

Originally Processed With FOIA(s):

S

FOIA Number:

S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Backup Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13781
Folder ID Number: 13781-003

Folder Title:
President Menem of Argentina 11/14/91 [OA 8319] [2]

Stack:	Row:	Section:	Shelf:	Position:
G	26	21	7	6

Grant/Aarhus
November 6, 1991
A:MENEMARR
Draft One

PRESIDENTIAL REMARKS: ARRIVAL CEREMONY FOR PRESIDENT MENEM
NOVEMBER 14, 1991
10 A.M.

Thank you all very much. President Menem, it gives me great pleasure to welcome you to the White House. Nearly a year ago, a revolt ensued by renegade soldiers confronted you in your nation's capital. You stood firm in defense of freedom and liberty and in defense of your people's right to a government of their choice. From Rivadavia to Rio Gallegos, from Zapala to Buenos Aires, your strong, committed leadership brought your people hope for positive change, hope for a better future.

In your inaugural address you told the Argentine people, "Only working together we shall become the architects of a deep change and of a positive transformation." You called for a "birth of a new time". You asked Argentina to "arise and walk". President Menem, you are a leader of courage and common sense, a man of conviction, and a human being of clear-sighted concepts.

When we met last year in beautiful Buenos Aires, we spoke about the challenges your country faces, and the changes that have already been set in motion. The ties between our two countries have never been stronger, and a great deal of credit goes to you and your administration.

Under your leadership, Argentina has become one of this hemisphere's strongest defenders of democracy, both at home and

abroad. When Saddam Hussein invaded Kuwait, you sent troops from the Argentine navy to join the international coalition that liberated that pillaged nation. When tanks rumbled through the streets of Moscow, threatening the Soviet Union's democratic reconstruction, you were one of the first to speak out in defense of liberty. You have called for democratic reform in Cuba and worked to restore democratic government in Haiti.

At home, you have brought down barriers to trade and investment, slashed government spending, privatized state-owned industries, and abolished harmful government regulation of the economy. Once-rampant inflation is under control, Argentine industrial production is up, your stock market, the oldest in Latin America, has risen sharply in recent months, and last year, Argentina had a trade surplus of over \$8 billion. In the last year, U.S. firms have invested over \$200 million in Argentina.

You faced many difficult challenges when you took office in 1989, but I can see, and the Argentine people can see that, together, these measures have earned the respect of the international community and set Argentina on the road to a stronger competitive position in the global economy.

By the end of 1994, the Mercosur common market will eliminate tariffs between Argentina, Brazil, Paraguay, and Uruguay -- linking your economies together consistent with GATT -- to form one of the hemisphere's largest open markets. You and your partners are taking a giant step toward the goal I stated last year in announcing the Enterprise for the Americas Initiative: to make the Americas the world's largest partnership of free-trading nations.

We welcome your efforts -- and the efforts of Brazil -- to bring the Treaty of Tlatelolco into force by setting in place nuclear safeguards which will increase security in this hemisphere and the rest of the world.

THE WHITE HOUSE
WASHINGTON

October 28, 1991

MEMORANDUM FOR WHITE HOUSE AND OEOB PASSHOLDERS

FROM: DEBRA ROMASH DUNKLE
DIRECTOR
VISITORS OFFICE

SUBJECT: ARRIVAL CEREMONY FOR HIS EXCELLENCY, DR. CARLOS SAUL
MENEM, PRESIDENT OF THE REPUBLIC OF ARGENTINA.

The Official Arrival Ceremony for His Excellency, Dr. Carlos Saul Menem, President of the Republic of Argentina will be held on Thursday, **November 14, 1991** at 10:00 a.m. All passholders are cordially invited to attend.

Passholders should submit the names, dates of birth and social security numbers of their guests to the Visitors Office. This will be a ticketed event and your guests will need a ticket to attend. **All lists must be submitted to the Visitors Office by 5:00 p.m. on Friday, November 8, 1991.**

The tickets can be picked up at the East Appointment Gate between 12:00 noon and 3:00 p.m. on Wednesday, November 13th.

Those attending the ceremony must arrive at the White House by **8:30 a.m.**, on the day of the event. Gate assignments will be on their tickets. Please remind all ticket holders to bring proper identification, as security concerns require checking names at the gates.

Passholders will not need a ticket.

Staff is reminded that the gold rope areas, surrounding the podium, **are for special ticket holders only**; guests of the Administration. Guests for that area must be cleared through the Visitors Office.

Thank you for your attention to the above guidelines.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Memo	Carol Blymire Aarhus to Visitors Office, re: Arrival Ceremony for President Menem; Social Security numbers. (1 pp.)	10/31/91	P-6, (b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Speechwriting, White House Office of
Series: Speech File, Backup
Subseries:
WHORM Cat.:
File Location: President Menem of Argentina 11/14/91 [2]

Date Closed: 11/1/2004	OA/ID Number: 08319
FOIA/SYS Case #:	
Re-review Case #: 2004-2265-S	
P-2/P-5 Review Case #:	
MR Case #:	Appeal Case #:
MR Disposition:	Appeal Disposition:
Disposition Date:	Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

THE STATE VISIT
TO
WASHINGTON, D.C.
OF
HIS EXCELLENCY
CARLOS SAUL MENEM
PRESIDENT
OF
THE REPUBLIC OF ARGENTINA

NOVEMBER 13 TO 16, 1991

DRAFT

as of 11/7/91
2:30pm

SUMMARY SCHEDULE

WEDNESDAY
NOVEMBER 13

5:00 pm-	Greeted by Deputy Chief of
5:05 pm	Protocol Fitzgerald and
	Welcoming Committee Andrews Air
	Force Base, Maryland.
5:05 pm-	United States Presidential
5:15 pm	Helicopters to Washington
	Monument Grounds Reflecting
	Pool, Washington, D.C.

SUMMARY SCHEDULE

WEDNESDAY
NOVEMBER 13
(Continued)

5:15 pm- Greeted by Acting Secretary of
5:20 pm State Eagleburger, Washington
Monument Grounds Reflecting Pool.

5:25 pm Arrive Blair House.

Private dinner, Blair House.

Overnight: Blair House.

SUMMARY SCHEDULE

THURSDAY
NOVEMBER 14

8:00 am- Working Breakfast with
9:15 am Executives of International
Financial Organizations, Blair
House.

9:45 ~~10:00~~ am- Arrival Ceremony with The
~~10:20~~ am President and Mrs. Bush, South
10:05 Lawn, The White House.

10:05 am- Reception with The President and
10:15 am Mrs. Bush, State Floor, The
White House.

¹⁵
10:30 am- Photo-Opportunity with President
10:35 am Bush, Oval Office, The White
²⁰House.

²⁰
10:35 am- Expanded Meeting with President
~~11:30~~ am Bush, Cabinet Room, The White
11:15 House.

12:00 pm- Meeting with Acting Secretary of
12:30 pm State Eagleburger, Deputy
Secretary's Conference Room,
Department of State.

*might address
Joint Session* ←

11:15 - 12 → *Joint Address*

SUMMARY SCHEDULE

THURSDAY
NOVEMBER 14
(Continued)

12:30 pm- Luncheon offered by Acting
2:00 pm Secretary of State Eagleburger
in honor of President Menem,
Benjamin Franklin Room,
Department of State.

2:15 pm- Meeting with Congressional
4:15 pm Leaders, United States Capitol.

4:30 pm- Meeting with Secretary of
5:00 pm Defense Cheney, Blair House.

7:15 pm- Refreshments with The President
7:45 pm and Mrs. Bush, Yellow Oval Room,
The White House.

7:45 pm- Reception, State Dinner, and
10:35 pm After-Dinner Entertainment
offered by The President and
Mrs. Bush in honor of President
Menem, State Floor, The White
House.

Dress: Black tie.

Overnight: Blair House.

SUMMARY SCHEDULE

FRIDAY
NOVEMBER 15

8:00 am-	Working Breakfast with Secretary
9:00 am	of Treasury Brady and Under Secretary of Treasury Mulford, Blair House.
9:40 am-	Protocolary Session in honor of
10:45 am	President Menem, to be followed by Address before Permanent Council, Hall of the Americas, Organization of American States.
10:50 am-	Meeting with President Iglesias,
11:50 am	President's Office, Inter-American Development Bank.
12:00 pm-	Luncheon with Members of the
2:00 pm	National Press Club, National Press Club.
3:15 pm-	Meeting with Chairman of the
4:15 pm	Board Graham of the Washington Post, Chairman's Office, The Washington Post Building.
4:45 pm-	Tour of Goddard Space Flight
5:45 pm	Center, Greenbelt, Maryland.

SUMMARY SCHEDULE

FRIDAY

NOVEMBER 15

(Continued)

6:30 pm- Reception hosted by President
8:30 pm Menem in honor of United States
Officials and Special Guests,
Embassy of Argentina.

Dress: Business suit.

Overnight: Blair House.

SUMMARY SCHEDULE

SATURDAY
NOVEMBER 16

8:00 am- Working Breakfast with United
9:00 am States Political Scientists,
Economists and Sociologists with
interest in Argentina, Blair
House.

9:30 am- Wreath-Laying Ceremony at Tomb
10:00 am of the Unknown Soldier,
Arlington National Cemetery.

10:10 am- Wreath-Laying Ceremony at
10:30 am Monument of Liberator General
Jose de San Martin. Unveiling
of a Plaque to Commemorate
President Menem's visit.

10:35 am- Meeting with Members of the
11:30 am Foreign News Media, Embassy of
Argentina.

11:30 am- Reception for Members of
1:00 pm Washington's Argentine
Community, Embassy of Argentina.

SUMMARY SCHEDULE

SATURDAY
NOVEMBER 16
(Continued)

1:25 pm- Farewell Ceremony with Under
1:30 pm Secretary of State Kanter, Chief
of Protocol Weinmann and
Farewell Committee, Washington
Monument Grounds Reflecting Pool.

1:30 pm- United States Presidential
2:30 pm Helicopters to Williamsburg,
Virginia.

Grant/Aarhus
November 8, 1991
A:MENEMARR
Draft Two

**PRESIDENTIAL REMARKS: ARRIVAL CEREMONY FOR PRESIDENT MENEM
NOVEMBER 14, 1991
10 A.M.**

Thank you all very much. President Menem, it gives me great pleasure to welcome you to the White House. The ties between our countries have never been stronger, and a great deal of credit goes to you and your administration.

Nearly a year ago, a revolt ensued by renegade soldiers faced you in your nation's capital. You stood firm in defense of freedom and liberty and in defense of your people's right to a government of their choice. In the end, freedom triumphed. It was an honor to join you, just two days later, in beautiful Buenos Aires, the capital of a proud and free Argentina.

In your inaugural address you told the Argentine people, "Only working together we shall become the architects of a deep change and of a positive transformation." You asked Argentina to "arise and walk." And you reassured your people that the sight of their forefathers would guide them: San Martin, Bolivar, Artigas and Peron -- leaders who believed that common frontiers must turn into union bridges. President Menem, in their tradition, you are a leader of courage and common sense, a man of conviction, and a visionary for a people facing common frontiers.

When we met last year in Buenos Aires, we spoke about the challenges your country faces, and the changes that have already

been set in motion.

Under your leadership, Argentina has become one of this hemisphere's strongest defenders of democracy, both at home and abroad. When Saddam Hussein invaded Kuwait, you sent troops from the Argentine navy to join the international coalition that liberated that pillaged nation. When tanks rumbled through the streets of Moscow, threatening the Soviet Union's democratic reconstruction, you were one of the first to speak out in defense of liberty. You have called for democratic reform in Cuba and worked within the Organization of American States to restore democratic government in Haiti.

At home, you have brought down barriers to trade and investment, slashed government spending, privatized state-owned industries, and abolished harmful government regulation of the economy. You have worked hard to meet Argentina's foreign debt commitments. You have brought once-rampant inflation under control. Industrial production levels are up; your stock market -- the oldest in Latin America -- has risen sharply in recent months. Last year, Argentina had a trade surplus of over \$8 billion; U.S. firms alone invested over \$200 million in Argentina.

You faced many difficult challenges when you took office in 1989, but these measures earned the respect of the international community. More importantly, they set Argentina on the road to a stronger competitive position in the global economy.

In the rapidly evolving relationship among the nations of the Southern Cone, you have taken the lead in achieving regional

Grant/Aarhus
November 8, 1991
A:MENEMTOA
Draft Two

**PRESIDENTIAL REMARKS: STATE DINNER TOAST
PRESIDENT MENEM OF ARGENTINA
NOVEMBER 14, 1991**

President Menem, distinguished guests.

I'd like to begin tonight with a short story. In November of 1840, the "Thomas Jefferson of Argentina," Domingo Faustino Sarmiento, began publishing a weekly newspaper, El Zonda, and wrote of the yearning for democracy and the dream of freedom for his people. After six issues, it was forced out of business after the Federalist Governor raised the tax on newsprint. Soon after, Sarmiento was imprisoned for conspiracy and nearly lynched, then sent into exile. Sarmiento, under armed guard while crossing the Andes into exile, wrote a message in French on the wall of a shack he had built in the Zonda Valley. The soldiers escorting him to the border did not read French, and so the message remained. Sarmiento had written: "On ne tue pas les idees" -- translated, "ideas cannot be killed."

President Menem, you are a man of ideas -- ideas of freedom, opportunity and hope for a better life for your people. These ideas can never be killed.

In your Inaugural address, you said: "I call you to participate in the birth of a new time. Of a new opportunity which may be the last one, which may be the most important, definite and decisive opportunity of our days. The most beautiful country is the one we have not built yet."

I now raise my glass to a man of ideas, Carlos Menem. To the beautiful world that we have not yet built: May it be one of freedom, opportunity and a better life for all people.

#

resilience, through scholarship and, above all, the example of your lives.

But also remember the teachers who inspired you, the friends or adults who counseled you, supported you, gave you the confidence to achieve great things. Kathryn Cunningham, a scholar from Vermont, has said, "I thank my parents for their advice that achievements mean nothing if they don't help anyone else." All your parents ought to be proud. While this is your day, I kind of think it's also theirs.

Note: The President spoke at 2:35 p.m. on the South Lawn at the White House.

President Bush. Well, first, let me welcome everybody here—a most distinguished guest list from all across our treasured hemisphere, and we're delighted to have you here. Of course, I want to single out our guest of honor, who's been here for what the United States feels has been a terribly important visit, President Collor of Brazil. I want to salute Foreign Minister Di Tella; Foreign Minister Rezek; Foreign Minister Frutos; Foreign Minister Gros; and the Secretary General of the OAS, our distin-

This is an occasion to be proud of. We want to refer to this, and will refer to this, as the Rose Garden Agreement. For those who are new here, this is a very special place, this Rose Garden. Many historic events have happened here; many current events take place here. But we view this agreement as one of significance, and I would refer to this as the Rose Garden Agreement. It represents the culmination of a great deal of negotiating work. It represents a new departure for our trade and investment relations with Argentina, Brazil, Paraguay, and Uruguay.

The four countries represented here came back and they told us they had some innovative ideas, and they came back with a very imaginative proposal. Instead of doing a bilateral framework agreement, why not do a framework agreement with a number of countries? And we thought about it. The logic was compelling. And in the marketplace of ideas, good ones advance, and this was a very good one.

Hills, for her w
behalf of the I
say I hope you
I'm proud of th
dertaken and
thank each Fo
that you have
today possible.

We all know the words and paper is only the most important part of any legislation. I want to be committed to it in practice. And I proposed the E-Trade Initiative, our goal is to increase trade and growth and prosperity to this hemisphere.

I don't intend Americas to be afford here in the more slogan and not be follower policy fail. And s progress in this my commitment the same spirit the same spirit tion that produce

So, I wanted to simply say from the United States of America, our interest. I am interested in all the people—this Rose, I believe also the others in this hemisphere. So, thank you very much. So hard on you. And just can't tell you how I have you. And you.

of Foreign Affairs gentlemen, for the countries took the nations, we four the United States to inscribe our peace, justice, and agreement which peoples and govern
May this moment historical milestone

and Secretary
her. Of course,
for the United
ished Ambassa-
you here.

proud of. We
ll refer to this,
ent. For those
a very special
Many historic
many current
we view this
icance, and I
Rose Garden
culmination of
ork. It repre-
our trade and
entina, Brazil,

is agreement
operative spirit
Almost exact-
ideas on how
r countries of
ess issues of
nd one of the
ation of bilat-
framework
us along the
n. Free trade
—a free trade
the north to
A major new

sented here
ey had some
e back with
Instead of
agreement,
ment with a
ve thought
ing. And in
d ones ad-
one.

nd the pur-
ise for the
elighted, in
oin with a
s that are
barriers to
e've spent
with you all
unt to con-
ator, Carla

Hills, for her work and that of her team. On behalf of the United States, I can proudly say I hope you found them cooperative, but I'm proud of the negotiations that were undertaken and concluded. And I want to thank each Foreign Minister for the work that you have done to make this signing today possible.

We all know, however, that agreeing on the words and then putting them down on paper is only the first step. The most important part of any agreement is its implementation. I want to assure you that we are committed to making this agreement work in practice. And as I made clear when I proposed the Enterprise for the Americas Initiative, our goal is to help bring more trade and growth, more jobs and greater prosperity to this, our shared and treasured hemisphere.

I don't intend for the Enterprise for the Americas to be just a slogan. We can't afford here in the United States to have one more slogan and then have the policy itself not be followed through on—have the policy fail. And so, we want it to mean real progress in this hemisphere. And you have my commitment to bring this agreement the same spirit of cooperation—bring to it the same spirit of cooperation and innovation that produced it in the first place.

So, I wanted to thank you. I wanted to simply say from the standpoint of the United States of America: we know it is in our interest. I am convinced it is in the interest of all the signatories to this agreement—this Rose Garden Agreement. And I believe also there's a good message for others in this hemisphere.

So, thank you to everybody that worked so hard on it. And again Mr. President, I just can't tell you how pleased we are to have you. And you get the final word.

President Collor. Mr. President, Ministers of Foreign Affairs, Ambassadors, ladies and gentlemen, for the first time since our countries took their places in the concert of nations, we four and President Bush and the United States of America are meeting to inscribe our common aspirations for peace, justice, and development in a formal agreement which translates the will of our peoples and governments.

May this moment be remembered as an historical milestone which foreshadows a

brighter and better future for generations to come. May this Rose Garden Agreement flower as a source of inspiration for all of us, people and governments, rich and poor, as a token of faith in our future—a common future, but a better future on a planet where we can raise our children in peace and harmony and social justice with trust in our neighbors and no fear for our environment.

May God guide us. And thank you very much, President George Bush.

Note: The President spoke at 5:04 p.m. in the Rose Garden at the White House. In his remarks, he referred to Foreign Minister Guido Di Tella of Argentina; Foreign Minister Francisco Rezek of Brazil; Foreign Minister Alexis Frutos Vaesken of Paraguay; Foreign Minister Hector Gros Espiell of Uruguay; Secretary of the Treasury Nicholas F. Brady; Secretary of Commerce Robert Mosbacher; and United States Trade Representative Carla Hills.

Statement by Press Secretary Fitzwater on the Establishment of the Council on Trade and Investment June 19, 1991

The United States today signed a framework agreement with Argentina, Brazil, Paraguay, and Uruguay establishing a Council on Trade and Investment. The President, accompanied by Brazilian President Fernando Collor, participated in the Rose Garden ceremony. United States Trade Representative Carla A. Hills signed for the United States. The other signatories were Argentine Foreign Minister Guido Di Tella, Brazilian Foreign Minister Francisco Rezek, Paraguayan Foreign Minister Alexis Frutos Vaesken, and Uruguayan Foreign Minister Hector Gros Espiell.

The framework agreement is the first signed with a regional group since the President announced the Enterprise for the Americas Initiative (EAI) on June 27, 1990. The United States has signed bilateral framework agreements with eight other countries of this hemisphere under the EAI.

and bi-zonal federalism, sovereignty, integrity and non-secession. It is intended to be negotiated over all the issues. It is entered to the membership EC will be dis-

It is concerned by developments in past progress in the near future must be recognized that it will be his plan of action

On November 17, 1990, the Community, met with the Government of the Republic of Cyprus for member-Community and dedication to the Community for

During Turkish Presidential visit, we discussed the U.N. Secretary General's initiative to promote reconciliation. Secretary of State Baker had conversations with Mr. Samaras in the afternoon. On November 25, Under Secretary of State for Europe met with Cypriot Foreign Minister Vassiliou, in New York to stress the importance of U.N.-sponsored negotiations. President Vassiliou, in an earlier that day speech he insisted that the Cyprus negotiations are continuing and are result-oriented and time again, as well as our use of negotiations. Talks to the Turkish beyond the protection and linguistic iden-

tity, aiming at creating a federation consisting of two regions, one to be administered by the Turkish Cypriot community and the other by the Greek Cypriot."

