

Bushmen promote Argentine model

by Cynthia R. Rush

U.S. Vice President Dan Quayle, Spanish Prime Minister Felipe González, and Italian Prime Minister Giulio Andreotti all flocked to Buenos Aires the second week in March to offer their full support to the monetarist policies of President Carlos Menem. In the midst of Argentina's devastating crisis, Quayle gushed on March 10 that "Menem has shown himself a courageous leader, who is working very hard to reform the economy, so that the Argentine people can have a better life." Quayle also announced that George Bush would be traveling to Argentina in September of this year. On the same day that Quayle made his statement, the vice president of the World Bank, Sahid Hussain, reported that his institution also backs Menem's policies, adding that "we consider ourselves to be partners of Argentina in its development."

Quayle's remarks were not intended to convince the Argentine people that they will have a better life under Menem, since no one believes that anyway. The "free market" quackery implemented by the Peronist President since he took power last July, has exacerbated the mess left behind by his predecessor Raúl Alfonsín, producing soaring inflation, unemployment, and recession. Opposition to Menem's policies is fierce within the Peronist movement and the trade union confederation.

Despite this, Quayle and the Bush administration are presenting Menem and the "free market" model as the only way to go—as opposed to a dirigistic, Hamiltonian approach which has a strong tradition throughout Ibero-America.

With such backing, Menem, for the moment, is enjoying his chosen role. During a March 11 interview with Peruvian journalist César Hildebrant, shown on Lima's Channel 4, Menem told viewers that "there is no alternative but shock policy." Warming to the topic, Menem boasted that Uruguayan President Lacalle, Brazil's President-elect Collor de Mello, and Nicaragua's new President Violetta Chamorro would all follow a program similar to Argentina's, which, he said, "in the end, will show results." Sounding very much like Peru's economic libertarian, pornographic writer, and presidential candidate Mario Vargas Llosa, Menem attacked the "dirigist state," built in Argentina by Gen. Juan Perón, and brayed that "this government in six months has done more than all governments of the past 40 years."

On the same program, Argentina's Finance Minister Antonio Erman González explained to Peruvians that Argentina's real problem is that its monetary reform has been "too gradual . . . not a shock policy."

Domestically, Menem's total commitment to the policies desired by the International Monetary Fund and Argentina's creditors, is bringing him into confrontation with almost every sector of the economy, particularly the labor movement. When the Peronist-run General Confederation of Labor (CGT) presented him with an alternative economic program which calls for strengthening "the real economy," Menem responded that he "will not even read it." Saúl Ubaldini, secretary general of one faction of the divided CGT, stated that Menem's refusal "belittles the CGT's contribution to a solution of national problems," adding that "democracy with hunger, is authoritarianism."

Growing strike wave

The union of state-sector workers, totaling 145,000 people, will stage a 24-hour strike on March 22, to protest Menem's plan to privatize much of the state sector and reduce its budget, which will leave many of them without jobs. State workers also plan to join teachers, court employees, and railroad workers in a march to protest the government's "adjustment" policies. Despite this growing protest, the Argentine President boasted that "not even 1,000 strikes could make me change my economic policies."

The international banking community and the IMF are reportedly prepared to reward Menem for sticking to his guns. Within 20 days, the government expects to receive a \$480 million bridge loan from the United States, and a new letter of intent with the IMF will be signed shortly.

There has also been increasing speculation that Menem might consider taking steps like closing the Congress and effectively ruling with the Armed Forces, as a means of enforcing a hated economic policy. Menem's recent decision to authorize the Army to repress social conflict, granting it a greater role in internal affairs, heightened that speculation. Menem's own brother-in-law, Peronist Deputy Jorge Yoma, publicly confirmed that he had seen memoranda to that effect prepared for the President.

Figures such as former president Raúl Alfonsín and his coterie of leftists within the Radical Civic Union (UCR) are trying to take advantage of such revelations in order to boost their own political fortunes. On March 9, Alfonsín, an asset of the U.S. Project Democracy crowd, charged that Menem was harboring "anti-democratic" intentions. The former President knows that millions of Argentines who voted for Menem are now turning to the nationalist movement, led by Col. Mohamed Alí Seineldín, rather than to the UCR or the left. Seineldín, who has repeatedly denounced Alfonsín's social democratic agenda, calls for the creation of a civilian-military front to "fight against the domination of the two imperialisms: the United States and the Soviet Union."