

# 'Troublemaker' Kirchner Defies the Vultures

by Cynthia R. Rush

Argentine President Néstor Kirchner appears to have taken to heart Democratic Presidential candidate Lyndon LaRouche's advice, that "making trouble" for synarchist bankers is a healthy and enjoyable thing to do. As Kirchner told a Buenos Aires audience on May 12, he has no intention of "behaving" or "being nice" as some people would wish him to do. "I will not be an employee of foreign interests, as others have done," he said, in an obvious reference to former President Carlos Menem, the International Monetary Fund's darling whose free-market policies of the 1990s sped Argentina's descent into national catastrophe in 2001.

Over the past year, Kirchner has enraged the IMF and its allies in the City of London and on Wall Street, by refusing to subordinate his population's welfare to the demands of various species of financial predators and energy pirates. And in a May 11 address at the Presidential palace, the Casa Rosada, before a 300-person audience, he took another bold step, reaffirming that policy, a little over a week before the May 25 anniversary of his first year in office.

At a time when Argentina, and much of the rest of South America's Southern Cone, is trapped in an energy crisis—a natural gas shortage—not of its own making, Kirchner announced a national energy plan to reassert government control over the vital resources which were sold for a song, during the Menem-directed privatization orgy of the 1990s, to energy pirates and speculators. The country will once again have a national energy company, he said, to be called Enarsa (Energí Argentina, S.A.). The state will control 53% of its non-transferable stock, provincial (state) governments will control 12%, and the remaining 35% will be offered to private investors.

The government had already made known prior to the May 11 speech, that a new state energy firm would be seeking a tri-national agreement with the state-owned oil companies of Venezuela, PdVsa, and Brazil's oil company, Petrobras. Sitting in the audience during the ceremony were Eduardo José Dutra, Petrobras's President, as well as the Venezuelan Energy Minister.

## Reviving Nuclear Energy

"We don't want to watch from the sidelines," Kirchner told his audience, "but want to be where the energy equation and Argentina's interests are being discussed. We are willing to participate, and thus our decision to once again have a

national energy company." Addressing the businessmen present, he stated pointedly, "if Argentina has an energy crisis today, it is unfortunately because no investments have been generated" by private companies, "fundamentally as of 1998, but also earlier."

The Argentine people "are not going to pay for this lack of investment with their hard work," he warned, explaining that he had instead raised taxes on exports of oil, gasoline, diesel oil, and other fuels. A week earlier in New York, Kirchner had accused the Spanish oil firm Repsol-YPF, which bought the privatized Argentine state oil firm YPF in 1993, of practicing "extortion" against Argentina, and of plugging up oil wells to force the government to raise prices, so that Repsol could increase profits.

Necessary infrastructure, especially gas pipelines, will be built over the course of a five-year, \$3.5 billion infrastructure development plan; and, notably, \$490 mn. will be allocated for the completion of the Atucha II nuclear plant, whose construction was halted in 1995.

The importance of this latter point cannot be overstated. Argentina's pioneering nuclear energy program, developed in the early 1950s, is a source of tremendous national pride, but it has been gradually "downsized" and undermined by the Malthusians of the international anti-nuclear lobby. The announcement that Atucha II would be completed, and that the highly respected Argentine technology company, Inpav, would oversee the process, reflects a determination to assert sovereign control over the process of economic development, not expressed by any Argentine President in recent years. Appropriately, the announcement was met by a standing ovation from overjoyed employees of the National Atomic Energy Commission (CNEA) sitting in the Casa Rosada audience.

## Too Late for Lula in Brazil?

Kirchner's willingness to defy the financial predators determined to crush his country, stands in stark contrast to Brazilian President Luiz Inácio Lula da Silva, whose unabashed subservience to the IMF has created the conditions for Brazil's total destruction—and perhaps his own early exit from the Presidency as well.