President Vassiliou returned to Cyprus several days later and, in a speech before a special session of his House of Representatives marking the island's 30th anniversary of its independence, he included the following notable passage:

"Naturally foremost in our hearts and our minds is the national problem which is directly connected with our survival and on whose solution much else depends. We carry 30 years of experience as well as many wounds from which all of us, Greek Cypriots and Turkish Cypriots should learn. Mistakes and omissions were made by both sides in the past. However, history and our present situation have convinced us that all these, as well as foreign interventions, do not serve the interest of any Cypriot. Our destiny was and remains common. Consequently, with goodwill, tolerance, mutual respect for our differences and views, we can find a solution acceptable to all. We can and we must pinpoint the points which unite us and serve us all and build on them. The future cannot be secured with separatist trends and sterile confrontation. Through contact and the exchange of views on all levels, a climate of mutual trust and understanding can be created, which will eliminate the mistrust created and maintained by isolation. That is why we work for rapprochement."

In late September, the U.N. Secretary General and his advisers reached agreement on how their "plan of action" would be implemented. Ambassador Camilion and Mr. Feissel returned to Cyprus in mid-October to begin a series of separate meetings with the leaders of the Turkish Cypriot and Greek Cypriot communities to see if work could be restarted on a draft outline for a Cyprus settlement. My special Cyprus Coordinator, Nelson Ledsky, met with these U.N. negotiators and with representatives of the interested parties in New York and travelled to the eastern Mediterranean in late October, to reemphasize U.S. support for the U.N. negotiating effort. The UNSYG has sent a further report to the U.N. Security

Council detailing the status of the negotiations through October 31.

Sincerely,

George Bush

Note: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Claiborne Pell, chairman of the Senate Foreign Relations Committee.

Statement by Press Secretary Fitzwater on Argentine and Brazilian Compliance With Nuclear Safeguards and Nonproliferation Regimes

November 29, 1990

The United States applauds the November 28 announcement by Argentina and Brazil to work with the International Atomic Energy Agency (IAEA) to apply safeguards to all nuclear facilities and activities in their countries and to bring into force the Treaty of Tlatelolco, which establishes a nuclear weapon-free zone in Latin America. The prospects for a Latin America forever free from the dangers of nuclear weapons have brightened.

President Menem and President Collor have acted boldly to enhance regional and world stability in pledging to use nuclear energy only for peaceful purposes. We anticipate that yesterday's announcement of mutual inspections and negotiations with the IAEA will lead to the early implementation of a full-scope IAEA safeguards agreement. This will facilitate peaceful nuclear cooperation with Brazil and Argentina while broadening their access to other advanced technologies.

We also welcome and commend the commitment by the Governments of Argentina and Brazil to bring the Treaty of Tlatelolco into force. We urge them to do so swiftly. We also urge those countries in Latin America which have not done so to bring the treaty into force as Argentina and Brazil are pledging to do and to support the international community's nonproliferation regime. President Bush will visit the region next week and looks forward to discussing

Nov. 29 / Administration of George Bush, 1990

these issues in greater detail with Presidents Menem and Collor.

Statement on Signing the Stewart B. McKinney Homeless Assistance Amendments Act of 1990

November 29, 1990

It is with great pleasure that I have today signed H.R. 3789, the Stewart B. McKinney Homeless Assistance Amendments Act of 1990. Congress first enacted the Stewart B. McKinney Homeless Assistance Act in 1987, and the act signed today will reauthorize a broad array of programs to assist the homeless, amend current programs, and authorize certain new programs to address the continuing needs of homeless, especially the mentally ill and substance abusers.

Since 1987 the McKinney Act has provided over \$2 billion for programs to assist the homeless. H.R. 3789 will authorize the new *Shelter Plus Care Program*, an administration proposal, which will help link rental housing assistance to other supportive services for the homeless.

Under the provisions of H.R. 3789, the Department of Health and Human Services is authorized to establish a Family Support Centers demonstration program that will provide a number of health and related services for low-income individuals who were previously homeless or are at risk of becoming homeless. The act also authorizes additional grants to the States that would be focused on those who are currently homeless and suffer from both substance abuse and mental illness.

H.R. 3789 recognizes that the homeless often have needs that go beyond housing assistance. By providing health services, substance abuse services, and counseling in addition to housing assistance, this act enhances the administration's ability to address the needs of the homeless in all their complexity.

Note: H.R. 3789, approved November 29, was assigned Public Law No. 101-645.

Statement on Signing the Bill on Wetland and Coastal Inland Waters Protection and Restoration Programs

November 29, 1990

Today I am signing H.R. 5390, "An Act to prevent and control infestation of the coastal inland waters of the United States by the zebra mussel and other nonindigenous aquatic nuisance species, to reauthorize the National Sea Grant College Program, and for other purposes." This Act is designed to minimize, monitor, and control nonindigenous species that become established in the United States, particularly the zebra mussel; establish wetlands protection and restoration programs in Louisiana and nationally; and promote fish and wildlife conservation in the Great Lakes.

Title III of this Act designates a State official not subject to executive control as a member of the Louisiana Coastal Wetlands Conservation and Restoration Task Force. This official would be the only member of the Task Force whose appointment would not conform to the Appointments Clause of the Constitution.

The Task Force will set priorities for wetlands restoration and formulate Federal conservation and restoration plans. Certain of its duties, which ultimately determine funding levels for particular restoration projects, are an exercise of significant authority that must be undertaken by an officer of the United States, appointed in accordance with the Appointments Clause, Article II, sec. 2, cl. 2, of the Constitution.

In order to constitutionally enforce this program, I instruct the Task Force to promulgate its priorities list under section 303(a)(2) "by a majority vote of those Task Force members who are present and voting," and to consider the State official to be a nonvoting member of the Task Force for this purpose. Moreover, the Secretary of the Army should construe "lead Task Force member" to include only those members appointed in conformity with the Appointments Clause.

George Bush

The White House,
November 29, 1990.

Note: H.R. 5390, approved November 29, 1990, was assigned Public Law No. 101-645.

Remarks to the Assn. of Holding Companies
November 29, 1990

Well, thank you all for the pleasure to do what's as a cameo appearance. I'm delighted to be here at this very interesting time. Gene Miller and, of course, I don't want to put him out but my classmate—friend, and, of course, the banking industry.

Back in February of your organization's S&L program, the re support helped us to toward restoring the system, and we are. And since then, Nick to, I guess, everybody ducting a thorough re and the concerns of system.

What he's found is: cant structural reform pace with the revolutionary financial services that two decades. And to ATM and the 800 n. of intense competition meet the consumer's rethink and reexaminations and the need for.

The regulatory system well, indeed, from it ties, is today, in my moded, is likely to p ing competitive as : serve customers and the system. The res: ductive: Denying ba enter new market: risky ventures that f and regulations.

In January, the Tre make its recommen sive banking reform

Cardano, CA. In 1985 Kids Against Crime, not only how to prevent but also in case crime Kids Against Crime and Referral Hot-

Moines, IA. Found- Parents, an all-volun- cope with the stress s, offering emotional

le, IL. As an employ- or the Deaf, Ms. Elias the students at the e youth, she is like a

enectady, NY. Girls ady, formerly called b, offers a variety of r girls and young tion SMART, which Youth Expressions perform plays about Than Sorry, which protect themselves na Splits, a support vorced families; and hes safety skills for

laire, WI. Founded e provides continu- nd adults after the or spouse, providing ling counseling and he death of a loved

nents

s the President's items of general e Office of the luded elsewhere

September 16

In the afternoon, the President returned to the White House from a weekend stay at Camp David, MD.

September 17

The President met at the White House with:

- the Vice President; John H. Sununu, Chief of Staff to the President; Brent Scowcroft, Assistant to the President for National Security Affairs; and members of the CIA briefing staff;
- John H. Sununu, Chief of Staff to the President;
- members of the Cabinet;
- Secretary of the Treasury Nicholas F. Brady.

In the morning, the President telephoned Linda Warsaw, the 250th Daily Point of Light.

In the afternoon, in an Oval Office ceremony, the President participated in the presentation of the National Education Goals poster.

September 18

The President met at the White House with:

- the Vice President; John H. Sununu, Chief of Staff to the President; Brent Scowcroft, Assistant to the President for National Security Affairs; and members of the CIA briefing staff;
- John H. Sununu, Chief of Staff to the President.

The President designated Jack A. Josephson, of New York, to be Chairman of the Cultural Property Advisory Committee. Mr. Josephson was appointed as a member of the Committee on June 12, 1990. Currently he serves as president of Sellers and Josephson, Inc., in Norwood, NJ.

The President designated Timothy J. McBride, of Michigan, to be a member of the Overseas Private Investment Corporation. Mr. McBride currently serves as an Assistant Secretary of Commerce for Trade Development.

September 19

In the evening, President Bush sent a personal message to President Carlos Saúl Menem of Argentina, thanking him for sending two ships to the Persian Gulf to

join the international effort to enforce U.N. economic sanctions against Iraq.

September 20

The President met at the White House with:

- the Vice President; John H. Sununu, Chief of Staff to the President; Brent Scowcroft, Assistant to the President for National Security Affairs; and members of the CIA briefing staff;
- John H. Sununu, Chief of Staff to the President;
- the Vice President, for lunch.

September 21

The President met at the White House with:

- H. Lee Atwater, chairman of the Republican National Committee;
- the Vice President; John H. Sununu, Chief of Staff to the President; Brent Scowcroft, Assistant to the President for National Security Affairs; and members of the CIA briefing staff;
- John H. Sununu, Chief of Staff to the President;
- British Defense Minister Thomas King, to discuss the Persian Gulf crisis;
- congressional leaders, to discuss the Persian Gulf crisis;
- Secretary of State James A. Baker III.

The President announced his intention to nominate Katherine D. Ortega, of New Mexico, to be an Alternate Representative of the United States of America to the 45th Session of the General Assembly of the United Nations. She would succeed Barbara Franklin. Most recently, Mrs. Ortega served as Treasurer of the United States.

In the afternoon, the President and Mrs. Bush went to Camp David, MD, for the weekend.

Nominations

Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted September 17

Leonard H.O. Spearman, Sr., of Texas, to be Ambassador Extraordinary

of a Resolution Continued



is at hand. At mid-
ess of the United
shutdown of gov-
resulting confusion
this land because
udget. It is deeply
verning bodies of
gle with the Na-
ly a year and fail.
is no budget, the
nt, under existing
thority to continue
be a party to the
gain put off meet-
a few more days. I
tinuing resolution
d Senate tonight,
e again the most
possibility of gov-
people's money.
our national parks
e. Cleanup at haz-
ise. Social Security
new applications.
e delayed. In one
er another, thou-
ees will no longer
asks necessary for
eople of America
entatives to Wash-
onsequences.
ural address, they
icker. And tonight
to act as quickly as
acceptable budget.
lose confidence in
ow, tomorrow, as
ice a budget that
ds recession, and
path of sustained



with the Members
responsible plan.
k, we produced a
ould have cut a
deficit over the
ouse and the con-
e Democratic and
d hard to put to-



gether that agreement and put in place the largest deficit reduction in history. It's a sad commentary that the full House did not have the courage of those convictions. But surely the reality of a government close-down will convince everyone that a solution must be found. It is time to act responsibly on this problem and produce a fiscal year 1991 budget.

Note: The President returned H.J. Res. 660 without approval on October 6.

Points of Light Recognition Program

The President named the following individuals and institutions as exemplars of his commitment to making community service central to the life and work of every American.

September 29

Variety House for Children, of New York, NY

October 1

Joey LoDuca, of San Diego, CA

October 2

Mary Vandiver Moorhead, of Anderson, SC

October 3

Southern Oregon Drug Awareness, of Medford, OR

October 4

Carol McGann, of South Bend, IN

October 5

Leslie Sloan, of Springfield, IL

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

September 29

In the afternoon, the President and Mrs. Bush attended the National Security Council picnic at Fort McNair.

Later in the afternoon, the President and Mrs. Bush traveled to New York City. In his suite at the Waldorf-Astoria Hotel, President Bush held bilateral meetings with:

- President Cesar Gaviria of Colombia,
- Prime Minister Salim al-Huss of Lebanon,
- President Violeta Chamorro of Nicaragua,
- Prime Minister Brian Mulroney of Canada,
- Prime Minister Tadeusz Mazowiecki of Poland, and
- Prime Minister Toshiki Kaifu of Japan.

September 30

In the afternoon, President Bush held bilateral meetings in his suite at the Waldorf-Astoria Hotel with:

- President Fernando Collor de Mello of Brazil,
- President Carlos Andrés Pérez of Venezuela,
- President Václav Havel of Czechoslovakia,
- King Baudouin I of Belgium,
- Prime Minister Felipe González Márquez of Spain,
- President Carlos Salinas de Gortari of Mexico, and
- Prime Minister Margaret Thatcher of the United Kingdom.

October 1

In the morning, President Bush held bilateral meetings in his suite at the Waldorf-Astoria Hotel with:

- President Carlos Saúl Menem of Argentina,
- President Luis Alberto Lacalle of Uruguay, and
- Secretary General Salim Salim and Chairman Yoweri Museveni of the Organization of African Unity.

In the morning, President Bush met at the United Nations with U.N. Secretary-General Javier Perez de Cuellar de la Guerra and U.N. General Assembly President Guido De Marco.

In the afternoon, the President had telephone conversations with Members of Con-

le, I recently ac-
your Ambassador
uardo MacGilly-
illicuddy is a dis-
ates Senator from
bassador MacGil-
a brother of the
all legend by the

ample. As I men-
ne midst of trying
bitious trade ex-
des. If this effort
d world trade by
cident that this
is called the Ur-
ntry which served

ings as well. Presi-
President of this
fter I announced
mericas Initiative
has been a strong
his proposal work.
need the help of
ter-American De-
is headed by an-
Iglesias.

am eager to visit
President Lacalle,
ayan Congress. I
erms of benefits to
Ve are looking for
the whole hemi-
s we can derive
round and a free
n Alaska to Tierra

g on the economic
id other countries
und, at the same
s of deep restruc-
id its institutional
ession of the fact
big state corpora-
ephone company)
re participation of
of American man-

he most important
elates to what is
today. Difficult,

sometimes painful, economic choices are being made by President Menem. These choices involve the transformation of very large sectors of the Argentine economy. Like many other leaders of this hemisphere, President Menem is making the difficult choices and implementing economic reform policies to make Argentina more competitive and guarantee the country's long-term economic health.

Privatization has played a part in this economic restructuring. As your question noted, instead of continuing to have the economy dominated by an inefficient state apparatus, which has stifled initiative and blocked economic growth, the Government of Argentina has adopted policies aimed at privatizing businesses such as the airline and the telephone company. This has reduced Argentina's debt burden and brought back to these companies the incentive to compete for investment and for clients. Quite frankly, I believe that good airlines can and should depend on their passengers for their revenues and not depend on the taxpayers.

As for the participation of United States investors—whether this be in the form of capital, of technology, or of management—as long as there is a level playing field, and by that I mean that the rules are the same for all investors, I think that rational economic choices will be made. That's what freedom to compete is all about, whether it is in Argentina or Alaska.

U.S. Trade Policies

Q. At the final stage of the Uruguay round of GATT, the U.S. is standing again against subsidies and all kinds of protectionist trade barriers for agricultural products. Nevertheless, the Government is subsidizing some grain exports, with potential harm for Argentina and other countries in the hemisphere, and is keeping some tariffs that make difficult the entrance of products like, for example, Argentine leathers. Is it possible that the administration could modify these policies in favor of a more consistent attitude with respect to all forms of protectionism?

The President. I know that the Commerce Department's decision to impose countervailing duties on Argentine leather

was unpopular with the leather industry in Argentina. But here are some economic facts: By forbidding the export of hides from Argentina, prices for these hides in Argentina are driven down because they can only be sold in the domestic market. This means that leather exported from Argentine commerce to other markets, such as the United States, is priced artificially low.

Argentina's competitors in the U.S. thought this was unfair and complained to our authorities. Following a very detailed and open process in accordance with our law, in which the Argentine industry was represented by experienced counsel, the Commerce Department agreed that a subsidy was being provided by virtue of the Argentine Government's policy prohibiting the export of hides. This is not an issue where the President of the United States can intervene to tip the scales one way or another. The solution is for Argentina to allow exports of hides, so that its leather will be priced according to the forces of the international market.

I should note that this has been a long-standing sore point in our bilateral relationship. Several years ago, we had negotiated a solution under the section 301 provision, but because the agreement was not fulfilled by Argentina, U.S. industry felt it had no recourse but to seek relief under U.S. trade laws.

With regard to wheat, I assume you are referring to the Export Enhancement Program. This program was designed to keep U.S. wheat competitively priced with the wheat being sold by other producers, primarily the European Community. We hope that a successful outcome of the agricultural talks in the Uruguay round will make this and other export subsidy programs superfluous.

Petroleum

Q. Venezuela has increased its oil production by half a million barrels daily to help in the Gulf crisis and is opening its doors again to U.S. private investment in the oil sector. Recently, President Carlos Andrés Pérez stated that his country deplored the speculation which was driving oil prices up and



OCT 17 P2:48

THE LIBRARY OF CONGRESS
WASHINGTON, D.C. 20540

FACSIMILE TRANSMISSION

Tel: (202) 707-5400

Fax: (202) 707-2005

To: Carol Aarhus

Date: October 17, 1991

FAX 456-6218

From: E. Larson, Head, Ref. Section

Message: Six pages follow this cover sheet. The English version of the Argentine National Anthem appears on page six.

ARGENTINA

Words by
VICENTE LÓPEZ Y PLANES
(1785-1856)

Music by
BLAS PARERA (1765-c. 1830)
Arr. by JUAN PEDRO ESNAOLA (1808-1878)

Maestoso

VERSE

f *O-id; mor-*

- ta - les! el gri - to sa - gra - do; ¡Li - ber -

- tad, li - ber-tad, li - ber - tad! *O-id el*

Officially adopted as National Anthem, 11 May, 1813, by the General Constituent Assembly.

los Y las del Sud! - vi - zas U - ni -

f Ya su tro - no dig - ni - si - mo a - bre - ton Las Pro -

tro - na la no - ble - gual - dad.

Ved en - do - de ro - tas ca - de - nas; Ved en

li - bres del mun - do res - pon - den: ¡Al gran

p

pue - blo Ar - gen - ti - no, Sa - lud! ¡Al gran

mf

pue - blo Ar - gen - ti - no, Sa - lud! Y los

li - bres del mun - do res - pon - den ¡Al gran

f *p*

30

pue - blo Ar - gen - ti - no, Sa - lud! Y los



li - bres del mun - do res - pon - den ¡Al gran



pue - blo Ar - gen - ti - no, Sa - lud!



CHORUS
Allegro vivace

31

Sean e - ter - nos los lau - re - les. Que su - pi - mos con - se -

- guir: Que su - pi - mos con - se - guir: Co - ro -

- na - dos de glo - ria vi - va - mos O ju -

- re - mos con glo - ria mo - rir. O ju -

32

Two systems of musical notation. The first system has a vocal line (treble clef) and a piano accompaniment (grand staff). The vocal line has lyrics: "- re - mos con glo - ria mo - rir." followed by "O ju -". The piano part has a forte (ff) dynamic marking. The second system continues the vocal line with the lyrics "- re - mos con glo - ria mo - rir." and the piano accompaniment.

Free Translation

Hear, oh mortals! the sacred cry:
Freedom, freedom, freedom!
Hear the noise of broken chains;
See the throne of Equality the noble.

The United Provinces of the South
Their throne full of dignity opened!
And the free of the world reply:
A salutation to the great Argentine people!

CHORUS Let those laurels be eternal
Which we knew how to win:
Let us live crowned by glory
Or swear with glory to die.

The onset of big-debt blues

The economic summit did little to fix the \$1.3 trillion mess. Now, debtors might stop payments

How bad is the world debt problem? Bad enough that the leaders of Western democracies all but threw up their hands at the Paris economic summit last weekend and stopped pretending that a viable solution is at hand to defuse the \$1.3 trillion debt bomb. After two decades of profligate lending—first to Eastern European nations that squandered \$70 billion in Western loans, then to Latin America, where billions of dollars passed through these countries into the private accounts of corrupt officials—the creditor nations now find themselves at a crossroad. Hard choices must be made about who deserves to get a fresh start and who does not. President Bush made clear last week during his trip to Poland and Hungary that he would rather focus on encouraging change in Eastern Europe and the Soviet Union, furthering the East-West rapprochement, than engage in a comprehensive new effort aimed at poorer nations in Latin America and Africa. Yet that is where the worst problems are and where it looks like already fragile infrastructures could collapse unless these nations first take steps to put their economies on a sounder footing.

The most visible sign of woe was the inability of Mexico and its banks, after months of haggling, to reach a debt-restructuring agreement prior to the end of the summit. The Bush administration had desperately wanted such a deal to show that its new strategy to significantly ease debtors' burdens could work and said more than \$1 billion in interim financing could be raised to clinch an agreement. Now, its best efforts have come to naught, and the Western Alliance faces either a prolonged period of stasis or a crisis that could bring the international finance system to its knees.

