staff, Gen. Martín Balza (ret.), was arrested on the same charges.

Is Cavallo next?

Many think so. One TV program covering news of the case, showed mugs of the former government officials implicated, with the pictures of Menem and Balza marked with a large "X," indicating that they are now under arrest. The other two mugs on the screen, not yet crossed out, were Cavallo and Menem's Foreign Minister Guido Di Tella.

### 'Moral Reserve of the Nation'

As these events have unfolded, nationalist leader former Army Col. Mohamed Alí Seineldín has rapidly become a

focus of tremendous media attention. Hated by London and Wall Street because of his uncompromising defense of Argentine sovereignty and national institutions, Seineldín is a political prisoner—and also a hero of Argentina's 1982 Malvinas War against Great Britain, a matter of great relevance to the arms case.

In 1991, the Anglo-Americans saw to it that Seineldín was sentenced to life in prison, because of his leadership in the December 1990 uprising against the Army high command, whose policy was to demilitarize the Armed Forces. This was the policy of the George Bush Sr. administration, and of policymakers such as Kissingerian Luigi Einaudi, who elaborated this British strategy to destroy the institution of the sovereign nation-state. Bush personally intended to make a "horrible example" of Seineldín, for daring to defy the globalizers.

The Anglo-Americans didn't count on Seineldín's reputation as "the moral reserve of the nation" coming back to haunt them—but it has, with a vengeance.

During the Malvinas War, Peru was one of Argentina's staunchest allies, sending planes and pilots to help fight the British. Historically, the two countries have enjoyed a warm, collaborative relationship. Not only did Menem betray this traditional ally, by sending weapons to Ecuador in 1995—he did so, while Argentina was serving as one of four "unbiased" international guarantors, as stipulated by the 1941 Rio Protocol, which were supposed to be helping Peru and Ecuador peacefully resolve their border conflict.

War hero Seineldín, respected by patriots throughout Ibero-America, stands as a pillar of moral authority, against Menem, Cavallo, and their sleazy friends, including the Bushes.

Seineldín conducted his own investigation of the 1991-95 illegal arms sales, and testified as to his findings before Judge Jorge Urso, on May 21. His testimony, and subsequent media interviews—he has given over 100, as of this writing—underscored that the illegal weapons sales were not just a display of personal corruption, but a product of Argentina's submission to globalization and George Bush's "New World Order."

"The Anglo-Saxon establishment," and Sir George "imposed neo-colonialism on the republic . . . especially the Latin American [ones], and have disarmed the state," he told a Radio 10 interviewer on June 6. With Bush's help, Menem made Argentina an official "non-NATO ally" of the United States, the end result of two decades of submission to the international financial oligarchy.

He also charged that the United States had ordered Argentina to make the arms sales, and that Menem had willingly complied. Meantime, Balza had dismembered the Army: The 6,500 tons of weapons illegally sold to those two countries, could have been used to train 50,000 soldiers over a ten-year period, or to equip eight infantry battalions and two field artillery units.

And, the most interesting question of all, he said, is: What happened to the money from those sales?