Several Argentine commentators have observed that the kind of speculative attack that hit Brazil during the first two weeks of May is strikingly similar to what Argentina experienced in 2001, as a result of the same insane economic austerity policies applied today by Lula's Finance Minister Antonio Palocci. The "country risk" rate shot up to over 800 points, the benchmark Bovespa stock market index plunged, and the currency, the real, plummeted to its lowest level in a year.

Unless Lula were to dramatically change course—under the current conditions of global financial breakdown, and the near impossibility Brazil will face in refinancing its almost \$500 billion in foreign debt when U.S. interest rates rise—the country has nowhere to go but down.



*Wall Street and the debt-vulture funds are having a very hard time getting Argentina's President Néstor Kirchner (center) to behave according to their "make the people pay the debt" rules.*

One Buenos Aires commentator remarked that Lula's claim to have a protective "financial cushion" of \$1.3 billion obtained from the IMF, is like the "financial armor" that Argentina received from the IMF in 2001, which several rotating Finance Ministers swore would protect that country from a debt blowout. On December 21 of that year, economic chaos and political upheaval forced Argentina's then-President Fernando de la Rúa from office, and the country defaulted on its foreign debt a few days later.

From Argentina's standpoint, a Brazilian default is a foregone conclusion. The question is, *Página 12* columnist Julio Nudler asked in the May 12 edition: Will Lula end up like de la Rúa?

With their developed scientific and technological infrastructure, and economic might, Argentina and Brazil should be allies against the synarchists' destructive schemes. Instead, Lula's cowardice and submission to the IMF's austerity policies have left Kirchner as the only Ibero-American head of state willing to fight to defend his country's national interests and the welfare of its citizens.

### **The General Welfare Comes First**

In a speech May 12 in the Buenos Aires district of Enseñada, Kirchner defined what, for him, is the bottom line. "With my good points and with my mistakes, I come to take responsibility. I don't have one foot in one camp, and one in the other camp. I have both feet firmly planted in the Argentine Nation, in the Fatherland, [and my goal] is the construction of an independent nation. . . . It will

be tough, and difficult, but I didn't become President to just be seated in a chair, or pass through the halls of power." He told his listeners, "I want to ask you to help me, because if you help me, then a different country" will come into being.

It is that attitude of concern for Argentina's "forgotten man" that led Kirchner to include as part of his new energy program a promise to bring down the price of the compressed gas sold in cannisters—used largely by poor sectors of the population for cooking—and to review and renegotiate privatization contracts on terms more beneficial to the country and the population.

Over the last two years, the price of gas sold in cannisters has tripled. By raising taxes by 15% on the export of natural gas, Kirchner hopes to force the price down for domestic consumption, and is otherwise considering declaring it an essential public service, by which means some form of price regulation could be imposed. Planning Minister Julio De Vido has said that the "Argentine state will take whatever measures are necessary—in addition to

imposing taxes—to lower the price."

To drive home that point, Finance Minister Lavagna announced on May 12 that the government had initiated an "in-depth investigation" to detect "monopolistic practices" and possible abuses by the oil companies involved in producing gas in cannisters. In the space of 60 days, Lavagna said, the "entire chain" of production and marketing of this gas will be examined.

With the same kind of feistiness, Kirchner has repeatedly rejected IMF and World Bank demands that he extract more loot from the still-exhausted Argentine economy and population, in order to pay back more than just the 25% of the \$99 billion in defaulted debt that the government is offering to pay in its debt restructuring plan. Just prior to traveling to New York on May 4, Kirchner announced an increase in wages and pensions for state-sector employees, to be financed in part from the larger primary budget surplus that the IMF and vulture funds had hoped they could get their hands on for debt payment.

Revealing how Kirchner is thinking—and why the synarchists view him as a troublemaker—is his characterization, in his May 12 speech, of the 1990s era of privatizations as the "infamous decade" that would not be repeated again in Argentina while he was President. The *década infame* to which the phrase normally refers, is the 1930s, during which British financial interests ran roughshod over the country in the name of free trade, and produced such abominations as the Roca-Runciman Treaty of 1933, for the purpose of making Argentina a mere appendage of the British Empire.