Try as it might to put the best face on the situation, the fact is that the world's banking system, after seven years, remains hostage to a score of debtor nations who have missed out on years of global growth. More and more economists and foreigners are saying there might be no solution to the problem short of a moratorium on debt payments similar to the situation in the 1930s. "We're going into a decade where debt service may be suspended," said economist Rudiger Dornbusch of the Massachusetts Institute of Technology, an adviser to the Mexican

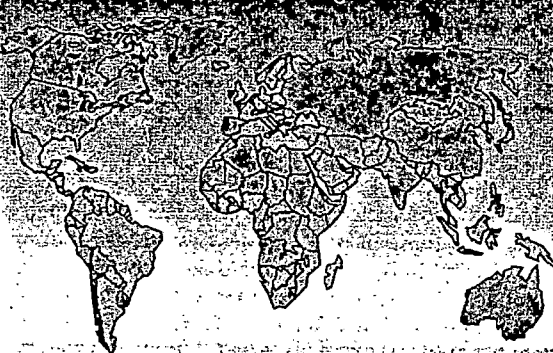


The last laugh. Bush and Mexican President

government. "Debtors will have to try to grow and fix their economies while the creditors lick their wounds." Although a number of major U.S. banks have already written off considerable portions of their loans to Latin American countries, a unilateral moratorium might wipe out the entire capital of a handful of big institutions and severely cripple others unless the government changes the way these losses have to be assessed. If the rules are changed and the banks are given tax breaks to survive, then U.S. taxpayers might have to bear these huge expenses.

CAUGHT IN THE DEBT TRAP

For the countries deepest in hock to creditors, debt consumes much of, if not more than, what they produce each year. Debt also stifles investment and contributes to high inflation. Much of the debt is privately held, making agreements to cut it hard to negotiate.



Argentina

1988 debt:	\$59.6 bil.
1982 debt:	\$43.6 bil.
Debt-service ratio:	201%
1988 payments due:	\$6.1 bil.
GDP:	\$71.5 bil.
Per capita GDP:	\$2,234
Per capita debt:	\$1,863
Inflation:	337%

Brazil

1988 debt:	\$120.1 bil.
1982 debt:	\$91.9 bil.
Debt-service ratio:	106%
1988 payments due:	\$24 bil.
GDP:	\$299.2 bil.
Per capita GDP:	\$2,092
Per capita debt:	\$840
Inflation:	582%

Mexico

1988 debt:	\$107.4 bil.
1982 debt:	\$86.1 bil.
Debt-service ratio:	61%
1988 payments due:	\$15.6 bil.
GDP:	\$141.9 bil.
Per capita GDP:	\$1,730
Per capita debt:	\$1,310
Inflation:	114%

Note: Figures are for 1988, except gross domestic product (GDP), which is for 1987.

GDP and debt figures not adjusted for inflation. Reserves are total reserves minus gold, year-end figures. Debt-service ratio is 1988 principal-and-interest payments as a share of total exports.



Salinas got along well at the Paris summit. But back home, no debt relief was in sight

For the U.S., financial issues swirling around the developing world's \$1.3 trillion debt burden are intertwined with politics. That is because many of the most troubled debtors are Third World nations like Mexico, Argentina and the Philippines that desperately are attempting to maintain fragile democratic institutions and Second World nations like Poland and Hungary that are trying to move from Marxism toward democratic systems and market economies. The Bush administration hopes to reward liberalizing reforms but is hard pressed itself to come up with

the kind of massive assistance many of the indebted nations need.

Like any banker, the administration must decide which nations and which democratic and market-oriented reforms *most* deserve nurturing, because the U.S. cannot do it all and its bankers have been burned badly in their zeal to flood developing countries with loans. That is why the decision last week to focus on the Soviet Union and Eastern Europe is so important. "These are opportunities that ought not to be let go by and really call for concerted action," argued

White House Chief of Staff John Sununu.

Bush began the romancing of the East bloc during emotional, whirlwind trips through Poland and Hungary. He promised only modest amounts of seed money at first—\$115 million to Poland and \$25 million to Hungary—which disappointed the recipients. "It speaks of millions when we need billions," complained the pro-Solidarity paper *Gazeta Wyborcza* in Poland. Solidarity leader Lech Walesa had asked Bush for \$10 billion. Still, White House aides made clear they hoped this would only be the beginning of a long-term campaign to pump much more Western help into the reform-minded nations. And they vowed not to repeat the mistakes of the 1970s when vast sums were loaned to both nations without requiring changes in their economies.

Drop in the bucket. That is where the allies enter the picture. Bush walked into the summit pursuing accords for significant allied assistance to Eastern Europe and other struggling nations. Japanese Prime Minister Souseke Uno agreed to tap his country's bulging surpluses by committing \$10 billion to support Bush's debt-reduction plan and an additional \$28 billion for other international aid programs, which also solidified Japan's position as the world's emerging rich uncle.

While this may sound like a lot of money, it is a drop in the bucket considering the amounts now owed, let alone the need for new capital to spur growth in developing nations. Those issues were most clearly in focus in the negotiations between Mexico and its U.S. bankers. For months, the government of President Carlos Salinas de Gortari has been trying to renegotiate its loans under the format of the Brady Plan. Treasury Secretary Nicholas Brady recognized in

LESLE JORGENSEN-USNBWR

Warsaw	Budapest	Abidjan	Lagos	Manila
Poland	Hungary	Ivory Coast	Nigeria	Philippines
1988 debt: \$39.1 bil.	1988 debt: \$17.2 bil.	1988 debt: \$14.2 bil.	1988 debt: \$30.5 bil.	1988 debt: \$30.2 bil.
1982 debt: \$26.5 bil.	1982 debt: \$7.7 bil.	1982 debt: \$7.8 bil.	1982 debt: \$12.9 bil.	1982 debt: \$24.3 bil.
Debt-service ratio: 83%	Debt-service ratio: 49%	Debt-service ratio: 29%	Debt-service ratio: 35%	Debt-service ratio: 18%
1988 payments due: \$6.1 bil.	1988 payments due: \$2.8 bil.	1988 payments due: \$1.5 bil.	1988 payments due: \$6.5 bil.	1988 payments due: \$3.4 bil.
GDP: \$259.5 bil.	GDP: \$87.6 bil.	GDP: \$7.7 bil.	GDP: \$24.4 bil.	GDP: \$34.6 bil.
Per capita GDP: \$6,829	Per capita GDP: \$8,264	Per capita GDP: \$700	Per capita GDP: \$228	Per capita GDP: \$592
Per capita debt: \$1,029	Per capita debt: \$1,623	Per capita debt: \$1,291	Per capita debt: \$285	Per capita debt: \$517
Inflation: NA	Inflation: NA	Inflation: 6.9%	Inflation: 51%	Inflation: 8.7%

NA=Not available.

USN&WR—Basic data: World Bank, IMF, CIA, Institute of International Finance, Wharton Econometric Forecasting Associates

March that international debt levels were dangerous and could not be reduced simply by economic growth as Brady's predecessor, James Baker, had argued. Brady for the first time called on U.S. banks to reduce chunks of their debt in return for guarantees by international agencies that the remaining debt would be covered. The Bush administration also wanted the Mexican negotiations to succeed because Salinas is exactly the kind of believer in free markets and political reform that Western leaders *should* be trying to help. Moreover, Mexico had a solid record of good-faith efforts to keep up its debt payments.

The fundamental flaw of the Brady Plan is that it raised expectations that the write-offs would bear some relation to the discounted market value of the loans. Mexico's debt, for example, trades at about 60 percent of its face value. So Mexico hoped to get under the Brady

Plan a debt reduction from U.S. banks of close to 40 percent. However, banks were given no incentive to take billions of dollars of write-offs on loans that, for the most part, are being repaid, though the payments are occasionally late. In the Mexican negotiations, it is purely up to each bank to decide whether to grant any write-offs. They also have the option of reducing interest rates or of lending new money and piling the debt higher.

"Cosmetic" at best. Thus, it is not at all surprising that many banks have eschewed the write-off option in the Mexican negotiations. Sources close to the talks say that even if an agreement is reached the upshot is that Mexico's debts will be bigger than ever, although it will get some cash-flow relief. As the Paris summit convened, Brady staunchly insisted that the Mexican talks were still on track, but experts believe that a final agreement will not achieve much

real debt reduction. "There may yet be a cosmetic settlement to make everybody feel good after wrestling in the mud for so long," says economist Dornbusch, who predicts the seven-year problem over debt relief will continue to fester.

That is why the idea of a moratorium on debt payments is gaining currency. Unless a struggling nation deals with its fundamental economic problems by cutting inflation and stemming the flight of funds, reduction of its debt burden will not help much. For all the lip service paid to the Brady Plan at the summit, the dawning lesson is that debt reduction alone will not help fundamentally sick economies. The underlying message of the problems in Paris is that the debtors have to clean up their own act before creditors will be willing to take the plunge again. ■

by Jack Egan with Douglas Stanglin with the President and bureau reports

We cry for you, Argentina

No one said building a democracy is easy. But Argentina's way seems particularly benighted. Raúl Alfonsín, who took over from the generals in 1983, faced down three military uprisings as President. In May, 15 people died in food riots sparked by hyperinflation that, by June, had hit 114 percent for the month, or an incomprehensible 947,221 percent projected over a year.

Carlos Saúl Menem, Argentina's new President, hardly seemed the man to clean up this mess. A flamboyant playboy and a self-declared populist heir to Juan Domingo Perón, candidate Menem sang the old Peronist song of everything for everyone. But somewhere on the road to the Pink House, Menem saw the light. In his July 8 inaugural address, the new President declared that the only way out was to turn to the free market, small government and personal sacrifice. "Argentina has broken down," Menem said, admitting that the country has no credit left overseas and now stands, or falls, alone.

That is the truth. Argentina represents the most extreme test of how much, if anything, the United States can do to keep struggling democracies afloat. And early this year, both patience and money finally ran out. Menem's conversion was refreshing, but, as one visiting senior U.S. official put it: "He clearly understands that



The wages of hyperinflation. A soldier looks for looters in a trashed Buenos Aires supermarket

they have to make difficult decisions, make them quickly and stay with them." The U.S. has no plans, however, to bail out Menem, as it did Alfonsín countless times before cutting him off earlier this year.

Without anesthesia. The new government wasted no time making good on Menem's word. The austral was devalued by 116 percent to promote exports. Prices for state products and services were boosted sharply: Gasoline jumped from 23 cents a gallon to \$1.65, and bus, telephone and heating-oil prices made similar leaps. Negotiations began with business and labor for a limited wage-price freeze. The government drafted plans to sell off state-owned monopolies, lower barriers to foreign investment and end subsidies for Argentina's sheltered private industry.

Can it work? Breaking hyperinfla-

tion first requires the kind of trust seldom seen in Argentina. Businesses, fearing a freeze, indulged in a frenzy of markups before Menem took over. In just one day, butter nearly tripled in price; bread and milk prices quadrupled.

The central issue is whether Menem has the courage of his new convictions. Selling off state companies inevitably means paring bloated payrolls, angering Menem's old union friends. And the loss of protection will hit

Menem's new friends in the private sector hard. One foreign economist predicts that a quarter of all businesses will fail, doubling unemployment to nearly 25 percent. Menem was dealt a heavy blow last week when his respected Economics Minister, Miguel Roig, died of a heart attack.

With social tensions on the rise, and more violence likely, Menem is mending fences with the military. Rosendo Fraga, a military-affairs analyst, says he expects Menem to pardon all nine top commanders now in jail for crimes ranging from human-rights abuses to losing the Falklands War. And he may drop the prosecution of an additional 110 officers, including recent mutineers. This should be enough to keep the military on Menem's side during the next 90 days of crisis. ■

by Carla Anne Robbins in Buenos Aires

ARGENTINA

Run for The Money

A fight to save the economy—and the government

Economy Minister Antonio Erman González called it "a week of economic terror." That was no exaggeration, even in a country where economic scare stories are all too common. Among the latest horrors: a sudden year-end collapse of the value of the austral, which plunged from 1,200 to the U.S. dollar to 2,000 before markets closed for the New Year, and price rises of as much as 100% as rumors circulated that the value of Argentina's national currency might be halved again. Shell-shocked citizens waited for Erman, the third Economy Minister since President Carlos Saúl Menem took office last July, to announce yet another rescue plan, the fourth in Menem's tenure. The challenge: to dispel the worst outbreak of hyperinflation in Argentina since food riots broke out last May.

The emergency program Erman cobbled is intended to stop the rush to convert australs into dollars and force down the prices of goods. To achieve that, the government has promised to end its frenetic minting of money to finance decades of chronic deficits; no more australs will be printed until the level of Argentina's hard-currency reserves rises. If that promise is kept, it would amount to a tight leash on the inflationary money supply.

To give the government time to put the plan into effect, Erman declared a two-day bank holiday Jan. 2 and 3. By midweek thousands of people had gathered outside the country's bank branches, afraid that the value of their savings would evaporate. But as the value of the dollar sank to roughly the same level as before the austral's collapse, the dollar panic seemed to subside, and relieved retailers began rolling back their hasty price hikes.

During the crisis, Menem remained virtually out of sight. The key question is whether he will stick to this latest plan, since he has failed to honor many other austerity pledges. He had promised to rid the swollen Argentine government of scores of money-losing businesses and to make the country's bloated public sector more efficient, presumably by trimming

its size through layoffs or attrition. But Menem, a Peronist whose political base is Argentina's powerful labor movement, has not had the stomach to set the stage for a confrontation with the country's blue-collar workers by carrying out those plans.

He did make a commendable start, and for a few months the hyperinflation he inherited was subsiding. But in early December his program of wage-and-price strictures began to crumble. Interest rates on short-term bank deposits soared out of control, to 600% monthly. Nervous investors began to turn their assets into dollars, and the flight from the austral began in earnest.



Panic: customers wait for the bank holiday's end

Many investors showed little faith in the new monetary program—or in the latest economic plan as a whole. For fear of panic selling, the country's stock market remained closed all last week.

Economic instability in Argentina inevitably brings worries that the military, which ran the country with brutal inefficiency from 1976 to 1983, might hanker for another turn at power. Those fears were heightened last week when the army chief, General Isidro Cáceres, warned that "the army is worried about the economic situation." For Menem, the best way to keep the soldiers at bay and serve out his full six-year term would be to set a course for economic stability and then hold firm to it. In Argentina that is no easy task.

—By William R. Doerner.
Reported by Gail Scriven/Buenos Aires

NICARAGUA

Dangerous Highways

Did the contras attack church workers and kill two nuns?

Nicaraguan President Daniel Ortega Saavedra says the U.S.-backed *contras* did it. The *contras* deny any responsibility. Nicaragua's political opposition says the Sandinistas may be accountable. Publicly the Bush Administration says Washington hasn't a clue who did it, but privately officials suggest it was renegade Miskito Indians in the area. On this much, however, all parties agree: the incident was, as one *contra* spokesman put it, "a monstrous and abominable crime."

Two Roman Catholic nuns, Sister Maureen Courtney, 45, of Milwaukee, and Sister Teresa de Jesús Rosales, a Nicaraguan in her early 20s, died last week in a bloody nocturnal ambush 200 miles northeast of Managua, as they drove in a pickup truck from the capital to a church meeting in Puerto Cabezas on the Atlantic Coast. Bishop Paul Schmitz, 46, an American wounded in the attack, said a rocket-propelled grenade hit the hood of the white Toyota, and "everything just exploded." Automatic-rifle fire pierced the pickup, breaking Schmitz's arm. He and a fourth passenger, Nicaraguan Sister Francesca Colomer, 24, screamed that they were religious workers, and the gunfire stopped. But Schmitz never saw the assailants.

With tension already high between Washington and Managua, the politically tinged charges were hardly surprising. Long-strained relations soured further last month when the U.S. invaded Panama—which the Sandinistas predictably denounced as Yanqui imperialism. To make matters worse, U.S. soldiers burst into the residence of the Nicaraguan Ambassador to Panama and searched it for weapons, a blatant violation of diplomatic immunity. Managua retaliated by expelling 20 American diplomats. Still bristling last week, Ortega drew a nasty parallel between the ambush and the November slaying of six Jesuit priests in El Salvador, a crime many believe was committed by the U.S.-backed Salvadoran army.

The stakes are high for the *contras*: if they are found culpable, that could sound the death knell for U.S. aid. But it is hard to see how the charges can be proved. A cooperative investigation by these two antagonistic nations seems unlikely.



Courtney

The Fall and Fall of Argentina

Amid hyperinflation and hunger, a nation drifts into chaos

The crowd began to gather silently last Monday afternoon on the streets adjoining the Boerio Supermarket in Rosario, Argentina's third-largest city. The tin-roofed grocery store had served its middle-class neighborhood for years, so manager Luis Nicastro recognized many of the well-dressed people outside the store as his regular customers. Some of the others were toothless, hungry folk in tattered clothes, who came from nearby shantytowns. By 2 p.m., a mob of more than 500 filled the parking lot. "I thought of closing the doors," Nicastro says. "But what good would it do? With all this glass, there was nothing we could do but let them in."

The crowd held back while a group of 40 hungry women and children rushed into the Boerio and grabbed as much milk, flour and sugar as they could carry. As they fled, the ransacking began in earnest. Young, strapping men armed with crowbars knocked spaghetti, oranges and hunks of meat onto the floor as they rushed to scoop up groceries. Others carted off boxes of laundry detergent, frozen foods and toilet paper into their Peugots, Volvos and even waiting taxis. Within 20 minutes they had destroyed the bakery at the rear of the store, smashed out the windows and broken open the cash registers. As the looters left, one of them, laughing hilariously, asked Nicastro, "What time do you open tomorrow?"

After years of tottering on the brink of economic crisis, Argentina started sliding into chaos last week. In food riots that erupted in Rosario, Córdoba, Buenos Aires and other major cities, more than 2,000 people were arrested and at least 15 killed. The primary trigger: hyperinflationary price increases that have left even middle-class citizens unable to afford food and other necessities. Inflation for the month of May reached 75%, and is accelerating at a pace that would amount to more than 80,000% for the year. Said David Feldman, news director of Radio Rosario: "It's not just hunger. People are crazed. There is extreme tension here."

The upheaval began two weeks ago, with isolated outbreaks of looting in several provincial capitals. Widespread food riots broke out in Rosario (pop. 957,000) early last week, after lame-duck President Raúl Alfonsín announced his fourth

emergency economic plan of the year. Roving crowds, described by police as a mixture of the hungry, the criminal and the opportunistic, overwhelmed poorly prepared local police. Stores not gutted by looters closed their doors, creating widespread food shortages. The unrest then spread to the volatile working-class suburbs of Buenos Aires.

Alfonsín responded by declaring a 30-day state of siege, which entitles police to detain suspected looters without charging them. The President, following the lead of provincial leaders, also ordered the creation of hundreds of soup kitchens and the free distribution of food. Some measure of order was restored after four days, but many citizens were calling for Alfonsín, whose Radical Civic Union party was convincingly defeated by Peronist Carlos Saúl Menem in May 14 elections, to step down before his term ends on Dec. 10. When the two men met last week,

however, they apparently agreed that an early transition would suit neither one. Alfonsín wants a normal, democratic transfer of power—Argentina's first since 1928—while Menem and his sharply divided party realize they have no comprehensive plan for stitching together the shattered economy.

The country's eruption was the second such outburst to hit debt-stricken Latin America this year. In February and March more than 300 people died in Venezuela during protests against an austerity program aimed at bringing down a foreign debt of \$30 billion. Argentina, which has a \$60 billion external debt, has made no payments since April 1988.

The economy, desultory even in the best of times, is now virtually shut down. Automobile, tire and auto-parts production have come to a stop. Ranchers have halted delivery of cattle because they are being paid with uncashable checks. The government cannot print money fast enough, so a severe cash shortage has prompted bank closings. Because the austral has lost 90% of its value since February, most people try to conduct their business in U.S. dollars, although it is now illegal to do so. According to private estimates, what is left of the economy runs on \$500 million worth of austral notes and \$5 billion in U.S. currency.

Food riots in a country considered to be one of the world's breadbaskets amounted to a devastating indictment of the Alfonsín government, which failed to act quickly enough to put Argentina's fiscal house back in order in 1983, when Alfonsín became the first civilian President in nearly eight years. The former human-rights activist valued political stability at the expense of wrenching but necessary economic changes to correct the country's low productivity, over-regulation, bloated public payroll and money-losing state-owned companies. By the time Alfonsín began pushing for economic reforms in 1985, his popularity had eroded, and the Peronist-controlled Congress was able to block his moves.

Now Argentines have turned their eyes to Menem. But since the President-elect has yet to define a concrete economic plan, the situation seems bound to deteriorate further. Even Argentina's generals, who have never been shy about staging coups before, appear reluctant to intervene for fear of saddling themselves with the blame for economic ruin. "We are in a process of decline," says Federico Zorraquin, president of the Banco Commercial del Norte. "No one knows where it will end." —By Christine Gorman. Reported by Laura López/Rosario

Rising out of Reach

While Argentine wages have risen rapidly during the first five months of this year (up 117% for construction workers, 173% for government employees), the raises have been no match for those in the cost of living.

Increase since Jan.

