

Argentina's cabinet 'Made in U.S.A.'

by Cynthia Rush

Many Ibero-American heads of state are scrambling to formulate emergency economic programs in an effort to defend their economies from the effects of the Persian Gulf war. There is even talk of having to scrap some of the free trade and deregulation reforms demanded by the Bush administration. One of the exceptions to this trend is Argentine President Carlos Menem, who has spent the first weeks of this year doing everything possible to prove he is the United States' most loyal ally. When he's not on the phone having cozy personal chats with George Bush, Menem is making public statements attacking Iraq, supporting Israel, and generally trying to convince the public that Argentina is indeed a member of the Anglo-American "First World" as he claims.

The cabinet reorganization announced on Jan. 14 indicates how far Menem is willing to go to please Bush. The announcement came a few days after a public "confrontation" between the Argentine President and U.S. Ambassador Terence Todman. In an early December letter to Foreign Minister Domingo Cavallo and Finance Minister Antonio Erman González, Todman charged that unidentified government officials had demanded bribes from a U.S. company, Swift-Armour, to facilitate imports of machinery. When Todman's letter was leaked to the press during the first week of January, it caused a rift that lasted only long enough to give Menem time to reshuffle his cabinet to respond to U.S. charges that corruption was rampant inside the government.

The Todman incident was allegedly the catalyst for the changes; but as the Jan. 22 edition of the *Wall Street Journal* reports, Deputy Secretary of State Lawrence Eagleburger has been pressuring Menem for some time to clean out his cabinet. Corruption is hardly the issue, however: The new cabinet is tailor-made to carry out U.S. policy in Argentina, especially in the economic and military realms. Argentine diplomatic sources quoted in the Jan. 16 issue of *Jornal do Brasil* admitted that those ministers who were removed were deemed "questionable" by the Bush administration.

As a result of the changes, Finance Minister González, who already enjoyed considerable power in the cabinet, has been elevated to the status of a "superminister" with total control over all aspects of the economy, the budget, and the privatization of state companies, which is the cornerstone of

Menem's program. In public statements, González went so far as to say that from now on, the privatization process would be carried out in coordination with multilateral lending agencies such as the International Monetary Fund and the World Bank.

Destroy the Armed Forces

Menem's choice of defense minister, Guido Di Tella, is closely related to strengthening González's grip. Until recently Argentina's ambassador in Washington, the oligarch Di Tella graduated from MIT with a degree in economics and went on to a teaching fellowship at Oxford University. His nomination caused shock and surprise among the leadership of the Armed Forces, which has been doing battle with the finance minister to eke out sufficient funds to keep the military institution alive. Di Tella, who often refers to the Malvinas Islands by their British name "Falklands," hails from social-democratic circles close to Buenos Aires Gov. Antonio Cafiero, known for their hatred of the military. His primary responsibility will be working with González to privatize defense-related industries.

Military sources quoted in the Jan. 18 issue of the intelligence weekly *El Informador Público* say that Di Tella was nominated for the sole purpose of carrying out Washington's policy of dismantling the Armed Forces. He has often frequented international conferences sponsored by the National Democratic Institute for International Affairs (NDI), one of the key instruments of the U.S.-based Project Democracy apparatus in carrying out its anti-military policy. Di Tella will reportedly be recruiting the rabidly anti-military politician Hernán Patiño Meyer as his top lieutenant.

The only possible result of these changes will be to exacerbate tensions existing in the Armed Forces over such unresolved questions as wages, budget, and the grievances raised by nationalists. Menem himself is in trouble on this front. Federal judge Miguel Pons has ordered an investigation into whether the President is guilty of obstruction of justice because of his refusal to answer questions relating to the uprising carried out by Army nationalists on Dec. 3 of last year. He made a number of public accusations at the time, about which he now refuses to testify.

Two other cabinet changes have also pleased the Bush administration. The new ambassador in Washington is career diplomat Carlos Ortiz de Rozas, a former ambassador to Britain and close personal friend to George Bush. The new justice minister is Raul Granillo Ocampo, who had been serving as the legal and technical secretary to the presidency. Known to be the "U.S.'s man," he was very concerned that the Todman incident would hurt bilateral relations with the United States. From his new post, he is expected to carry out a fierce "anti-corruption" campaign which will undoubtedly target Menem's political enemies as well. There is some talk of setting up a domestic police force modeled on the U.S.'s FBI.