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Social Genocide

By Fernando E. Solanas

A SOCIAL GENOCIDE

To those who resisted
during all those years
To their dignity and their courage
Argentina, October 2001:
The government of the Alliance
loses the legislative elections.
President De la Ra
refuses to change his policies.
In 2 years of power,
his progressive program was replaced
by the plans of the IMF,
a continuation
of the policies of Carlos Menem.
The recession deepens
Millions are poverty-stricken
and unemployed
Massive flight of capital
Bank-accounts are blocked
The crisis worsens
December 19, 2001
In view of the situation,
I have decreed a state of siege
for the entire country,
and informed Congress of it.
Our country is going through
a difficult period...
Kick 'em all out!
Every one of them!
The government must resign
Together, we'll never be defeated!
After many years
of apathy in the country,
the insurrection exploded.
This spontaneous revolt
of "faceless" people
meant saucepans were being banged
in every neighborhood,
all the way
to the city's vital centers.
People took to the streets,
without getting any orders.
I've been out of work
for six weeks,

and I've slaved away
my whole life.
I don't want a state of siege,
or to be a pawn
of the International Monetary Fund.
It's an outdated economic model.
De la Ra must resign,
and all the swindlers with him.
December 20, 2001
We're dying of hunger!
"In glory we shall die!"
"In glory we shall die!"
"This square belongs to the Mothers,
"not to cowardly others!"
"This square belongs to the Mothers,
"not to cowardly others!"
You bastards!
We're not in a dictatorship anymore!
Bunch of idiots!
Armed baboons!
Who ordered you out?
Can you kill a woman?
Can you kill a whole nation
because you're ordered to?
Repression fails to empty
the Plaza de Mayo
Hundreds of citizens
rally to the movement
"The people won't clear out!"
And the people don't clear out.
They're workers, housewives,
employees, pensioners, students,
the heirs of those who,
for decades,
defied the dictatorships
and the persecutions,
put up with
the policies of austerity,
and were betrayed
by democracy.
What happened in Argentina?
How was it possible
that in so rich a country
so many people were hungry?

The country had been ransacked
by a new form of aggression,
committed in time of peace
and in a democracy.

A daily and silent violence
that caused
greater social disruption,
more emigration and death,
than the terrorism
of the dictatorship
and the Falkland Islands war.

THE NEVER-ENDING DEB

Ever since Independence,
almost 200 years ago,
Argentina's foreign debt
has been a source
of impoverishment and corruption
and the biggest scandals.

Since the first loan
negotiated by Rivadavia in 1824
with the British bank
Baring Brothers,
the debt was used
to enrich Argentinean financiers,
to control the finances
and empty the country
of its wealth.

This foreign debt always
went hand in hand with big business,
and with the complicity
of nearly every government,
from Miter and Quintana,
to Menem and De la Ra.

The policy of indebtedness
gave rise in Argentina
to generations
of technocrats and bureaucrats,
who favored banks
and international corporations
over their own country.

Educated at Harvard, Chicago,
Oxford or Buenos Aires,
their portraits hang
in the official galleries.

There you can see
19th century lobbyists,
like Manuel Garca and Belustegui,
or the latest heads
of the public banking system,
Pedro Pou,
Macarrone and Colombo,
administrators of a debt
that was born in the 1970s
under the military dictatorship.
We have turned the page
of government interventionism...
The present debt
was the illegitimate offspring
of the military dictatorship.
Even though the Courts
demonstrated its fraudulent origins,
the pressure of the Establishment
won the day.
From then on,
it dictated national policies
and depleted the public heritage.
All this is perfectly symbolized
by the statue of George Canning,
an advocate of colonial policies,
that was donated
by the British Government in 1857,
in recognition of the debt.
American defeat in Vietnam
Conservatives return to power
Crisis and rising oil prices
Petrodollars flood the world
Banks offer credit at 3%
Birth of the Third-world debt
Interest rates reach 16%
Bankruptcy of indebted countries
An alliance of foreign banks
and multinationals
comes to power in Argentina.
After 7 years
of neo-liberal policies,
the dictatorship leaves a country
bled dry, with a foreign debt
of 45 billion dollars,