BREAD	554%
MILK	441%
EGGS	466%
COOKING OIL	993%
FRESH CHEESE	1,000%
COFFEE	2,850%
AUTOMOBILES	750%



Trying to curb the looting: a policeman collars a suspect in Rosario
Women and children grabbed as much as they could carry.

economic plight of young adults and low-wage workers. But even the strengthened community of advocates lacks the political muscle to foster positive legislation to control capital flight, increase welfare benefits and provide jobs. Such measures were politically unpopular even before Reagan's ideological assault. But only such reforms—together with the children's agenda—offer any chance of ending poverty. □

■ ARGENTINA'S TURMOIL

Dirty Secrets of The 'Dirty War'

MARTIN EDWIN ANDERSEN

Events in Argentina are rarely what they seem on the surface. A fresh reminder of this came in late January, when reports began to filter out about yet another commando assault on a military base. Three times in the space of twenty-one months, the threat to Argentine democracy had come from ultrarightist military officers demanding vindication for their vicious unconventional "war" against leftist guerrillas and others in the 1970s, in which as many as 20,000 people were abducted, tortured and killed in scores of secret death camps.

To universal surprise, however, those involved in the January bloodbath, in which thirty-nine people died, were leftists, and as their identities and foreign connections became known, Argentina's unrepentant right wing had a field day. The attackers seemed to confirm the armed forces' every stereotype of the left. "No one," wrote the playwright Osvaldo Soriano in the center-left daily *Página 12*, "had so far done so much in favor of the 'vindication' demanded by the armed forces."

Among those who died in the attack on the La Tablada barracks, just outside Buenos Aires, was Jorge Baños, a well-known former human-rights lawyer. Baños's All For the Fatherland Movement, which received financial support from Cuba, sustained most of the casualties in the attack. Several of the irregular combatants were former members of the People's Revolutionary Army (E.R.P.), one of the two most important guerrilla groups in Argentina in the 1970s.

To make matters worse, the leader of the assault on La Tablada was one of Argentina's most wanted fugitives, former E.R.P. commander Enrique Haroldo Gorriarán Merlo. It was not his first confrontation with the Argentine Army. Two years before the 1976 military coup, he led a failed attack on an army base in Azul. At about the same time, he also played a central role in the kidnapping of oil executive Victor Samuelson, a U.S. citizen, which netted the E.R.P. \$12 million in ransom. But Gorriarán is best remem-

Martin Edwin Andersen worked in Buenos Aires from 1982 to 1987 as a special correspondent for Newsweek and The Washington Post. He writes regularly on foreign affairs.

ORBIS

PALESTINIAN/JEWISH PERSPECTIVES



JUSTICE, AND ONLY JUSTICE

A Palestinian Theology of Liberation

Naim Stifan Ateek

The problems and prospects of Palestinians are analyzed in this ground-breaking book through the eyes of Ateek, who is a Christian, a clergyman and a Palestinian. Offering a theology for Palestinian Christians, Ateek seeks to promote reconciliation—the essence of church mission today.

545-X Paper \$9.95 540-9 Cloth \$18.95

TOWARD A JEWISH THEOLOGY OF LIBERATION

The Uprising and the Future

Marc H. Ellis

Marc Ellis's controversial book examines contemporary Judaism in the light of liberation theology. Updated with a never-before-published response to the Palestinian uprising, this book gives us a Jewish perspective on the conflict in the Middle East today.

422-4 Paper \$9.95 434-8 Cloth \$18.95

At bookstores or from

Orbis Books Maryknoll, NY 10545

1-800-258-5838 • In NYS call collect 914-941-7687

Orbis Books is represented to the trade by Abingdon Press.

RUSSIA TOURS

1989 IS THE YEAR

RUSSIA IS THE PLACE

PROGRESSIVE IS THE ORGANIZER

HERITAGE TOUR \$2499 TO \$2699 15 DAYS

DEPARTURES FROM JUNE TO OCTOBER

PRAGUE, KIEV, OVERNIGHT SLEEPER, MOSCOW, EREVAN

SPLENDORS OF CENTRAL ASIA \$2899 TO \$2999

DEPARTURES FROM APRIL TO OCTOBER 15 DAYS

MOSCOW, TASHKENT, SAMARKAND, BUKHORA, LENINGRAD, PARIS

SOVIET THEATRE & ARTS \$1679 TO \$1999 16 DAYS

DEPARTURES FROM JULY TO DECEMBER

MOSCOW, TALLINN, WILNIUS, LENINGRAD

NORTHERN CAPITALS \$2359 TO \$2649 16 DAYS

DEPARTURES FROM MARCH TO DECEMBER

MOSCOW, OVERNIGHT SLEEPER, RIGA, TALLINN, LENINGRAD

SOUTHERN CAPITALS \$2349 TO \$2699 16 DAYS

DEPARTURES FROM APRIL TO DECEMBER

MOSCOW, KISHINEV, KIEV, LENINGRAD

Commissions Available for Groups of 4 or more

PROGRESSIVE WORLD TOURS

"A Nice Efficient Travel Company"

4003 Islewood Dr. • Deerfield Beach, FL 33442 • (305)427-4779
Specialists in Russia, Mongolia, Eastern Europe & China

bered for masterminding the 1980 assassination in Paraguay of deposed Nicaraguan dictator Anastasio Somoza. He also helped set up the Sandinistas' security apparatus in the early days of the Nicaraguan revolution.

Yet Gorriarán's combat record did not guarantee him laurels within the guerrillas' ranks. In 1974 the E.R.P.'s top leader, Mario Roberto Santucho, had him demoted from the organization's all-important political bureau for brutally torturing an E.R.P. member whom Gorriarán wrongly believed to be an army infiltrator. He did not regain top rank within the E.R.P. until Santucho was killed in July 1976. With Santucho's death, however, the E.R.P. was largely destroyed, so Gorriarán remained a rather marginal figure on the outer fringe of Argentina's revolutionary left.

Despite his political isolation, the raid that Gorriarán led in January is already being used by the military to justify, retroactively, its conduct in the "dirty war." More than five years into the civilian government of President Raúl Alfonsín, the Argentine military continues to maintain that the elaborate cell structure of the guerrillas in the 1970s obliged it to resort to "unconventional" means of repression. But a growing body of evidence suggests that much of the so-called war was merely a violent show in which the military used smoke and mirrors to exaggerate the threat from the left and frighten and intimidate the Argentine people.

For example, military propagandists continue to claim that the army defeated up to 1,000 E.R.P. irregulars attempting to set up a "Red Republic" in the remote northwestern province of Tucumán in 1975 and early 1976. Yet army intelligence documents and interviews with former guerrillas show that the E.R.P. could rarely field more than sixty or seventy poorly equipped combatants at any one time; less than 230 guerrillas took part in the entire eighteen-month-long military action, many of them rotated in and out of duty from urban centers. According to Argentine intelligence and police sources, about one-fourth of the security forces' reported victims of "leftist subversion" in Tucumán in fact died in accidents or other unrelated incidents.

One man who can reveal many of the dirtiest secrets of the dirty war is today serving a thirty-year prison sentence in Buenos Aires, after he was captured and extradited from Brazil in 1984. He is Mario Firmenich, leader of the Montoneros, a group some historians claim was Latin America's largest urban guerrilla movement of the 1970s. But Firmenich is not what he appears to be. According to a former U.S. intelligence officer who was assigned to the U.S. Embassy in Buenos Aires for most of the 1970s and charged by then-Ambassador Robert Hill with keeping track of the leftist guerrillas, Firmenich was a double agent working for the Argentine military.

Doubts about Firmenich have been fitfully raised before, mostly by political opponents of the Montoneros and often based on the fact that he began his political career in the 1960s as a neofascist. Two years ago further questions were raised when it was shown that the site of a clandestine 1975 press conference, at which Firmenich had released a captured Argentine industrialist for a whopping \$60 million

ransom, was in fact a state intelligence safe house in which two agents were present.

Adding to the doubts about Firmenich has been the fact that he was one of the few senior guerrilla leaders to survive the dirty war and that his parents, unlike the relatives of thousands of *desaparecidos*, the "disappeared," did not receive so much as a single death threat during the years of military terror. Firmenich also continued to make outlandish claims of imminent military victory long after other Montonero leaders were privately admitting a stunning rout. Rather than trying to persuade the junta to end the bloodbath by acknowledging military defeat, Firmenich gave the military the pretext it needed for continued repression. In 1979 he even sent scores of exiled Montoneros back into Argentina for a "final offensive," which resulted in their massacre.

In fact, Firmenich's cooperation with the army began as early as mid-1973, as he watched his cohorts in the nationalist guerrilla movement move steadily to the left. According to the U.S. diplomat, who was extremely close to top members of the Argentine security establishment, Firmenich was "handled" by a colonel in the notorious 601 Intelligence Battalion who was later promoted to general and became the head of army intelligence. Asked to comment on this, a second U.S. official, who served as the C.I.A. station chief in Buenos Aires from 1972 to 1974, said, "It's certainly plausible. . . . [Firmenich] did seem to have a rather open relationship with the military establishment." The former station chief also pointed out that in contrast with the E.R.P., which was "really sophisticated," the Montoneros were "not a disciplined army—which made them more easy to penetrate."

One of several guerrillas vying for leadership of the Montoneros, Firmenich bolstered his reputation when he spread the word that he had been behind the assassination of the head of the powerful Peronist labor confederation in 1973, as well as the killing of a former interior minister in 1974. The claims were false. According to the U.S. diplomat, those murders were actually the work of Peronist Social Welfare Minister José López Rega. Known as El Brujo—the Sorcerer—López Rega was the man responsible for setting up the notorious Argentine Anti-Communist Alliance, or "Triple-A," death squads. Nevertheless, the two killings were consistent with a pattern of leftist terrorism that seemed to make a military crackdown imperative. By 1976 the military had overthrown the government of Juan Perón's widow, Isabel, and the paramilitary Triple-A was replaced by state terrorism.

Terror by the left was "serious and deadly," the U.S. diplomat recalled, "but its scope was exaggerated. At no time did [it] ever represent a threat to the stability" of the constitutional regime. (Even according to the military's own claims, which are surely inflated, a total of some 650 people were killed by the left between 1969 and 1979.) The real reason for the coup, the diplomat said, was the disastrous state of the Argentine economy and the staggering corruption of Isabel Perón's government. "A considerable number of the murders, kidnappings and extortions attributed to the

guerrillas were caused by other elements," he went on, "and many of their actions were conveniently blamed on leftist terrorists," who offered the armed forces "a convenient vehicle to seek retaliation against real or imagined wrongs."

The former C.I.A. station chief believes that it was the desire for vengeance—not the military capability of the guerrillas—that led the armed forces to launch the dirty war. Again, the E.R.P. was seen as a greater threat than the less-well-organized Montoneros. "The military was embarrassed," he said, "because the E.R.P. made them look like jerks, incompetents." In the end, the biggest prize that the army netted through the efforts of its double agent, Firmenich, was the E.R.P.'s top commander, Mario Roberto Santucho. According to the U.S. diplomat, Santucho's death in a shootout with an army patrol in 1976 came after Firmenich had betrayed the E.R.P. leader's whereabouts. When Santucho's body was laid out on display at the Campo de Mayo military base, a number of high-ranking Argentine officers took the opportunity to urinate on the corpse.

Since the appearance of Jacobo Timerman's *Prisoner Without a Name, Cell Without a Number*, there has been a virtual deluge of literature, both fiction and nonfiction, about the atrocities committed during the Argentine military's years in power. There remains, however, a striking gap in all these works, one that provides the military forces with the opportunity for revisionism about their past role—and, for that matter, their future one. Until the question of whether what took place in the 1970s was really a war is fully addressed, the debate will remain narrowly framed about the methods, brutal and repugnant as they may be, that the military used to win.

The double life of Mario Firmenich, like the exaggeration of the threat posed by the guerrillas in Tucumán, helps to illustrate that the dirty war, while unquestionably dirty, was not much of a war. So does the evidence from the scores of bodies of *desaparecidos* that have been exhumed, nearly all of them shot at very close range in the head or back of the neck.

Whether the disastrous assault on La Tablada turns out to have been a reckless act by extremists or whether the shadowy hand of military intelligence will again become apparent, the only immediate winners are the armed forces. Already, Argentina's right wing has proposed that the country's new national security law be amended to allow the military to act as guarantor of internal security, a role currently monopolized by the police.

In recent months both the military and Firmenich's supporters have been clamoring for an amnesty, a move they say will encourage a spirit of "national reconciliation." The candidates of both major parties in this May's presidential elections, the Peronists and the Radicals, have gone on record as opposing an amnesty. But if military putsches and insurgent harassment begin to spiral, it is an open question how long the civilians will be able to stick to their promises. There is, of course, a certain neatness to the concept of amnesty. Military wrongdoing would be washed away

by the release of a major terrorist leader of the left. Yet Firmenich's real background makes such a proposal a mockery of the Alfonsín government's valiant efforts to restore the rule of law. All those who would benefit from an amnesty are of the military—whether they wear uniforms or not.

The failure to reveal the true history of the military period will condemn Argentina to repeat it. That history needs to be told again and again, so that 30 million people are not manipulated a second time into believing that the military must be called in once more to crush a subversive threat that the generals themselves had a hand in creating. □

Newhouse

(Continued From Front Cover)

alert to the tax problems of certain headline-worthy politicians. Indeed, the Newhouse papers themselves have displayed admirable vigilance in pursuit of such corner cutters—like Lee Alexander, the former Mayor of Syracuse, New York. The chain's *Post-Standard* and *Herald-Journal*, good watchdogs that they are, barked noisily for months before Alexander ultimately was found guilty on tax evasion and other charges last year. In fact, no sooner was the Federal indictment handed down in 1987 than the *Herald-Journal* editorialized that "the case looks solid," adding that if Alexander was found guilty "we will have precious little sympathy" for him.

The government's case against the Newhouse family may be solid, too, but I resist any rush to judgment, for such haste is not the American Way. Suffice it to say that the trial deserves a bit more attention than it has got, even though it is complex and the arithmetic involved requires a certain concentration. I urge readers to press on, if only to put their own tax problems into perspective as April 15 looms. After all, if two brothers who control a fortune estimated at \$5.2 billion may lose a fifth of it to the government, how bad off can the rest of us be?

Our story begins in 1979, when Samuel Irving Newhouse died. He was 84 years old and had pursued a sufficiently full life to leave behind the largest privately held media empire in the United States. Besides the newspapers, which also included the Newark *Star-Ledger*, the Cleveland *Plain Dealer* and the New Orleans *Times-Picayune*, he owned some cable television operations and Condé Nast magazines, *Mademoiselle* and *Vogue* among them. The magazines he bought in 1959 as—he liked to say—a surprise present for his wife, Mitzi, on their thirty-fifth wedding anniversary.

Six months after "S.I." died, his two sons, the aforementioned Samuel Jr. (Si) and Donald, together with the family's fiduciaries, valued his gross adjusted estate at nearly \$181.9 million and filed a return listing the net tax due as just shy of \$48.7 million. After some scrutiny, the I.R.S. in 1983 advised the brothers that the estate was worth an estimated \$1.2 billion, and thus the tax as computed was deficient by more than \$609 million. Moreover, the government tacked on a 50 percent penalty (\$304 million and change) for civil fraud.

"Menem's agenda is ambitious and must be implemented swiftly. . . . Few doubt that Menem wants changes in the nation's economic structure, but, as always, most Argentines are skeptical about his chances of success."

The Peronists Triumph in Argentina

BY GARY W. WYNIA

William Kenan Professor of Latin American Politics, Carleton College

RAÚL Alfonsín's presidency is quickly becoming ancient history in Argentina. After thriving on democracy's restoration, Alfonsín gradually saw his leadership crumble, leaving him no choice but to turn over the presidency to Peronist Carlos Saúl Menem in July, 1989, six months ahead of schedule.

Alfonsín, the Radical Civic Union's leader, had hoped to reach the finish line when he introduced a new economic program in August, 1988. Labeled the Primavera Plan (Spring Plan), it sought to decelerate inflation—prices had risen by 26 percent in July—and attract financing from the International Monetary Fund (IMF), the World Bank, and the United States, for a total of \$2.5 billion.

But Argentina's creditors, still unhappy about Alfonsín's halting interest payments early in 1988, balked at his request. When the new loans failed to arrive, it became impossible for the Central Bank either to prop up the Argentine currency (the austral) at 14 australes to the dollar (U.S.\$) or to hold down prices. The Primavera Plan unraveled in February, 1989, taking public confidence in Alfonsín's leadership down with it.¹

Eduardo Angeloz, the Radical Civic Union party's presidential candidate in the May, 1989, presidential and congressional elections, insisted that Juan Sourrouille and his economic team be dismissed; Alfonsín reluctantly complied in March, even though it was obvious that this action would do little to increase the government's popularity. Alfonsín knew that he was losing economically, but it was not until after the election that one of his economists admitted failure in establishing control over the government's inflated budget. The Primavera Plan had been a last-minute exercise in economic acrobatics, but it was wholly inadequate.² Prices rose again, first "only" by 9.6 percent in February, then by 18 percent in March, and 33 percent in April, 1989, leaving the electorate in no

mood to elect another Radical to the presidency.

Carlos Saúl Menem was the first person the Peronists (the Justicialista party) ever nominated in a direct primary election rather than in a party convention controlled by a few dozen politicians and labor leaders. The direct election was crucial to his success, since Buenos Aires governor Antonio Cafiero was preferred by most of the leadership. Only 1.7 million of the party's 4.1 million members bothered to turn out for the July, 1988, primary, but 53 percent of those who did voted for Menem rather than for the favored Cafiero.

Starting in August, Menem campaigned across the country, relying heavily on personal contact at the grass-roots level and exhibiting the same congeniality that had made him a popular governor in La Rioja province. Instead of stressing specific issues, Menem called for Argentina's "reunification," for greater productivity and for more social justice. And when these slogans did not excite anyone, he reminded them of what they had suffered during five years under Alfonsín: bouts of astronomical inflation, losses in real income and declining optimism about the nation's future.

By April, all 10 of the nation's polls predicted that Menem would win from 33 percent to 47 percent of the popular vote. When the ballots were counted on May 14 he came out on the high side, with 47 percent of the vote, compared with 37 percent for Eduardo Angeloz. Menem received majority support in only 8 out of 24 provinces, but he garnered a plurality in all but 5 of them, guaranteeing his victory in the Electoral College. The Peronists could now legitimately claim the right to govern the Argentine democracy.

The Peronists also added 17 seats in the Chamber of Deputies, which gave them a total of 127 seats, or exactly half the Chamber. Meanwhile, the Radicals lost a few seats and were left with just one-third of the Chamber under their control. None of this transformed the Peronist factions into a truly cohesive political party, but Menem's triumph was enough to assure him support in Congress during his first 100 days.

When asked why he lost, Angeloz confessed that

¹Judith Evans, "The February Crash," *Latin Finance*, May, 1989, p. 47.

²See interviews with government economist Adolfo Canitrot in *Somos* (Buenos Aires), May 24, 1989, pp. 48-52; and *Ambito Financiero* (Buenos Aires), May 28, 1989, p. 35.

the Radicals had not fully recovered from the defeat they had suffered in September, 1987, when the Peronists swept congressional and gubernatorial elections. Some Radicals just sat down and watched, Angeloz complained, while others pulled out altogether. Even Alfonsín, the much-admired democrat, took on the demeanor of the disgruntled politician who was pained to discover how quickly people in all social classes were turning against him.³

The Radicals, who several years before were claiming that they were building a new majority party, discovered how wrong they were. At first, Alfonsín had led Argentina adeptly, but that was never enough to secure the loyalty of more than 40 percent of the electorate. Had Alfonsín accomplished more with his economic policy, Angeloz probably would have triumphed in the presidential election of 1989, but the President's failure to turn his 1985 Austral Plan into a durable conquest of inflation doomed Angeloz. The acrobatics of the Primavera Plan never really came close to making up for this failure.

According to the constitution, Alfonsín was to turn over the presidency to Menem on December 1, 1989, six months after Menem's election. To survive that long, Alfonsín tried to get President-elect Menem to support his latest emergency stabilization program, which included a 40 percent increase in public service rates, a 10 percent tax increase on farm exports and a higher value-added tax. But Menem just watched as the public panicked and the value of the austral plummeted to 220 australes to the dollar. Fearful of a catastrophe, big business joined the general public in demanding that Alfonsín depart early and allow Menem to make a fresh start.

At first, Alfonsín resisted, going on television on May 23 to announce that he would stick it out; however, he quickly realized that he had become a lame duck who could do more for Argentina by departing gracefully than by hanging on. On July 8, he turned over the presidency to Menem. To his credit, Alfonsín left behind a country that was politically more democratic than it had been at any time in this century; but Argentines must also eat and pay rent, and most of them will remember Alfonsín for making it harder to do both.

A PERONIST SURPRISE

Carlos Saúl Menem fits no presidential stereotype. After completing law school in 1955 at age 20, he returned to La Rioja, one of Argentina's poorer

provinces, to practice law and Peronist politics. The son of Syrian immigrants who came to Argentina in 1912 and eventually prospered in the wine business, Menem cultivated the playboy image away from home and was not taken seriously in Buenos Aires. Yet he never lost touch with people in La Rioja, where he tried to run for governor in 1963 only to be stopped when the exiled Juan Perón ordered party members to boycott the election. When Menem tried again in 1973, he won easily.

The military evicted the Peronist government in 1976 and arrested Menem and other party leaders at the start of the *Proceso*. Five years passed before he was finally released, and to this day Menem says that he does not know why he was considered such a threat. Within Peronism, he was militant but never very radical; i.e., he wanted to rebuild a welfare state that was run by the Peronists. The champion of the provincial poor, Menem also admired the kinds of private enterprise that had allowed his father to prosper in his new country. It was not capitalism that he detested, but the people who practiced it without sharing their profits with their employees, the nation's poorest provinces and Peronist politicians.⁴

Menem is the most relaxed President that Argentines have ever seen, and he seems as happy on the *fútbol* field and the tennis court as he is in the presidential office. Two weeks after his inauguration, the 59-year-old Menem played an entire *fútbol* game alongside the famous star Diego Maradona to raise money to aid the poor. No recent Argentine President has ever dared such a feat or has been physically able to attempt it.

Menem enjoys asking anyone who chats with him to join his team, and he brags about being the consummate coalition-builder rather than the old-fashioned Peronist partisan. After his election, Menem spent almost as much time meeting with conservatives like Alvaro Alsogaray (a man once hated by Peronists) as he did with labor leaders. Where he was headed with such tactics no one was certain, but that apparently did not stop many of the Peronists' old opponents on the right from accepting his invitations.

Menem filled his Cabinet with loyal Peronists and several unaffiliated ministers. Peronists like union leader Jorge Triaca and lawyer Italo Luder were given the Labor and Defense Ministries, respectively, but the Foreign Ministry went to Domingo Cavallo, a free-trade economist with no party affiliation. Most surprising was his choice of little-known Miguel Roig to supervise the economic rescue operation. Roig was a retired executive from the Bunge & Born conglomerate, which was once Argentina's leading grain trader and was never a friend of Peronism. When Roig died of a heart at-

³*La Semana* (Buenos Aires), August 3, 1989, p. 15.

⁴For more on Menem's biography, see the book by journalists Alfredo Leuco and Jose Antonio Diaz, *El heredero de Peron* (Buenos Aires: Planeta, 1989).

tack on July 14 (just 5 days after his appointment), Menem quickly appointed Nestor Rapanelli, another Bunge & Born vice president, to replace Roig. He was convinced that executives from large corporations were the only people who could induce their colleagues to help him end the nation's economic crisis.

Menem's consultations with business leaders actually began six months before his election, when Jorge Born offered his firm's services to help prepare Menem's economic program. A little over a decade ago, the Born brothers had been kidnapped by young extremists and had to pay several million dollars for their release while the Peronist government stood by and watched. But in 1989 business and government needed one another, so Born set aside his displeasure with Peronism.

Bunge & Born executives subscribe to the annual macroeconomic analyses of Argentina written by North American consultant and Nobel prize-winner Lawrence Klein, a personal friend of Jorge Born's. At the end of 1988, Klein forecast high inflation and an abrupt decline in consumption by mid-1989, dangers greatly feared by Born since his enterprises produced as much for the domestic market as they did for export. Confident that Menem would win the election, Born shared the data with him during the campaign. Then, when Menem discovered that he would take office in July rather than December, he turned immediately to Born for more assistance. At Born's invitation, Menem attended an elaborate presentation by the firm's economists on May 23, where they outlined the problems Argentina faced and explained why the new President had to avert a collapse in consumption. Menem agreed and immediately appointed Miguel Roig to act on what the Bunge & Born economists had proposed.⁵

Economic recovery would not be easy. Menem's election had not served to halt inflation. On the contrary: in May, prices rose 78 percent and in June, 114 percent. With a nearly bare treasury, huge debts and a virtually collapsed economy on his hands, Menem knew that populism would have to wait. In the meantime, he asked the Bunge & Born people to draft immediate remedies. Their program was more immoderate and economically more orthodox than the program that Klein had suggested. The original Bunge & Born proposal had been neo-Keynesian in its approach, mixing the promotion of consumption with some fiscal austerity. But with inflation out of control in June, more drastic measures were necessary.

Initially, the medicine was bitter. Roig started by

devaluing the austral to 630 to the dollar (in just four years, the austral had depreciated by an incredible 60,000 percent). Most shocking to the Argentine consumer, he raised public utility prices. Gasoline, for example, went from about U.S.\$0.40 a gallon to over \$1.50 in one day. Next, he froze wages and persuaded major industries to freeze prices for 90 days. The program worked swiftly: prices, which had risen 196 percent in July, went up only 38 percent in August and rose even less in September.

Menem next asked Congress to pass two vital bills aimed at drastically reducing the size and cost of the Argentine government. It was public knowledge that the government's many enterprises were plagued by huge deficits—\$1 billion for YPF (the state-owned petroleum company), \$500 million for the railways, \$430 million for Segba (the state-owned electric power company) and less for others, totaling \$5.5 billion in 1988 alone.⁶ Printing new money in order to pay these bills meant higher inflation.

The State Reform bill authorized the privatization of several government corporations—something the Peronists had intensely opposed three years earlier when the Radicals had proposed a milder version. But Menem argued that without transferring ownership, the government could not control its finances. As quickly as possible, private corporations, including multinationals, would be invited to buy all or part of the largest government firms.

The second piece of legislation, known as the Emergency bill, instructed authorities to suspend tax and financial subsidies directed at the private sector. It also proposed bolder efforts to end widespread tax evasion in an attempt to raise the government revenue from 16 percent of the gross national product (GNP) to 24 percent.⁷ After a brief debate and some opposition from the Radicals, Congress passed both the State Reform bill and the Emergency bill with only minor revisions.

Economic growth was not ignored, although for a time it would have to be more concentrated than usual. Specifically, Menem wants to produce more petroleum and natural gas for export and to boost farm production. The former was to be accomplished by bringing more foreign capital into the oil business, a step that Alfonsín had begun a few years earlier. For the rest of the industrial sector, emphasis was to be placed on encouraging firms that produced goods primarily for export.

Menem hoped these measures would impress the IMF. Annual interest on the debt was U.S.\$6 billion, but the trade surplus was only U.S.\$3.5 billion. If Argentina were to begin paying interest again, it would need the financing that was denied

⁵*La Nación* (Buenos Aires), July 23, 1989.

⁶*The New York Times*, September 11, 1989.

⁷*The New York Times*, September 15, 1989.

Alfonsín during his last year. Menem promised the IMF that he would lower inflation to 15 percent annually, reduce the fiscal deficit to 1.8 percent of the GNP and stimulate the economy to grow at around 6 percent in 1990, incredibly ambitious objectives. But without such promises, he stood no chance of receiving IMF stand-by loans.⁸

Menem had little choice; he had to force Argentines to accept austerity, unpopular as that might be. Austerity was not a Peronist solution, but it was dictated by an ugly reality that everyone recognized. In his own defense, Menem never tired of insisting that it was "better that people insult me for a year and applaud me for a century, rather than the other way around."⁹ This was a different Menem from the Menem who, as governor of La Rioja province between 1983 and 1987, had more than doubled the number of people on the provincial payroll and issued worthless bonds to help pay their wages.

Predictably, organized labor was not enthusiastic about Menem's economics, so he tried to head off protests that might undermine him. Since Saul Ubaldini, the secretary general of the General Confederation of Labor (CGT), had thrived on leading the opposition to similar measures undertaken by Alfonsín, Menem wants him replaced. Replacing Ubaldini will not be easy, however, since much of Ubaldini's support comes from the powerful Metal Workers Union headed by Lorenzo Miguel, one of Menem's supporters in the election.

Menem cannot afford to alienate labor leaders the way that Isabel Perón did a decade earlier, so he has chosen to work quietly through CGT factions that share his desire to evict Ubaldini. Menem's dilemma is obvious: a united movement that supports him will make him nearly invulnerable politically, but a movement that turns against him could quickly ruin his economic rescue operation. Similarly, a divided CGT might find it hard to resist Menem, but division risks radicalizing opposing factions that might feel compelled to prove their militancy to the rank and file. That is why Menem has chosen to be careful in dealing with the CGT's leadership, at first doing little more than privately making his preference for Ubaldini's replacement well-known.¹⁰

MILITARY AFFAIRS

Many officers began 1989 unhappily. They claimed to support constitutional government, but they wanted better treatment from civilian authorities. For some, the issue was still their dis-

satisfaction with the prosecution and conviction of officers who had killed several thousand civilians over a decade ago. Alfonsín and the Congress responded to their complaints in 1987 by prohibiting the trial of any except the most senior officers, but this action had not satisfied them. In addition, many younger officers were unhappy with the generals and admirals who refused to reorganize and modernize their services in the wake of the Falklands (Malvinas) War, and with Alfonsín's reluctance to make the military do so.

All this provoked another rebellion within the army in December, 1988, led by Colonel Mohammed Ali Seineldin. After seizing a base near Buenos Aires and demanding that Alfonsín dismiss the army's chief of staff, raise military salaries and grant amnesty to all officers, Seineldin negotiated with his commanders and surrendered to their custody after two days of discussion. A few weeks later, Alfonsín dismissed the army chief of staff, General José Ciar-di, but went no further. Seineldin, a brash right winger, is popular with some soldiers less because of his ideology than because of his opposition to the military leadership. Other officers will probably voice their demands from time to time, so Menem is trying to find ways to head them off.

Civilians are not immune to organized violence in Argentina, as they demonstrated on January 23, 1989, when a few dozen individuals surprised the nation by invading the Third Army Regiment based at La Tablada, just outside Buenos Aires. Well-armed, the group, which called itself the Movement for the Fatherland, drove onto the base in cars and trucks and fired on those who resisted them, gaining control over portions of the base until they were routed the next day by armed units. Their affiliation with clandestine organizations on the extreme left was evident, but their motives are still unclear after several months of trials. According to one theory, they feared that officers like Seineldin were about to strike again and implement a coup against the government, so they attacked the base in an attempt to convince other civilians to join them. However, there is no evidence that a coup was contemplated, nor that the attackers were trying to mobilize public opinion. Another theory claims that the civilians were tricked into attacking by the military itself in order to remind Argentines that the armed forces were the only group that pre-

(Continued on page 34)

Gary W. Wynia is the author of *The Politics of Latin American Development*, 3d edition (New York: Cambridge University Press, 1990), and *Argentina: Illusions and Realities* (New York: Holmes & Meier, 1986). Wynia gathered material for this article while he was in Argentina during August, 1989.

⁸Buenos Aires Herald, September 17, 1989, p. 2.

⁹Washington Post National Weekly Edition, July 17-23, 1989, p. 15.

¹⁰Buenos Aires Herald, August 13, 1989, p. 3.

elected officials serve as a powerful deterrent. Hundreds of others have received death threats, and many have resigned. In addition, the states of emergency that prevail in more than 30 percent of Peru's provinces complicate the voting process, even though special arrangements are planned to open a window of constitutional "normalcy" around election days.

The dramatic fall-off of incidents and deaths in September and October, 1989, after the grotesque record pace of January through July probably masks the intense preparations being made by both the military and the insurgents to have maximum impact around election time. Elections will take place, but they are likely to be marred by substantial violence, especially where Shining Path has been most active, and they may be impossible to carry out in scores of localities.

Even so, several recent developments may provide more political space than could have been predicted at the beginning of 1989. Modest improvements have occurred in the economic picture, with inflation cut to 25 percent per month, reserves up fourfold to \$1.3 billion and the average wage again advancing in real terms (from about \$30 per month in January to about \$45 per month in September). In addition, the police and military took a more offensive position against the guerrillas between April and July, and are taking delivery of new helicopters and vehicles, restoring some faith in their capacity to protect the system. Furthermore, President García has been more active during his last year in office than was expected after the problems he experienced in late 1988 and early 1989. With the presence of multiple political alternatives at the local level and an emerging conservative alternative at the national level, Peru may well be poised to begin its long climb back from the edge of the abyss. ■

ARGENTINA

(Continued from page 16)

vented leftist insurrection. To date there is no convincing evidence to support either theory.

During his campaign, Menem had promised to consider pardons for everyone—from the junta members who governed in the 1970's to rebels like Seineldin. Nevertheless, he proceeded cautiously, aware that there was opposition to such benevolence. The issue was complicated by the diversity of crimes involved, from torture and murder during the *Proceso*, to launching an ill-conceived war in the Falkland Islands, to rebelling against military and civilian authorities. Moreover, people like former President Jorge Videla made it clear that they

would not accept pardons since they did not believe they had committed any crime.

Two schools of thought within Menem's government quickly emerged on the pardon issue. One argued that pacification of the military was vital to assure peace and to build confidence among foreign investors who were reluctant to spend more money in a country that was plagued by an ineffective military. Others argued that, apart from the obvious, morally repugnant aspects of legal absolutism, meddling with the justice system would be frowned on by the liberal democratic governments on which Argentina currently depends for political and economic support. The Radicals were as divided as the Peronists: some favored pardons, while others, including Alfonsín, intensely opposed them.

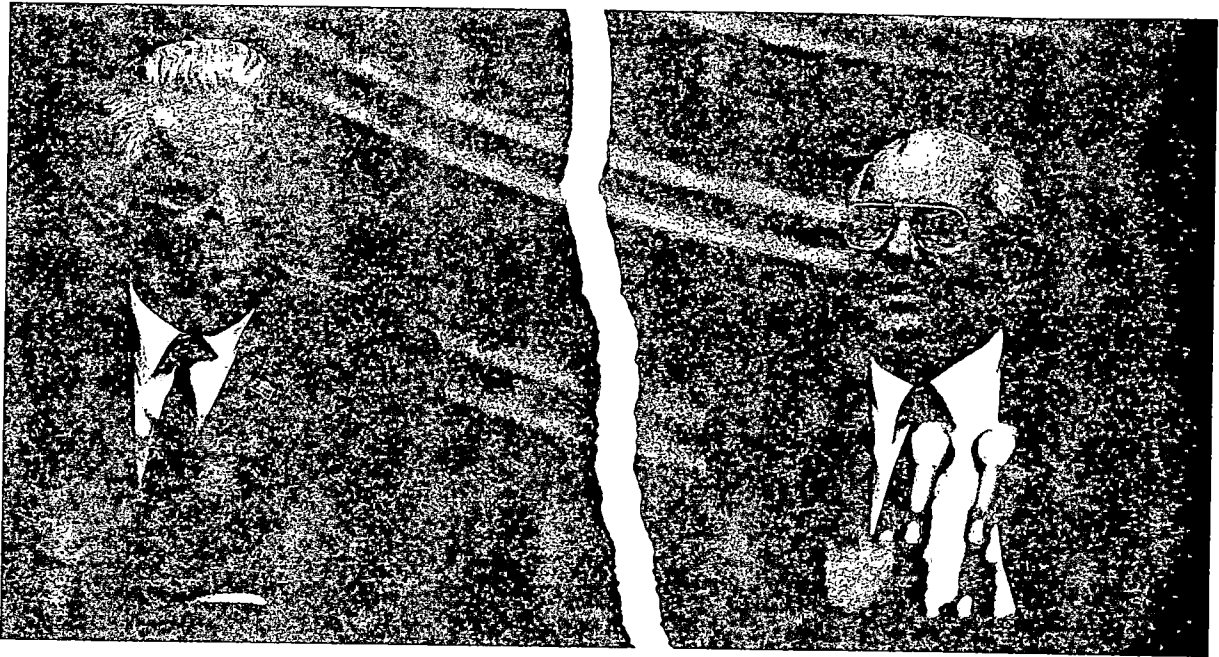
In October, 1989, Menem began to resolve the difficulty by pardoning almost 280 people. About 40 were retired military officers who had been involved in the *Proceso*; others were participants in the Falklands War or had participated in recent army rebellions. Menem also extended pardons to about 60 civilians, many still in exile, who had been charged with subversion. However, none of the people who took part in the attack at La Tablada were on the list. Eight others, including former Presidents Jorge Videla and Roberto Viola, and Montonero leader Mario Firmenich, were also excluded, but Menem promised that their cases would be reconsidered later in the year. Menem insisted that the pardons were essential to building respect within the armed forces for constitutional government; nevertheless, some Argentines protested against what they considered to be an immoral presidential decision, especially as it applied to those who had exterminated several thousand civilians between 1976 and 1980.¹¹

Exhibiting the same boldness that he had displayed in domestic matters, Menem ended Argentina's embargo on trade with Great Britain (the British had ended their embargo on Argentina in 1985). Even though he reasserted Argentina's claim to sovereignty over the Falkland Islands, Menem agreed to initiate talks with the British in Madrid. Menem's motives were pragmatic: Argentina needs more trade with Europe and that requires better relations with all European nations. Air and sea links between the two countries and between Argentina and the Falklands, fishing rights, and ways to prevent military incidents were also on the agenda for the October 17 meeting. At that meeting, Britain and Argentina renewed diplomatic relations. Menem wanted to convince other nations that Argentina was entering a new era that necessitated fresh responses.

When he went to the United Nations General Assembly meeting in September, 1989, Menem

¹¹ *The New York Times*, October 10, 1989, p. 3.

WORLD PRESS
Review
MAY 1991
\$2.95



MOSCOW
SPLIT

How Soviets See It



**
**

#19C ***** 3-DIGIT 205
#PESINW220100903#
1174
FEB 92
EXEC OFF OF THE PRES LIB
OF ADMIN/0E08
FORM 6220 NEW EXEC OFF BLDG
WASHINGTON, DC 20503

EL PORTEÑO

None of the children in Argentina's La Semilla (The Seed) Workshop is older than 18, but each already carries a heavy burden of memories. They are the children of the *desaparecidos* (disappeared), the men and women abducted and murdered under the Argentine military dictatorship of the 1970s. Some of the youngsters went through detention camps with their parents; others do not even remember their fathers' faces. Today, they live with whatever family they have left. Argentine President Carlos Saúl Menem granted pardons last December to military leaders convicted in connection with the "disappearances."

"I had to learn to be a man on my own," says Julian, 14. "Nobody taught me how to shave . . . I could never tell my father what it was like to be in love with a girl . . . Those are little things that may seem dumb, but they hurt. They hurt a lot, because I never got a chance to be taught how to grow up."

Julian has been telling his story for years. "One night in 1976, when I was six months old," he says, "a group of soldiers burst into the house. They threatened my mom and took my dad away. He was a writer and journalist, and he was working at home . . . That is the last I heard of my old man."

La Semilla, which consists of 30 children age 13 to 17, originally met to get the children exemptions from mandatory military service. Today, it has become a kind of support group. The youngsters are wary, and it is not easy to find them: They tell hardly anybody where they meet. They accepted the meeting with *El Porteño* only after taking security measures. Many of the children use a pseudonym, and almost none gives a last name. Pictures are out of the question. "It's good that we should be a little paranoid," says one.

In one way or another, all of the children feel discriminated against. "People treat you very well or very badly; there's no in-between," says Fabian. "For other people, the idea is always present that

we are children of the missing. For progressive people, we're super-kids; for others, . . . it would be better if we didn't exist."

There is also always the possibility of running into one of the "enforcers," the military personnel who carried out the abductions. One of the workshop members, Elizabeth, quit the student association at her college because, she says, "It turned out that most of the students were children of the enforcers."

Some of the children now live with their mothers; others live with their grandmothers. Some remember everything, and some are rebuilding their identities little by little. Virtually all of the children talk of continuing in their fathers' footsteps, although not all of them are entirely clear about what their fathers stood for.

Pablo, 13, is the youngest of the group and very serious; he almost never laughs. "My father was a lawyer who defended political prisoners," he says. "My mother and I believe that he was taken in the street . . . After the kidnapping, [my mother and I] went to Mexico, and from there we went to Nicaragua, during the Sandinista government. We also went to Cuba several times. I've been back [in Argentina] for three years now. The more I understand about my father's story, the worse I feel, but it gets me in gear to do what my father was doing."

Luciana, 14, also wants to be like her father. He was an employee representative at a bank and was abducted from his office in 1977, when Luciana was four months old. She says that what she likes most is going to the student center at her high school and to the workshop. "I want to continue in my father's footsteps, even if many people think it's bad because [he was a] guerrilla."

Not all children of missing persons go to the workshop. Some do not know of its existence or even of other youngsters who have similar histories. And some have only recently learned about their pasts. According to Estela Carlotto, who heads the activist group Grandmothers of Plaza de Mayo, about 500 children were abducted with their par-

"People treat you very well or very badly; there's no in-between."

ents. "To date, we have located 50 children," she says. "Of these 50, seven were murdered, 25 have gone back to their original families, and 13 are still living with people who adopted them in good faith." Carlotto says that Menem has not yet met with the group: "So far, we have not heard him speak a word about the existence of missing children . . . If the government persists in refusing to see us, we are going to get very tough. Thus far, we grandmothers have been very diplomatic. But we'll change our language and our attitudes, because what we're talking about here are children who are being denied their identities."

Two children who were returned to their families through the group's efforts are María Victoria Moyano Artigas, 12, and Paula Eva Logares, 14. María Victoria has been living, "very happy and secure," with her maternal grandparents for two years. She now knows that her father was Argentine and that her mother was Uruguayan; that her parents were kidnapped; and that she was born in a detention camp. "Eight hours after my birth," she says, "I was taken to live with a man named Víctor Penna and his wife, María Elena . . . I lived with them for nine years, until December 26, 1987. I'll never forget that date: It was the day I learned from the judge that I had been kidnapped. The couple had lied to me when they told me I had been adopted."