of which half
is a private debt.
23 billion
is owed by multinationals
operating in the country
like Citibank, First Boston,
Chase Manhattan,
Bank of America, Banco de Italia,
Banco de Londres, Banco Espaol,
Banco Francs, Deutsche Bank,
Banco Ro and Banco Quilmes,
Banco Galicia and many more.
And by multinationals
like Esso, Fiat, IBM,
Ford, Mercedes Benz, Swift, Pirelli,
as well as local groups owned by
Prez Companc, Bulgheroni-Bridas,
Macri, Techint, Fortabat,
Pescarmona, Gruneisen, Soldati,
Cogasco, Celulosa and others.
An excessive private debt
that a top bureaucrat of the
dictatorship saddled the State with:
Domingo Cavallo.
A "super-Minister" of Finance in the
Menem and De la Ra governments,
he is responsible
of the unending growth of the debt
and the worst pillage ever suffered
by the Argentinean people.
THIEVES, BANKERS, GOVERNMENTS
GIVE US BACK OUR DOLLARS
What did you say?
The police protects the thieves,
Mr. Solanas.
The world's turned upside-down.
Now people must
demonstrate peacefully
to defend their savings,
that were confiscated by the banks
with government complicity.
The State
should guarantee citizens' rights,
not steal them.

Thieves!
A dollar at a time,
I saved during
the 25 years I worked,
so I could live decently
when I retired,
not on a State pension.
Why don't the banks
treat us
like their foreign customers?
I chose private banks,
I didn't trust ours.
I already got swindled in 1989.
But I must be stupid.
What do they want? A bomb?
That's not my style,
that's why
I'm banging on my pan.
I used to cook with it
for my kids.
Every time I look at it,
I'll be reminded of those scoundrels,
but I'll know I fought
for my rights.
I'm the oldest newsvendor
in Avellaneda.
For 65 years I've sold newspapers.
All my savings
are in Citibank.
The manager of the agency
says they'll return them to me,
it's a lie!
Everything I saved by making
sacrifices is in their hands.
In fact, the foreign banks
owe money to the Argentineans.
In a way,
it's a reversed debt.
The parent companies must be
responsible for the deposits.
That was decided by law
in Argentina in 1971,
in the well-known Swift Deltec case,
which established that

parent companies were responsible
for the debts of their subsidiaries.
It's a swindle
to make the government responsible
for the debts of the banks.
What about our foreign debt?
In many ways,
that debt is illegitimate.
In a fundamental way:
It's illegitimate
to repay the banks
with 18 million people
poverty-stricken
and 9 million paupers.
There's a human priority.
Then the banks
charged usurious interest rates.
If they'd charged
normal interest rates,
the foreign debt
would have been paid off by 1988.
What was this swindle?
The parent companies
made loans to their subsidiaries,
so these were internal movements.
These loans
were assigned to the foreign debt,
when in fact
they were internal to the companies.
Dollars were bought here, and placed
in accounts in the United States.
With this deposit as collateral,
you got a loan
to purchase more dollars
and so on,
because of the difference
in interest rates.
It's what's known
as "bicycling" funds,
and many got rich on it.
The main beneficiaries
were the big conglomerates,
as usual.
At the end

of Alfonsn's presidency,
the foreign debt
was close to 54 billion dollars.
Menem let the creditors
determine what they were owed.
The Congress
never debated on the debt,
neglecting the Constitution
and a decision by the law courts.
Ten years later,
the debt reached
130 billion dollars.
People have a false idea
of the debt.
You get into debt,
then you say it's bad.
But indebtedness
is what enables credit.
Indebtedness is beneficial.
We are going to develop credit
for everyone...
Owing money is fine.
A good example
is what the North Americans
invented around 1898,
at the time they occupied Cuba.
Some Spanish banks
had granted loans
to the colonial government of Cuba.
The North Americans said:
If the Cuban people
didn't benefit from these loans,
there's no public debt.
In 1923,
a British bank,
the Royal Bank of Canada,
lent a petty tyrant of Costa Rica,
called Tinoco,
a sum that he used
for personal goals.
The Royal Bank of Canada
asked Costa Rica for repayment.
There was a lawsuit,
of which the arbitrator was

an ex-president of the United States,
President William Taft.