"I have no memory of my parents, and I would like very much to be able to see them again," says Paula Logares, who bears a marked resemblance to a photograph of her mother. Paula was located by her grandmother and uncles in late 1983. She now refers to the people with whom she had been living without mentioning their names. "I never want to see them again," she says. ■

By Julio Spina; from the liberal monthly "*El Porteño*" of Buenos Aires.

With World Bank Loan in Hand, Argentina Moves Ahead to Reorganize Its Military

165/182
By Julia Michaels

Special to The Christian Science Monitor

SÃO PAULO, BRAZIL

ARGENTINA moved closer to the long-promised reform of its defense complex this week with the reorganization of three Defense Ministry departments.

The reorganization follows last month's news of a \$250 million World Bank loan to the Argentine government for the restructuring and privatization of the country's defense industries. It also follows within a month of a highly publicized trial in which the leaders of a December military rebellion by the so-called "painted faces" were convicted by both civilian and military courts.

"The reform should begin today," Military Affairs Secretary Juan Ferreira Pinho said Tuesday in a telephone interview. It is "a new phase, with more implementation rather than planning."

Appointed Monday as secretary for military affairs, a newly created post within the Defense Ministry, Mr. Pinho is responsible

for three factories that make explosives, munitions, and weapons. These will not be sold to private investors but may take on outside partners.

Another new secretariat will oversee the privatization of steel, petrochemicals, shipping, and other factories that belong to the defense establishment. The two new departments replace three former ones.

Political analysts say the reform is coming because of pressure from President Carlos Saul Menem, who is reported to be unhappy with the slow pace of defense restructuring. Altogether, the armed forces own part or all of 33 companies employing 33,000 people, though many layoffs are now expected. The restructuring is to be completed by the end of 1992.

"The international and regional political situation is leading the armed forces to change their objectives, mission, and reality," says Pinho, referring to the spread of democracy and growing regional economic integration.

Beginning in the 1940s, Argentines felt they must be able to produce their own defense equip-

ment, but this idea has changed, especially as the military has played a smaller political role.

Argentina has experienced six military coups since 1930. The last one, in 1976, led to a violent internal war and the 1982 Falklands War with Britain, which was a disaster for Argentina. When civilian President Raúl Alfonsín came to office in 1983, he made drastic defense cuts.

The World Bank loan, details of which must still be worked out, is to be disbursed sometime after June 1992, says Ana Kessler, the Defense Ministry's new undersecretary for restructuring and management. Until then, the government hopes to obtain a loan from private banks to fund the restructuring.

The privatizations, she says, should bring in from \$5 billion to \$10 billion and will also provide considerable savings.

With the savings and inflow of funds, the ministry plans to re-equip the armed forces. Pinho says the objective is to reduce the size of the military, make it more agile and less geographically spread out, and to use budget resources more efficiently.

Communist Ideology Fading Fast in Latin America

■ **Politics:** Parties fared poorly in the 1980s and Soviet changes have further harmed their morale and prestige.

By WILLIAM R. LONG
TIMES STAFF WRITER

178/72/182

SANTIAGO, Chile—U.S. presidents from Dwight D. Eisenhower to Ronald Reagan worried about communism in America's back yard. Obviously, times have changed: As world communism cracks and crumbles, the "Red menace" in Latin America is all but forgotten.

Today, most Latin American Communist parties have renounced old dreams of Cuban-style revolution. Some are splitting up, falling apart or withering away. Others are overhauling their ideologies to embrace democratic and even free-market principles. A few are hanging tough, stubbornly sticking to Marxist-Leninist doctrine. But throughout the region, Communist parties are in crisis.

In general, Latin American Communists fared poorly at the polls during the region's democratic revival in the 1980s. The successive Communist failures in Europe, culminating in the abortive Soviet coup in August, have further devastated the morale and prestige of pro-Moscow parties in this region.

That does not portend the death of the Latin American left, with its banners of equality and social justice in countries where inequality and injustice are commonplace. But Jose Joaquin Brunner, an analyst with the Santiago-based Latin American Faculty of Social Sciences, said that the influence of traditional Communist ideology is waning fast.

"The tendency is a new type of left in Latin America; I think it will have more Social Democratic traits," Brunner said.

Communist parties began appearing in Latin America early in the century, but few ever mustered much popular support or power at the polls. They did, however, earn considerable measures of respect and fear for their discipline, organizational skill, revolutionary zeal and intellectual luminaries.

In Chile, for example, a widely revered Communist was Pablo Neruda, the Nobel Prize poet. But Neruda is dead, and today Chile offers a prime example of crisis and decline in Latin American communism.

Older than the Soviet Union, the Communist Party of Chile was founded in 1912. It shared government power early in the 1970s as a senior partner in the coalition that elected President Salvador Allende, himself a leader of Chile's old Socialist Party, a Marxist-Leninist institution.

Then came the bloody military coup of September, 1973. The Communist Party went underground, advocating violent resistance to the dictatorship of Gen. Augusto Pinochet.

When the military regime allowed elections in 1989, balloting rules were such that no candidate with less than about 30% of a district's votes could win a seat in the Congress. The Communists won none.

Jorge Insunza, a Chilean Communist leader, admits that the Soviet Communist Party's troubles have compounded the crisis in his party. But he vowed that the Chilean party will pull through these hard times.

"The party has very deep roots in Chilean society," he said. "We started out before the October revolution, and we do not depend on what happens in the Soviet Union." He added that the Chilean party rejects the "bureaucratic model" of communism that dominated the Soviet Union until the era of President Mikhail S. Gorbachev's *perestroika* and is in the process of making "very deep changes" in its own ideology.

"We have come to the conclusion that Marx's old concept of the dictatorship of the proletariat cannot be used today," he said. And the party's anti-market concepts will be revised, he said, "accepting the fact that the market exists in reality and continues to exist in a socialist society."

Former Chilean Communists, however, say the party remains resistant to open discussion and deep change. Fanny Pollarolo, who quit the party last year, said changes in the Soviet Union encouraged her and other reformers to break with orthodox Communist thinking.

Pollarolo is among 10 of the Central Committee's 45 members who have resigned. Several have formed a new movement, the Democratic Left Party. Pollarolo, 56, is president.

"The *perestroika* process, the figure of Gorbachev, has had great significance for us," she said. "It has given us hope for reformulating a democratic, humane, modern society, free from all formal orthodoxy."

As Communists in other Latin American countries re-examine their political identities, it remains to be seen how much formal Communist orthodoxy will survive in the region. But Marco Aurelio Garcia, a history professor who specializes in leftist Latin American movements at Brazil's University of Campinas, said parties remaining faithful to Marxist-Leninist doctrine will be discredited by the Soviet Communist failure.

"The situation of the orthodox left is going to be very difficult in the coming years," Garcia said.

Starting with Cuba, where communism has been the official ideology since the early 1960s, here is a sampling of how Latin American Communists are dealing with the difficulties:

CUBA

Soviet aid in the form of huge trade subsidies was reduced to nearly zero this year. And if fledgling capitalists in the Soviet republics eliminate barter arrangements with Cuba, putting all trade on a cash basis, Cuba would become the customer of last resort and face far worse shortages of food and fuel than the Draconian ones it already suffers. The political impact of dwindling Soviet help will become clearer when Communist delegates debate Cuba's economic and political course at the Fourth Party Congress, starting Oct. 10.

The party's only formal reaction to the Soviet coup failure, an editorial in the official newspaper Granma on Aug. 29, said: "Whatever happens in the Soviet Union, we will not move away from the path we have chosen . . . our independent, Cuban and socialist line." A debate over what exactly that means has been under way in the party for months and has been intensified by events in the Soviet Union.

Says Gillian Gunn, a Cuba specialist at the Carnegie Endowment for International Peace in Washington: "Had the Soviet coup succeeded, the prospect of more stable [Soviet] economic assistance would have strengthened the hand

of Cuban hard-liners. The failure of the coup, and the related expectation that aid will decline more rapidly than before, has strengthened those arguing for introduction of some market mechanisms as the only way to avoid economic collapse."

Meanwhile, the sight of huge anti-Communist demonstrations in Soviet cities appears to have strengthened Havana's resolve to crack down even harder on the island's small dissident movement, which is demanding an end to Castro's one-party system. Dissident groups, emboldened by events in the Soviet Union, tried to organize a demonstration recently, but a pro-government mob chanting "In Cuba, there can be only one party" harassed the first dissidents to arrive, and the rally never got under way.

NICARAGUA

The Sandinista National Liberation Front, in its first party congress a month before the Soviet coup, took steps toward abandoning its guerrilla past and creating a democratic opposition party. The delegates dropped references in working documents to being a Marxist-Leninist party but rejected a democratic bid, within the party to shake up the self-appointed Sandinista leadership with an open election. At the same time, the Sandinistas decided to continue calling themselves socialist, revolutionary and anti-imperialist.

As president of Nicaragua, Sandinista party leader Daniel Ortega was forced by the war with the Contras, economic collapse, and U.S. and Latin American pressure to embrace political pluralism and run in a free election, which he

lost. Even while following Gorbachev's example of political openness, Ortega has criticized Moscow's drift away from the socialist model. Reacting with alarm to the Soviet coup aftermath, Ortega said: "The most right-wing sectors are trying to smash Gorbachev and turn the Soviet Union toward capitalism. Boris Yeltsin's methods against the Soviet Communist Party are totally anti-democratic and dangerous."

The small Communist Party of Nicaragua takes the opposite view. Ariel Bravo, the party's secretary for national and international affairs, said the Soviet upheaval was to be expected because "the Soviets began deviating from true Leninism as soon as Lenin died and Stalin took over."

VENEZUELA

The tiny Venezuelan Communist Party, divided over events in the Soviet Union, suffered its most serious blow Aug. 27 when Chairman Hector Mujica resigned from both his post and the party. Mujica, who had belonged to the party for more than four decades, had adopted a reformist line. He said he was resigning because some sectors of the party leadership opposed reform and supported the attempted coup in the Soviet Union.

The University of Campinas' Prof. Garcia said that the fallout from the Soviet events could carry small Latin American Communist parties such as Venezuela's "to a final phase, to their disappearance."

COLOMBIA

The Patriotic Union, a coalition formed in 1984 to incorporate pacified guerrillas, has been dominated by the Colombian Communist Party, but the alliance is in trouble. In light of the changes in the Soviet Union, many Patriotic Union leaders have quit the Communist Party, calling it a last bastion of Marxist reactionaries. Oscar Gonzalez Arana, the Patriotic Union's director of international relations, said its differences with the Communist Party have become so great that a complete break between the two is certain.

BRAZIL

Roberto Freire, secretary general of the Brazilian Communist Party and a former presidential candidate, is proposing that the party transform its structure, change its name and drop its traditional hammer-and-sickle symbol. He said that reforms in the 69-year-old Brazilian party began years ago but that recent changes

in the Soviet system confirmed the need to break with the past.

"If that model is exhausted, the Communist Party is exhausted," Freire told reporters at a recent meeting of the Brazilian party's Central Committee. "It isn't a matter of renovating or reforming the Communist Party. It is a matter of forming a new party with the Communist Party as a base."

URUGUAY

The Communist Party of Uruguay could qualify currently as the most successful in Latin America outside Cuba. It is the leading party in a leftist-oriented coalition that won election to the municipal government of Montevideo, the Uruguayan capital and the home of more than one-third of the nation's population.

And yet the Uruguayan Communists are considering the possibility of deep structural changes in their party. In early November, they will vote on a proposal by Sen. Jaime Perez, the secretary general, to form a new party with other

leftist organizations.

Perez told The Times by telephone that the proposed party would be based on democratic socialist ideals and would seek a broader base than the Communist Party has by itself, with the goal of winning 1994 presidential elections. "I am convinced that it is possible," he said.

ARGENTINA

The Argentine Communist party, founded in 1918, has severely criticized Gorbachev's reforms. Fanny Evelman, a long-time Argentine Communist leader, said in a telephone interview that the Soviet changes are aimed at returning to capitalism. "We, who have been victims of American imperialism, cannot accept that surrender," she said.

According to Evelman, 80, socialism is the only solution to the underdevelopment of Latin America and the Third World. U.S. capitalism, she said, "is corroded from within by its own contradictions."

Times staff writer Richard Boudreaux, in Mexico, and special correspondents Jan Howard, in Nicaragua, and Stan Yarbro, in Colombia, contributed to this report.

30/3

Red Flag in Latin America



Throughout Latin America, Communist parties have given up on revolution. Some are withering away, others are changing, a few are hanging tough. In nations marked in black, above, the parties are in crisis. Here is a look:

Chile

Communist Party, born in 1912, predates Soviet Union. Partner with socialist Allende government in early 1970s, it went underground when Allende was overthrown. Now legal again, it has done poorly at polls, and its leaders talk of adapting.

Cuba

With Soviet aid all but cut off, Cuba suffers serious food, fuel shortages that may grow worse. But defiant Communist Party vows to hew to "independent, Cuban and socialist line," and dissidents remain largely suppressed.

Nicaragua

With Marxist Sandinistas voted out and broad-based National Opposition Union (UNO) in power, Nicaragua's small Communist Party has turned pragmatic, joining UNO and refraining from identifying with any Communist country.

Colombia

Communists dominate Patriotic Union coalition, but Soviet upheaval has caused many coalition leaders to quit Communist Party as too reactionary. Party's leader speaks of merging it with other leftist opposition groups to form new party.

Venezuela

Tiny Communist Party was crippled this year when longtime leader, who had called for reform and denounced attempted Soviet coup, resigned and left party. To some, its continued existence is in question.

Brazil

Top Communist says changes in Soviet Union confirm need for reform within Brazil's Communist Party, even to extent of changing name and forming new party. Issue will be taken up at party conference this year.

Argentina

Argentine Communist Party has criticized Soviet reforms as return to capitalism, and its longtime leader still sees socialism as only hope for people of Latin America and Third World.

Uruguay

Outside Cuba, Uruguayan party is communism's biggest Latin success. But like others, it is considering deep structural changes, possibly merging with other parties to seek broader electoral base.

with members of the community.

announced his intention to appoint a secretary of the Department of Natural Resources of the United States Great Lakes Fishery Commission, expiring February 1991. He would succeed James M. Ri-

announced his intention to appoint individuals to be members of the President's Commission on the Arts and the Humanities.

California. He would succeed Harry Evans Sloan. Currently Mr. Denend is president of product development for a corporation in Santa Clara, CA. She would succeed currently Mrs. Klapper with the law firm of Gail CO.

of Texas. She would succeed Cash. Currently Mrs. Fites is professor emerita of International Affairs at the University of Texas.

nia. He would succeed Mr. Vasquez serves as vice president in Santa Ana, CA. District of Columbia. He would succeed S. Scott. Currently Mr. Miller with the law firm of Washington, DC.

announced his intention to appoint individuals to be members of the President's Advisory Committee for the Environment for terms of two years.

of New York. This is a reappointment. Houghton serves as executive officer of Cornell University.

California. This is a reappointment. Mr. Fisher serves as executive officer of The University of California, CA.

s. He would succeed currently Mr. Fites serves as executive officer of California State University.

is. This is a reappointment. Snyder, chairman, and Snyder General Corp.

Robert Van Dine, of California. He would succeed Harry Evans Sloan. Mr. Van Dine is founder, vice chairman, and chairman of the executive committee of St. Ives Laboratories Corp. in Rolling Hills, CA.

Rudolph A. Oswald, of Maryland. This is a reappointment. Currently, Dr. Oswald serves as director of the AFL-CIO education department in Washington, DC.

The President announced his intention to appoint Dominic Man-Kit Lam, of Texas, to be a member of the President's Committee on the Arts and the Humanities. He would succeed Joan Dillon. Currently Dr. Lam serves as chairman of the board of Houston Bio-Tech, Inc., and as director of the Center for Biotechnology for Baylor College of Medicine in Woodlands, TX.

The President announced his intention to appoint Costa N. Miller, of Indiana, to be a Vice Chairman of the President's Committee on Employment of People With Disabilities. He would succeed Anne H. Carlsen. Currently Mr. Miller serves as executive director of the Indiana Association of Rehabilitation Facilities in Indianapolis, IN.

The President announced his intention to appoint the following individuals to be members of the President's Commission on Executive Exchange for terms of 2 years:

Richard G. Quick, of Pennsylvania. This is a new position. Currently Mr. Quick serves as president and chief executive officer for HVP International, Ltd., in Boalsburg, PA.

Shirley Young, of Michigan. She would succeed George P. Shultz. Currently Ms. Young serves as vice president for consumer market development for General Motors in Detroit, MI.

In the evening, President Bush traveled to Punta del Este, where he attended a dinner at the Posta del Cangrejo restaurant hosted by President and Mrs. Lacalle. Following the dinner, President Bush went to Loma Verde, where he stayed overnight.

December 5

In the morning, President Bush attended a private breakfast at the Hotel L'Auberge with President and Mrs. Lacalle, before leaving for Buenos Aires, Argentina.

At midday, President Bush arrived at Aeroparque Airport in Buenos Aires, participated in a welcoming ceremony, and was presented with the key to the city. Later, he participated in a wreath-laying

ceremony at the statue of Gen. José de San Martín.

In the afternoon, at Casa Rosata, President Bush met privately with President Carlos Saúl Menem and with the international diplomatic corps. The two Presidents then participated in a working luncheon with U.S. and Argentine officials. After the luncheon, President Bush addressed a joint session of the Congress at the Palacio del Congreso.

The President announced his intention to appoint the following individuals to be members of the President's Council on Physical Fitness and Sports:

Christine Marie Evert, of Florida. This is a new position. Ms. Evert is a retired tennis professional.

Earvin "Magic" Johnson, of California. He would succeed George W. Armstrong. Mr. Johnson is a member of the Los Angeles Lakers.

Jackie Joyner-Kersey, of California. This is a new position. Mrs. Joyner-Kersey is a professional track star.

Sammy Lee, of California. He would succeed Frederic V. Malek. Dr. Lee is a diving coach in Huntington Beach, CA.

James Lorimer, of Ohio. He would succeed Mitch Gaylord. Mr. Lorimer serves as vice president of government relations for Nationwide Insurance in Columbus, OH.

Chi Chi Rodriguez, of Florida. He would succeed Harry N. Walters. Mr. Rodriguez is a professional golfer.

The President announced his intention to nominate Eunice N. Sato, of California, to be a member of the National Advisory Council on Educational Research and Improvement for a term expiring September 30, 1991. She would succeed Noreen C. Thomas. Most recently, Mrs. Sato served as mayor of the City of Long Beach, CA.

In the evening, the two Presidents attended a rodeo at the Sociedad Rural Arena and a state dinner at the Sociedad Rural Restaurante. Afterward, President Bush went to the U.S. Ambassador's residence, where he stayed overnight.

December 6

In the morning, President Bush met at the U.S. Embassy with members of the American diplomatic community and then participated in a departure ceremony at

The Military in a Democratic Society

by

Ambassador Terence A. Todman

School of the Americas

October 16, 1990

I am honored indeed to have the opportunity to address this distinguished audience of military professionals at the School of the Americas.

To begin, I wish to congratulate the School for the great contribution it has made over the last 40 years to the professional development of this hemisphere's military men and women. This is the only U.S. military institution which offers the intermediate staff college course in a foreign language. The importance of this school is clear when one considers that since its establishment in 1946, it has graduated more than 51,000 officers and non-commissioned officers from twenty-two countries. They have been, and in many cases still are, leaders in the lives of their respective homelands.

It is a special pleasure to be meeting with you at Fort Benning where I received my own basic army infantry officer training. On being commissioned, it was here also that I took my first oath to defend my country against all enemies foreign or domestic. That was in 1947 just after the end of World War II. It was the year the Marshall Plan was announced but also when the Soviet Union intensified its efforts to establish its control over Eastern Europe under Marxist-Leninist doctrine.

The world has changed dramatically since then. For a long period we lived through several limited international conflicts, huge arms build up in face of the threat of a major conflagration, a period of so-called "cold war", various communist-backed insurgencies and totalitarian regimes in several countries. Now, despite the plague of international drug traffic and terrorism, we are witnessing a lessening of east-west tensions, greater international cooperation and, above all, the rebirth of free nations and the emergence of democracies in various parts of the world.

Today I wish to share with you some personal thoughts about the role of the military in a democratic society. My remarks will reflect my deep personal convictions about the critical part that a nation's armed forces must play in the defense of their country and of those institutions which guarantee to its citizens life, liberty and the pursuit of happiness.

The fundamental role of the armed forces continues to be, as always, the protection and defense of the vital national interests of each country and, above all, its survival as a nation. In a democracy, the performance of that role must always be in accordance with the lawful decisions of the duly constituted civilian authorities in keeping with the wishes of the people. There is no other viable way for the maintenance and consolidation of democracy. That is the challenge for the military in Latin America today, as nations throughout the hemisphere show their will to live under democratic systems chosen through free and fair elections.

In the past, democracy in Latin America has often been fragile and intermittent. Sometimes it has been at the sufferance or mercy of the armed forces. At other times the military has felt a mistaken need to take power directly as the only way to deal with their country's problems. In a very few instances they governed well for a short period and then arranged quickly for a return to civilian rule. However in most other cases they governed unsuccessfully, without broad political support and often even without respect for the very values they claimed to defend. In the majority of these cases the final results damaged the image of the armed forces.

Of course, blame for what happened cannot be laid at the door of professional military training neither can it be placed on the military alone. On the contrary, well trained officers are always more confident, more professional, and less apt to seek political power, even when encouraged to do so by civilian elements serving their own interests. In any case there is no place for military intervention in democratic countries today.

The profound and far reaching developments taking place around the world are accompanied by several positive changes in Latin America itself. The first and most important of these changes is the resurgence of political democracy. Over the last decade, authoritarian regimes have been replaced one by one by democratic governments. In our hemisphere, only Cuba still clings to an outmoded and repressive model which has been discarded even in the communist states that were once Castro's most fervent supporters. This democratic resurgence is no passing phenomenon. It is deeply rooted and here to stay.

A second and related change, in what President Bush has called the "intellectual revolution" sweeping Latin America, is a remarkable period of economic reform based on the realization that a market-based economic system is the one likely to bring the greatest benefit to the people.

Accompanying the above two changes is a dynamic movement toward regional economic cooperation and integration based on a system of free and fair trade.

Revitalized democracy has brought an improved understanding and interaction between the military and civilian sectors. There is greater awareness within the military that its role is not to govern and that it lacks the broad based political support necessary to do so effectively. Also in this period of economic reform and adjustment, the most astute military leaders are doing their utmost to support their civilian governments' efforts to insure prosperity in a democratic environment.

On the civilian side, there is an equally important realization that the answers to difficult national problems must be found at the ballot box, in parliamentary debate, and through the exercise of political leadership -- not by knocking at the barrack's door. There is also a growing awareness that the members of the armed forces, who are responsible for the defense of the country, must be treated with the respect and consideration due them.

Efforts to integrate the military and civilian elements of society are improving. All must work to eliminate traditional institutional isolation. One very positive trend in this regard is the increased involvement of civilians in the study and formulation of national security doctrine. Another is the reform of the military educational system, particularly broadening and upgrading military academy curricula to make them equal to and compatible with civilian university studies.

In many countries, military budget planning and budget program management are still in the very early stages of development. But in a period of economic reform and restructure, governments are being forced to focus on expenditure reduction and on effective program management in all areas of public spending, including defense and security. In this context, defense spending is expected to fall, certainly at least as a percentage of GDP. Therefore, it is imperative for the armed forces to develop coherent, integrated budget requests and to communicate effectively their operational and equipment needs to both the legislative and executive branches.

Reduced expenditures will likely require personnel reductions, force restructuring, and unit consolidation in all branches. Civilian defense officials will seek cost effective methods to meet national security needs. They will demand better command and control structures to ensure inter-service coordination and cooperation in the development and execution of operational strategy. They will seek to eliminate waste and duplication. Consolidation of training, logistics and support units are likely. Some support activities, such as health care, might be combined into a single corp for all military services.

The manner in which the armed forces perform their role depends, of course, on the nature and extent of the threats to the maintenance of a democratic system, to national integrity and to the general well-being. Today those threats appear most likely to come from groups seeking to seize power

through limited politico--military action, subversion or uprisings. They may come also from drug trafficking, often linked with terrorism, which transcend national boundaries and attack public order, established institutions and even national integrity. In addition, although, more remote in the Americas of today, they could result from aggressive actions of a powerful neighbor. It is to meet such threats that the armed forces of our countries must prepare.

I commend this school for focussing its instruction in the first place on how to deal with low intensity conflicts such as those which could result from the first two previously mentioned threats; and secondly on how to manage joint and combined operations, which may well be needed for the second threat and certainly will be essential for the third threat which would call for an international response.

The differences in the threats and the responses which may be needed or possible are influenced greatly by the dramatic changes which have been occurring in global power alignments and by developments specific to the Latin American region.

Over the past several years, indeed within the last several months, the world's political and economic landscape has been dramatically altered. The era of the "cold war" or what some have called military bipolarity, is coming rapidly to a close. The map of Europe has been redrawn. Germany is united and firmly in the Western camp. Democratic reform is sweeping Eastern Europe. The Soviet Union itself is struggling with the process of perestroika, trying to meet the rising expectations of its citizens and to cope with the nationalist demands of its diverse population.

The historic changes in east-west relations have made it possible for the United States and other leading industrial powers to devote more thought, energy and resources to the north-south axis of interchange. But these changes in the east-west equation have not brought us to a millenium of peace and prosperity. Economic and political conditions in much of the world still contain the potential for violent conflict.

Unfortunately, there have been some negative changes affecting this hemisphere. For example, traffic in drugs has reached dangerous proportions which now present the most serious, complex and violent challenges to democratic order in this hemisphere. When combined with terrorism it can threaten the very existence of nations. These threats are transnational. Their targets are not governments or military forces as such, but the infrastructure of society, the common fundamental values and cherished institutions of western civilization. We are accustomed to conflict scenarios which focus on a foreign power, but today the military may be forced to respond to threats that cannot be identified with a single nation state.

In addition, extremists on both the left and right of the political spectrum show greater inclination to take advantage of the temporary social and economic dislocations resulting from changes to subvert democracy from within.

Some of the consequences of these changes for the defense establishments in the Americas are already evident, others nascent, and some still only dimly perceived. Of course not all of these consequences are equally felt in all countries of the hemisphere. However, there are several general trends which must significantly alter political-military thinking and planning. We are seeing now, and will see increasingly in the near future, a shift in the traditional mission, organization and structure of our armed forces to respond to these new circumstances.

Iraq's invasion and seizure of its independent neighbor, Kuwait, is the first post-cold war challenge to national sovereignty, international order, trade and peace. The inclination of others to follow this example will be influenced greatly by the outcome of this crisis. Fortunately, for the first time there has been a clear rejection of the Iraqi action by the overwhelming majority of the world's nations, including all the major powers and permanent members of the United Nations Security Council. For the first time ever the UN charter is working as it was designed to do.

The multinational response to this crisis underscores the need for expertise in managing joint and combined operations to deal with such developments. The challenge for the maintenance of peace confronts all nations including those in Latin America. These nations have important places in the world community -- in trade and commerce, in the arts and sciences, and in international politics. Thus, it is fitting that Latin American armed forces should participate in international efforts to preserve peace.

Furthermore, as members of the United Nations, democratic states have a special obligation to share the burden of peace keeping operations. The principles which underlie the UN charter are the same as those on which our own constitutions are based. When those principles are violated, our nations are especially threatened. We are all somehow diminished in the process.

In that regard, I wish to pay tribute to the courageous and responsible action taken by the government of Argentina in response to Iraqi aggression against Kuwait. President Menem's decision to contribute military forces to the multinational force in the Persian Gulf region was a firm affirmation of support for the rule of international law. This was a purely Argentine national decision made in response to the appeals of the affected Arab states, in accordance with the United Nation's resolutions and in the desire to contribute by its presence to the consolidation of a new international approach to maintaining peace and security. It is a worthy example of the kinds of actions Latin American leaders will likely be calling on their armed forces to perform in the future.

One of the most important consequences of the changes described is the need to realign defense policy with new geo-political realities. Most Latin American military establishments have traditionally adhered to conflict hypotheses which assumed first: that there would be a conventional war against one or more neighboring states, and second: that there was a threat of Marxist-sponsored guerrilla action supported by a foreign power. These hypotheses now appear to be somewhat outdated.

Shared democratic principles have produced a climate of confidence which is permitting nations to resolve major differences and to define and deal effectively with bilateral problems peacefully. Moves toward economic integration have also changed the strategic equation. Former traditional rivals are creating broad based economic partnerships which will tie them together in many areas. Nations must now work together to defend common commercial and economic interests.

The political and economic conditions which sparked insurrections by the violent left during the 1970s no longer exist in most of the countries where those groups operated. The former financial and spiritual patrons of these Marxist movements have thrown their Leninism on the ash heap, at least for the moment, and are marketing goods and services rather than exporting revolution.

However there still remains the need to face the threats posed by narcotrafficking, especially when linked with terrorism, which is far greater than any single nation alone can handle. International cooperation is required if this danger is to be combatted successfully.

The very nature of the threats has provoked serious political controversy about how our societies can best respond. Much of the debate has centered on the question of repression. In the United States, the understandable desire to use our military resources to combat these threats has clashed with long standing legal prohibitions against such use to apprehend civilian law breakers. Many civilian leaders contend that terrorism and narco trafficking -- whatever the motives of those involved -- are criminal activities, and their suppression is essentially a police matter, the exclusive job of civilian law enforcement agencies.

This argument also finds particular resonance in countries recently returned to civilian control after years of military rule. There is great reluctance among civilian leaders to give the armed forces any significant role in internal security matters for fear this might lead either to their direct involvement in politics or to abuses of civil rights experienced under military regimes.

The armed forces themselves recognize that their involvement in police work risks undermining public support for the military. Additionally, many military professionals are often reluctant to undertake unconventional operations, especially counter narcotics efforts, for which they are not trained, organized, or equipped. Some members of the military have also argued that their involvement in such activities diverts resources and diminishes their capacity to defend the nation against conventional threats. And understandably they fear the potential for corruption associated with narcotics.

Since circumstances vary in every country, it seems to me impossible to prescribe a uniform solution. The recent experience of democratic states in dealing with terrorism illustrates this point. When faced with very serious terrorist threats from violent, extreme leftist groups, the governments of Italy and the Federal Republic of Germany responded by creating special police units, improving intelligence collection and coordination, and streamlining their judicial procedures. They were able to contain and neutralize the threat without resorting either to military force or extra constitutional means. On the other hand, the United Kingdom has been required to deploy its armed forces, as well as using the methods described above, in response to the IRA's terrorist campaign.

Current debate about the use of military force centers on the problem of narco trafficking and narco terrorism. The extent and nature of the threat vary in the distinct regions of the hemisphere. The problems posed by narcotics cultivation and production in the Andean region and those of trafficking existing in the southern cone require very different responses. Each nation, therefore must make its own decision about the degree of military involvement in the counter narcotics struggle based on its own circumstances and domestic law. In most cases, their mission will be limited by law and circumstance to the support of civilian police agencies. Nonetheless, in extreme cases, one cannot discount consideration being given to the use of the armed forces in direct combat against the irregular armies employed by traffickers.

What is clear is that the narcotics threat is transnational and will require a coordinated, multinational response. We know that when narcotics production or trafficking is suppressed in one country or region, it soon appears in another. The magnitude and scope of this threat are so great and implications of the threat for our democratic societies so immense that we must utilize, as effective as possible, the available resources in all of our countries to defeat it.

The U.S. recognizes that an effective counter-narcotics strategy must include education, prevention, and treatment -- and not only interdiction and suppression -- and that it must be based on international cooperation. Therefore the United States has been fully prepared to provide appropriate levels and types of assistance for counter narcotics work by friendly military forces where requested by the governments concerned.

The common nature of this and other security threats mandates that we work toward building common defense structures. As the democracies of this hemisphere expand trade and build the framework for integrated markets, the political destinies and economic prosperity of each will be more closely linked to that of the others. Regional security systems and common defense arrangements are therefore logical and necessary components of economic integration. Armed forces personnel must have the political, psychological as well as military preparation essential for effective participation in the joint and combined operations that will be required.

Of course there will always be potential threats to internal security and national integrity rising from localized actions of groups seeking to impose their will and control over specific geographic areas. In each case, these purely internal matters will have to be resolved in accordance with the decision of the duly constituted authorities within the framework of constitutional government. There could well be instances when the military is called on to assist in asserting full democratic control with reliance on national forces alone. After all the armed forces in a democracy represent the sovereign will of free people to defend themselves, their patrimony and their institutions.

As you consider the military's role in a democratic society, you can rely on the U.S. desire to build mutually beneficial defense relations with Latin American states in the context of shared democratic values and adherence to constitutional order.

The challenges facing the military to operate in this new democratic environment will not always be easy. You will have to reject calls and pressures from politicians and others for you to intervene and make governmental changes or even assume power yourselves. You may have to tolerate watching government actions or inactions that you do not consider to be in the best interest of your countries. You may even have to resist pressures arising from the ambitions of a few well-meaning military colleagues to resort to direct actions to change things. The survival of democracy could thus often depend on your decisions.

When faced with these challenges and pressures, just remember that, to paraphrase Churchill, democracy is the worst form of government, except all others that have been tried. It is definitely worth preserving.

Within the democratic framework, the United States undoubtedly will continue to assist Latin American countries to build strong and effective military establishments structured to meet contemporary security needs. Established programs in education and training, joint exercises, and personnel exchanges have increased mutual confidence, understanding, and professional expertise.

As you at the School of the Americas know from your experiences, we have much to learn from each other and many ways in which to assist each other. The presence at this institute of distinguished guest instructors from many nations makes an important contribution to the school and the U.S. Army by increasing mutual understanding and broadening international perspective.

The close personal and professional ties between our armed forces that are being developed at the School of the Americas surely help to heighten civic awareness among military leaders. They recognize that democracy affords to all its citizens, soldiers as well as civilians, the benefits of liberty and justice. Today's soldiers have a better understanding of the nature of national security in the modern world and the proper, constitutional role of the armed forces in the defense of human liberty and individual rights.

In my opinion, the U.S. commitment to Latin American cooperation and integration is clear. We want an ever-improving and mutually beneficial relationship with our neighbors. We realize that we must build this relationship together. In his "Enterprise of the Americas" initiative, announced in June of this year, President Bush opened a bold new chapter in hemispheric relations. That initiative recognizes that our economic interaction must shift toward economic partnership. Certainly the same criteria must apply to our military relations. Increased military cooperation among all the hemisphere's armed forces is essential to strengthen democracy and sustain economic growth and development.

Latin American governments have made clear that they are ready to participate in the building of new and more productive relationships among themselves and with the United States. They are ready as President Bush noted "to play a constructive role at this critical time to make ours the first fully free hemisphere in all history." The posture and actions of the Latin American military are vital in the historic effort to keep the Western hemisphere free and democratic.

I am sure that you military professionals --thanks in large measure to your training and your experiences in a democratic environment -- understand your role in the defense of our common values and democratic ideals which are essential to the peace and prosperity throughout the Americas.

I wish you every success in your careers.

Thank you very much.



*The President
of
The United States of America
and Mrs. Bush
will greet
His Excellency
Carlos Saul Menem
President
of
The Republic of Argentina*

*10:00 a.m.
Thursday, November 14, 1991
at The White House*

*Customs Observed
at
The White House
During Honors*

Welcome to The White House.

*It is customary for all present to
stand when Honors are rendered.*

*All those in uniform execute a
military salute.*

*During the National Anthems
Americans not in uniform place
the right hand over the heart. When
a hat is worn by a gentleman, it is
removed and held over the heart.*

Program

10:00 a.m. His Excellency Carlos Saul Menem, President of the Republic of Argentina, arrives at the White House where he will be greeted by The President and Mrs. Bush, The Vice President and Mrs. Quayle, Acting Secretary of State Eagleburger, a Representative of the Joint Chiefs of Staff, a Representative of the Diplomatic Corps, and other officials.

Honors will be rendered:

Ruffles and Flourishes,

Hail to the Chief,

A 21-Gun Salute,

The National Anthem of the Republic of Argentina, and

The National Anthem of the United States of America.

President Bush and President Menem will inspect the Troops.

Musical Troop in Review.

President Bush will welcome President Menem.

President Menem will speak.

10:20 a.m. The President and Mrs. Bush and President Menem will receive members of the Welcoming Committee in the Cross Hall.

background notes

Argentina



United States Department of State
Bureau of Public Affairs

August 1990



Official Name:
Republic of Argentina

PROFILE

Geography

Area: 2,771,300 sq. km. (1.1 million sq. mi.); about the size of the US east of the Mississippi River. **Cities:** *Capital*—Buenos Aires (metropolitan area pop. 10.5 million). *Other major cities*—Cordoba, Rosario, La Plata, Mendoza. **Terrain:** Varied. **Climate:** Varied, predominantly temperate.

People

Nationality: *Noun and adjective*—Argentine(s). **Population** (1989 est.): 31.1 million. **Annual growth rate** (1989 est.): 1.5%. **Density:** 27.8 per sq. mi. **Ethnic groups:** European 97%, mostly Spanish and Italian. **Religions:** Roman Catholic 92%, Protestant 2%, Jewish 2%, other 4%. **Languages:** Spanish (official), English, Italian, German, French. **Education:** *Years compulsory*—7. *Adult literacy*—92%. **Health:** *Infant mortality rate*—27/1,000. *Life expectancy*—70 yrs. **Work force:** *Agriculture*—19%. *Industry and commerce*—36%. *Services*—20%. *Transport and communications*—6%. *Other*—19%.

Government

Type: Republic. **Independence:** July 9, 1816. **Constitution:** 1853.

Branches: *Executive*—president, vice president, cabinet. *Legislative*—bicameral Congress (46-member Senate, 254-member Chamber of Deputies). *Judicial*—Supreme Court.

Subdivisions: 22 provinces, 1 district (federal capital), 1 territory (Tierra del Fuego).

Political parties: *Justicialista* (Peronist), Radical Civic Union, numerous smaller national and provincial parties.

Suffrage: Universal.

Flag: Horizontal blue and white bands emblazoned with "Sun of May."

Economy

GDP (1990 est.): \$70.1 billion. **Annual growth rate** (1990 est.): -0.9%. **Per capita**

GDP (1990 est.): \$2,134. **Inflation rate** (1990 est.): 1,000%.

Natural resources: Fertile plains (pampas). *Minerals*—lead, zinc, tin, copper, iron, manganese, oil, uranium.

Agriculture (15% of GNP, about 70% of exports by value): *Products*—grains, oilseeds and byproducts, livestock products.

Industry (23% of GNP): *Types*—food processing, motor vehicles, consumer durables, textiles, metallurgy, chemicals.

Trade (1989): *Exports*—\$9.5 billion (US—12%); grains, meats, oilseeds.

Imports—\$4.2 billion (US—21%); machinery, fuel and lubricating oils, iron and steel products, wood and lumber, automotive equipment and parts, chemicals. *Major trading partners*—European Community, USSR, US, Brazil.

Official exchange rate (free market since December 1989): US\$1=Austral 5,210.00 (June 26, 1990).

External financing: IBRD and IDA—\$887 million in FY 1989 (July 1, 1988-June 30, 1989); IDB—\$12 million in CY 1989.

Membership in International Organizations

UN and some of its specialized and related agencies, Organization of American States (OAS), Latin American Integration Association, Nonaligned Movement, Group of 77, Latin American Economic System (SELA), New Group of 15, and the Rio Group (formerly known as the Group of Eight).

GEOGRAPHY

Argentina shares land borders with Bolivia, Brazil, Chile, Paraguay, and Uruguay. It is bounded by the Atlantic and the Antarctic Oceans.

Extending 3,705 km. (2,302 mi.) from north to south and with an Atlantic coastline 2,850 km. (1,600 mi.) long, Argentina is the third largest country in the Southern Hemisphere, after Brazil and Australia, and the eighth largest in the world. Its topography, as varied as that of the United States, ranges from subtropical lowlands in the north to the towering Andean Mountains in the west and the bleak, windswept Patagonian steppe and Tierra del Fuego in the south.

PEOPLE

The Argentine nation has been built by the fusion of diverse national and ethnic groups. Waves of European immigrants arrived in the late 19th and early 20th centuries. Today, descendants of Italian and Spanish immigrants predominate, but many trace their origins to British and West and East European ancestors. Syrian, Lebanese, and other Middle Eastern immigrants number about 500,000 and are concentrated in urban areas. In recent years, there has been a substantial influx of immigrants from neighboring Latin American countries. The native Indian population, estimated at 50,000, is concentrated in the peripheral provinces of the north, northwest, and south.

The Argentine population has one of the lowest growth rates in Latin America (1.5%). Eighty percent of the population reside in urban areas of over 2,000, with more than one-third of the population living in the metropolitan Buenos Aires area. The sprawling capital, with more than 10 million inhabitants, serves as the focus for national life. Argentines have enjoyed comparatively high standards of living; half the population considers itself middle class.

More than 90% of Argentines are Roman Catholic. Religious freedom is allowed, although all non-Catholic denominations are required to register with the government. The Protestant community is small but active. Argentina's Jewish community of 350,000 (est.) is concentrated in Buenos Aires.

The Argentine educational system is compulsory for grades 1-7. The adult



literacy rate is 92%—one of the highest in Latin America. Literary and artistic tastes have been influenced mainly by Western Europe and, more recently, by the United States.

A large number of Spanish daily newspapers are published in the greater Buenos Aires area; a dozen community newspapers are published in English, French, German, Greek, Hungarian, Italian, Japanese, Polish, Ukrainian, and Yiddish. All the community newspapers are periodicals except the daily English-language *Buenos Aires Herald*.

HISTORY AND POLITICAL CONDITIONS

What is now Argentina was discovered in 1516 by the Spanish navigator Juan de Solis. A permanent Spanish colony was established on the site of Buenos Aires in 1580. Argentina was further integrated into the Spanish empire following the establishment of the Vice-Royalty of Rio de la Plata in 1776, and Buenos Aires became a flourishing port.

The formal declaration of independence from Spain was made on July 9, 1816. Gen. Jose de San Martin—who campaigned in Argentina, Chile, and Peru—is the hero of national independence. Following the defeat of the Spaniards, a lengthy conflict was waged between centralist and federalist groups to determine the future structure of the nation. National unity was established and the constitution promulgated in 1853.

In the late 19th century, two forces created the modern Argentine nation—the introduction of modern agricultural techniques and the integration of Argentina into the world economy. This economic revolution was aided by foreign investment—primarily British—in such fields as railroads and ports and by the influx of European manpower necessary to develop Argentina's resources.

Conservative forces dominated Argentine politics until 1916, when their traditional rivals, the Radicals, won control of the government through a democratic election. The Radicals, with their emphasis upon clean elections and democratic procedures, opened their doors of power to the nation's expanding middle class as well as to the elites previously excluded for various reasons. Radical rule came to an end in 1930 at the hands of the Argentine armed forces as they threw out aged Radical president Hipolito Yrigoyen and, thereby, ushered in another decade of Conservative rule. Using fraud and force when necessary, the governments of the 1930s were only temporarily able to contain forces for economic and political changes that emerged with the government of Juan Domingo Peron.

In 1943, a military coup—led by, among others, Col. Juan Domingo Peron (1895–1974)—ousted the constitutional government. In 1946, Peron was elected president. He pursued a dynamic policy aimed at giving an economic and political voice to the working class. The number of unionized workers increased significantly, which helped consolidate the powerful General Confederation of Labor (CGT). In 1947, Peron announced the first five-year plan based on nationalization and industrialization. He was aided by his energetic wife, Eva Duarte Peron (1919–52). She enhanced his appeal to labor and women's groups and helped women obtain the right to vote in 1947.

Peron was reelected in 1952, was ousted by the military in 1955, and went

into exile, eventually settling in Spain. In the 1950s and 1960s, the government passed between military and civilian administrations, as each sought to deal with diminished economic growth and continued social and labor demands. When the military government of Juan Carlos Ongania (et. al., 1966–73) brought economic failure and escalating terrorism, the way was open for a return of Peronism.

On March 11, 1973, general elections were held for the first time in 10 years. Peron was prevented from running, and his stand-in, Dr. Hector J. Campora, was elected. The Peronists also commanded a strong majority in both houses of the National Congress, which assumed office on May 25, 1973. Campora resigned in July 1973, paving the way for Raul Lastiri, a Peronist Party loyalist, to assume the presidency and call for new elections. Peron won a decisive victory and returned as president in October 1973 with his third wife, Maria Estela (Isabel) Martinez de Peron, as vice president.

Even after Peron's dramatic return, extremists on the left and right continued to threaten public order. The government resorted to a number of emergency decrees, including the implementation of special executive authority to deal with violence. This allowed the government to imprison persons indefinitely without charge.

On July 1, 1974, Peron died and was succeeded by his wife, the first woman president in the Western Hemisphere. Mrs. Peron's administration was undermined by economic problems, Peronist intraparty struggles, and persistent terrorism from both the left and the right. As a result, Mrs. Peron was removed from office by a military coup on March 24, 1976. Until December 10, 1983, power was formally executed by the armed forces through a military president and a three-man junta composed of the three service commanders.

The military quashed terrorists and their sympathizers, silenced armed opposition, and restored basic order. The costs were high in terms of lives lost and basic human rights violated. The events of this "dirty war" remain controversial and divisive in Argentine politics, having fueled military discontent that produced three aborted military uprisings against President Raul Alfonsin (1983–89).

Serious economic problems, defeat by the British in June 1982 after an attempt to take control over the Falkland/ Malvinas Islands, human rights abuses, and charges of growing corruption combined to discredit the military regime, which moved to a period of gradual transition leading the country toward democratic rule. Bans on political parties were lifted and other basic political liberties restored. The military implemented a successful and generally peaceful process for the return of elected government.

On October 30, 1983, Argentines went to the polls to choose a president, vice president, and 14,000 other national, provincial, and local officials in fair, open, and honest elections. Raul Alfonsin, candidate of the Radical Civic Union (UCR), was elected, winning 52% of the popular vote. He began a six-year term of office on December 10, 1983. In 1985 and 1987, large turn outs for mid-term elections demonstrated continued public support for a strong and vigorous democratic system. The Radical Civil Union-led government took steps to resolve some of the nation's most pressing problems, including accounting for the "disappeared," establishing civilian control of the armed forces, and consolidating democratic institutions. Its effectiveness was hindered by constant friction with the military and chronic economic problems.

In May 1989, Carlos Saul Menem, the Peronist candidate, was elected president with 47% of the popular vote and a clear majority in the nation's electoral college. The Peronists and their allies also won control of both houses of the new Congress, which took office in December 1989. President Menem was to have succeeded Alfonsin in December 1989, but a rapidly deteriorating economy and resulting loss of confidence in the national government led Alfonsin to resign, and Menem to succeed him in July. Although the transition came five months earlier than planned, the transfer of power was the first between democratically elected presidents in over 60 years.

Menem surprised most observers, including members of his own party, by adopting economic policies antithetical to Peronism's traditional statist approach. He initiated economic emergency and state reform legislation to cut government spending, increase revenues, and reduce state involvement in the economy.

Menem has chosen to battle inflation through conservative fiscal and monetary policies, and he has moved quickly to privatize government-owned industries such as Aerolineas Argentinas and the telephone company. These policies have generated resistance among sectors historically allied to Peronism as well as the Radical Party. However, the opposition remains fragmented, and the President's personal popularity remains relatively high.

GOVERNMENT

The 1853 Argentine constitution, similar to that of the United States, mandates a separation of powers into executive, legislative, and judicial branches at the national and provincial level. Each province also has its own constitution.

The president and vice president are elected to a six-year single term and cannot immediately run for reelection. Senators are elected by provincial legislatures (with the exception of the two senators representing Buenos Aires, who are elected by an electoral college) for nine-year terms, with one-third standing for reelection every three years. Deputies are elected for four years in alternate terms, with half up for reelection every two years. Cabinet ministers are appointed by the president. Considerable power, including a line item veto power, is granted to the president by the constitution.

The Argentine judiciary functions as a separate and independent entity of the government. The apex of the court system is the Supreme Court, whose nine judges are appointed by the president

with the consent of the Senate. The Supreme Court has the power, first asserted in 1854, to declare legislative acts unconstitutional.

Principal Government Officials

President—Carlos Saul Menem
Vice President—Eduardo Duhalde
President Pro Tempore of the Senate—Eduardo Menem
Speaker of the Lower House (Chamber of Deputies)—Alberto Pierri
Chief Justice of the Supreme Court—Ricardo Levene

Ministers

Interior—Julio Mera Figueroa
Foreign Relations and Worship—Domingo Cavallo
National Defense—Humberto Romero
Economy—Antonio Erman Gonzalez
Education and Justice—Antonio Francisco Salonia
Labor and Social Security—Jorge Alberto Triaca
Health and Social Action—Eduardo Bauza
Public Works and Services—Jose Roberto Dromi
Ambassador to the US—Guido Jose Maria di Tella
Ambassador to the OAS—Juan Pablo Lohle
Ambassador to the UN—Jorge Vasca

Argentina maintains an embassy in the United States at 1600 New Hampshire Ave. NW, Washington, DC 20009 (tel. 202-939-6400). Argentina has consulates general in Houston, Miami, New York, New Orleans, San Francisco, and San Juan and consulates in Chicago and Los Angeles.

ECONOMY

Argentina has impressive human and natural resources, but political conflict and uneven economic performance since World War II have impeded full realization of its considerable potential. Nonetheless, it remains one of the richest countries in Latin America.

Among the reasons for the military coup of March 1976 was the deteriorating economy, caused by declining production and rampant inflation. Under the leadership of Minister of the Economy Martinez de Hoz, the military govern-

ment, in 1978, embarked on a new developmental strategy to move away from the closed-economy model and establish a free-market economy. The strategy also featured the removal or reduction of restrictions in the manufacturing sector and financial markets as well as the search for foreign and domestic investment. Despite those efforts, by late 1980, Argentina entered a period of recession, with declines in production and real wages. After a notable economic recovery in 1986, economic growth again has slowed. Argentina has recorded successive declines in economic activity in 1988 and 1989.

Faced with healing a scarred society, the Alfonsin administration was slow to tackle the root causes of the economic problems. In an attempt to control inflation and set the country on a prudent fiscal course, in June 1985, the government introduced a "shock" plan (the Austral Plan), which succeeded temporarily. Inflation in 1986 slowed to double digits (86%) for only the second time since 1972. But in 1987, with a significant increase in the public sector deficit accompanied by very large price and wage increases, inflation climbed 175% and reached 386% in 1988.

Another economic plan, the Spring Plan, was announced in 1988; its collapse in February 1989 marked the start of a rapid deterioration of the economy which was worsened by political and economic uncertainties surrounding the May 1989 elections. Unable to instill confidence in an economic program, President Alfonsin advanced by five months the date of his departure from office.

President Menem, who took office in July, moved quickly to change expectations and to combat rapidly escalating prices. Inflation reached 198% in July, a Western Hemisphere one-month record. In contrast with earlier reform efforts, Menem's economic program includes a serious effort to reduce the government's role in the economy. Menem's economic team has taken steps to reduce import barriers, slash subsidies and transfers, and privatize public sector firms (e.g., the telephone company and the national airline). The International Monetary Fund (IMF) approved a stand-by agreement for Argentina in November 1989; however, a second bout of hyperinflation caused Argentina to fall short of negotiated targets, and the program was

Profile of the Congress (By Political Parties)

Senate:	<i>Justicialist</i>	25
	Radical	14
	Provincial Parties	6
	Vacant	1
	Total	46
House:	<i>Justicialist</i>	120
	Radical	90
	UCEDE	11
	Small National and Provincial Parties	33
	Total	254

revised in May 1990. Argentina is a major debtor country; foreign debt stands at about \$60 billion. In June 1990, for the first time since April 1988, the government made an interest payment on its foreign commercial debt. Interest arrears on the debt are currently over \$6 billion.

The heartland of Argentina is the rich temperate plains known as the pampas, which fan out for almost 800 km. (500 mi.) from Buenos Aires. Argentina's richest natural resource is this farmland, producing large quantities of wheat, corn, sorghum, soybeans, and sunflower seeds and providing year-round pasturage for Argentina's cattle industry. The country is one of the world's largest exporters of foodstuffs. The crops and livestock of the fertile pampas have long provided it with abundant food for domestic consumption in addition to unusually plentiful exports.

Agricultural products constitute the major source of foreign exchange earnings. In a good year, grains and oilseed harvests can total some 40 million metric tons. The cattle industry, with an estimated 50 million animals, provides for domestic consumption and export markets.

Argentina exports to a variety of buyers. In the early 1980s, the Soviet Union became the major purchaser of grains, while, more recently, Iran, Brazil, and China have served as major markets. Argentina also exports agricultural goods to the United States, primarily canned, precooked, and frozen beef; sugar; and fruits and fruit products.

Argentina obtains about 21% of its imports from the United States. Total imports in 1989 were \$4.2 billion, of which \$9 million was from the United States. Capital equipment, computers and peripherals, telecommunications, chemicals, and electronic components were the principal items sold to Argentina. In 1980, Argentina exported \$9.5 billion worth of goods and services; \$8 million (12%) went to the United States.

Argentina was a net energy importer in 1987. However, it has reserves of petroleum and natural gas and was self-sufficient in crude oil in 1989. An effort begun under the Alfonsín administration to open the petroleum sector to private investment and increase petroleum production has expanded since July 1989. In addition, significant deregulation of the petroleum sector, including an end to price controls, is scheduled to take effect January 1, 1991. Argentina also has large

electrical production capacity, mostly from hydroelectric sources. It has indicated it wants to reduce the size and cost of the massive Yacyreta hydroelectric project (2,400 megawatts) being jointly constructed with Paraguay and scheduled for completion in the mid 1990s.

DEFENSE

The armed forces of Argentina (army, navy, air force) are organized under the control of the president, who is commander in chief of the armed forces, and the Ministry of Defense, which is headed by a civilian; three under secretaries are also civilians. The joint staff, established in 1984, is directly under the Ministry of Defense and is staffed by officers of all services. The joint staff is an advisory and planning body with no operational or command responsibilities. The senior military officer of each of the armed services is the chief of staff. The paramilitary forces under the control of the Ministry of Defense are the Gendarmeria and the Naval Prefectura (Coast Guard).

Since the return of democratic government, the US and Argentine armed forces have developed a growing, mutually beneficial defense relationship through an extensive range of contacts, including professional exchanges, visits, training, and joint exercises. There are modest international military education, training, and foreign military sales programs. Argentina has offered its Pampa trainer aircraft as a candidate for US Air Force adoption. The Argentine armed forces also maintain defense cooperation and military supply relationships with a number of other countries, principally Israel, Germany, France, Spain, and Italy. The lack of budgetary resources is the most serious problem facing the Argentine armed forces. Current economic conditions and the government's commitment to reduce public sector spending have slowed modernization and restructuring efforts.

FOREIGN RELATIONS

Argentina pursues a pragmatic foreign policy and maintains relations with almost all countries. Maintaining political sovereignty and encouraging trade and

foreign investment in Argentina are major priorities. Relations traditionally have been closest with Western Europe and Latin American neighbors. President Menem is publicly committed to improving relations with the United States and Europe, while encouraging Latin American regional integration.

Having settled its Beagle Channel dispute with Chile in 1984-85, Argentina currently has only one active territorial dispute; this is with the United Kingdom over a group of islands some 480 miles northeast of Cape Horn. The Argentines refer to the islands as the "Malvinas Islands"; the British call them the "Falkland Islands." Historically, European powers, notably Britain and Spain, made competing claims to sovereignty over the islands. In the early 1800s, Spanish and then Argentine authorities administered the islands. However, in January 1833, Britain reasserted sovereignty, and the islands first became a crown colony and later a self-governing dependency.

In an effort to establish its sovereignty claim, Argentine military forces occupied the islands on April 2, 1982. After a brief, costly war, the Argentine forces were defeated. Direct talks between Argentina and the UK began in September 1989 in an attempt to reestablish normal relations, which were severed following the Falklands/Malvinas conflict. The talks took place under a formula that separated the sovereignty question from discussions on bilateral relations. The two countries reestablished formal relations in February 1990. Argentina continues to press its sovereignty claim in a variety of forms. The United States has taken no position on the merits of the two countries' sovereignty claims.

US-ARGENTINE RELATIONS

The United States and Argentina have maintained diplomatic relations since 1823. Both countries have sought a constructive relationship based on reciprocal respect and understanding, but bilateral relations often have been turbulent.

In the 1970s, US-Argentine relations entered a particularly difficult period. Concerned about serious human rights violations by the Argentine military

Travel Notes

Visas: Visas are not required of US citizens entering Argentina for tourism for periods up to 90 days. Visas are required for visits to Argentina for all other purposes.

Climate and clothing: Climate ranges from the hot, subtropical lowlands of the north to cold and rainy Tierra del Fuego in the south. The seasons are reversed: the weather in January in Buenos Aires is like July in Washington, DC; weather in July is similar to that of San Francisco in January.

Health: Competent doctors, dentists, and specialists are available in Buenos Aires. No particular health risks exist, and no special precautions are required. Tapwater is safe.

Telecommunications: International services are adequate; however, long delays in placing international calls may occur due to the overburdened system. Most provincial cities and Uruguay also can be dialed directly from home and business phones.

Transportation: Buenos Aires' Ezeiza Airport is serviced by many international carriers, with flights originating in the US, Europe, and Latin American cities. Buenos Aires has an extensive subway and bus system. Taxis are plentiful. Outside Buenos Aires, travel by train, air, bus, or auto.

Time Zones: Argentina is one hour later than US Eastern Standard Time (EST). Daylight savings time is observed from October to April, during which time clocks are set one hour ahead.

government in the campaign against terrorism, the United States restricted both military assistance and the sales of military and other controlled-export items to Argentina. Congress prohibited both military sales and assistance. Argentina consistently maintained that these actions were attempts to influence domestic politics. In the early 1980s, better relations seemed possible as Argentina demonstrated some improvements in human rights. The Falklands/Malvinas war, however, placed additional strains on bilateral relations. The US position on the non-use of force for the resolution of disputes led the United States to impose new sanctions on Argentina and to provide limited assistance to the United Kingdom in its campaign to regain the islands.

US-Argentine relations improved after the Falklands/Malvinas war. Sanctions imposed during the fighting were lifted, and the United States supported Argentine-sponsored UN resolutions on the Falklands/Malvinas calling for renewed negotiations.

The Argentine human rights situation and political climate improved dramatically following the military's mid-1982 decision to return the country to democracy. During 1983, all remaining political prisoners being held without trial under state-of-siege powers were released. Also in 1983, the nine-year-old state of siege was lifted, and restrictions on trade union activities and press censorship virtually ceased. Legal prohibitions on military sales were removed upon the inauguration of the democratically elected government of President Alfonsín in December 1983.

Argentina maintains its independent stance in world affairs but cooperates with the United States in resolving bilateral differences. The countries consult regularly on hemispheric issues. Argentina's relatively advanced economy prompted the United States to phase out its bilateral economic assistance program in 1971, although some training assistance continues. While the program existed, the Agency for International Development (AID) and its predecessor agencies authorized development loans and grants to finance such projects as road building, housing, feasibility studies, and agriculture. There are no Peace Corps volunteers in Argentina.

Many US industrial firms and banks maintain subsidiaries in Argentina. Licensing agreements with local companies are common. US private investment totals more than \$2.6 billion, primarily in manufacturing, chemicals, agricultural manufacturing, transportation equipment, and banking. Several thousand US citizens reside in Argentina.

Principal US Officials

Ambassador—Terence A. Todman
Deputy Chief of Mission—Thomas A. Forbord
Counselor for Agricultural Affairs—Marvin L. Lehrer
Counselor for Public Affairs—Michael P. Canning
Counselor for Scientific and Technological Affairs—Paul Maxwell
Counselor for Political Affairs—James D. Walsh

Counselor for Consular Affairs—Barbara Hemingway
Counselor for Economic Affairs—James M. Derham
Counselor for Labor Affairs—Donald R. Knight
Counselor for Administrative Affairs—Bernard Segura-Giron
Counselor for Commercial Affairs—Rafael Feroselle
Defense Attache and Air Attache—Col. Kenneth J. Monroe, USAF
Drug Enforcement Administration—James D. Miller
Military Group—Col. George A. Carpenter, USA

The US Embassy in Argentina is located at 4300 Colombia, Buenos Aires 1425. The APO address for the embassy is APO Miami 34034-0001 (tel. 774-7611; 774-8811; 774-9911). ■

Published by the United States Department of State • Bureau of Public Affairs
Office of Public Communication
Washington, DC • August 1990
Editor: Phyllis A. Young

Department of State Publication 7836
Background Notes Series • This material is in the public domain and may be reprinted without permission; citation of this source is appreciated.

For sale by the Superintendent of Documents, US Government Printing Office, Washington, DC 20402.



We are pleased to introduce *Dispatch*, the new weekly record of the US Department of State.

Designed to provide timely information on US foreign policy, *Dispatch* will offer major speeches and congressional testimony by senior US officials, foreign policy summaries, fact sheets on global issues, and updates on countries around the world, including events in the Middle East and Europe. In addition, *Dispatch* will publish current US treaty actions and be indexed every 6 months.

The *US Department of State Dispatch* is available through a paid subscription from the Superintendent of Documents or the National Technical Information Service. Please review the coupons to the right and select the delivery option that is best for you.

For further information on *Dispatch*, write or call the Office of Public Communication, Bureau of Public Affairs, US Department of State, Room 6805, Washington, DC 20520. Telephone: (202) 647-8195.



US Department of State
Bureau of Public Affairs
Office of Public Communication

For Third- or First-Class Delivery

Superintendent of Documents
US Government Printing Office
Washington, DC 20402-9325
Telephone: (202) 783-3238

Annual Subscriptions:

Third Class Mail — \$75 per year

First Class Mail — \$142 per year

Foreign — \$93.75 per year

To order subscriptions: Specify *Dispatch* and List ID USDSD. Payments by check (made out to the Superintendent of Documents), GPO Account, Visa, or Mastercard (include account number, expiration date, and authorized signature). You may FAX your credit card order using (202) 275-0019.

For First-Class or Overnight Delivery

National Technical Information Service
US Department of Commerce
5285 Port Royal Road
Springfield VA 22161-2171
Telephone: (703) 487-4630

Annual Subscriptions:

First Class Mail — \$142 per year

Overnight Mail — \$430 per year

To order subscriptions: Specify *Dispatch* and publication # PB90-923500ACT. Payments by check, money order, or American Express, VISA and Mastercard (include account number, expiration date, and authorized signature). Microfiche will be offered as a 6-month collection with index.