President Taft

ruled in the litigation, saying:

It's about a private debt,
not a public debt.

You can't have

a public debt without a "public",
with the public
as the beneficiary of the debt.

These operations
never benefited the public,
quite the contrary.

It's the person
who shops in a supermarket
and pays VA

who ends up paying
for the private debts
of big enterprises,
or of very rich people.

The problem of private debts,
that were illicitly nationalized
by Mr. Cavallo,
must absolutely be reexamined.

What is this theory?

It's the theory
of the Odious Debt.

A director of the IMF,
Karen Lissakers,
representing the United States,

said:

"If we applied
the theory of the Odious Debt,
"the Third World's debt
would no longer exist."

A CHRONICLE OF TREASON

Democracy was re-established
with the Radical Ral Alfonsn
and his social-democrat approach.

He promised
to defend human rights,
to fight poverty
and to show that in a democracy

"you get education, care, and food".
We have the huge responsibility
of guaranteeing democracy
and respect for human dignity
in Argentina.
As we've said,
this means that the State
cannot bow
to international financial groups,
or to privileged local groups...
But the State was bankrupt,
and had to make a choice.
Economy minister Grinspun,
suggested repudiating the debt
and favoring growth.
Alfonso won't go along,
and yields to financial power.
The only solution
is a policy of austerity,
that will be very hard
and require great efforts
by everyone.
It's called,
my dear compatriots,
an economy of war.
We must all learn from it.
This drastic measure
is called "Plan Austral".
Once more,
huge public funds
are transferred to the banks
and big corporations.
Alfonso says two things at once:
He promises to repudiate the debt
but orders the president
of the Central Bank to legitimize it.
He favors prosecuting Army officers
for their crimes
during the dictatorship,
but two years later,
the "Due Obedience" laws
exonerate crimes committed
on orders of a superior.
Laws that resulted

from the insurrection
of the rebel
"painted face" officers.
People took to the streets
and defied the tanks...
We've had enough of jackboots!
Alfonso amnesties the rebels.
Dear compatriots,
Happy Easter!
The insurgents...
have put down their weapons.
Among them,
were heroes of the Falklands war,
who had strayed...
The electoral defeat
of the Radical party
accelerates the crisis.
Stockmarket instability
and hyperinflation
lead to runs on the supermarkets.
I've decided to resign
from the job
of President of Argentina...
Alfonso has to resign
6 months before the end
of his mandate.
The neo-Peronist Carlos Menem
becomes President
after having,
for many years, governed
the province of La Rioja,
one of the poorest in the nation.
His lightning rise
coincided
with the fall of the Berlin wall
and the ideas
of the "Consensus of Washington".
With his frankness
and his preacher's gestures,
he promises a Productivist Revolution
and big wages.
He has long sideburns
like the old rebel Facundo Quiroga,
the "Tiger of the Plains".

For every Argentinean, standing,
for poor children who are hungry,
or who are sad,
for our brothers without work,
for the homes without a roof,
for the tables without bread,
for our homeland,
I ask you to follow me,
follow me,
I won't betray you,
I won't betray you...
As God is my witness,
and facing
the judgment of History,

let me proclaim:

Argentina, get up and walk!
Sisters and brothers,
in a single voice
I say to the world:
"This is the advent
of a new and glorious Nation."
This is the era of the theory
of the "End of History",
of the single-mindedness
of globalization
and of neo-liberal democracies
in Latin America.
Long live Carlos Sal Menem!
A few days later,
he abandons his sideburns
and his promised reforms,
and betrays his voters:
His program becomes that
of the liberal conservative minority,
directed by the former rebel officer
Alvaro Alsogaray.
Everything has changed now,
there's a new relationship
between conservatives
and Peronists.
We appear to be the same,
but a fundamental change
amongst us has occurred.

Historically, it's only fair,
that a neo-Peronist president
should bring this about...
No one before Menem
had dared to carry treason so far,
or undertaken so cynically
actions that harmed the Nation.
The two-faced game
of the new leader
will pulverize 50 years
of popular resistance:
He imposes allegiance
to the global model,
amnesties the leaders of the junta,
and betrays millions of workers
who lived through the repression.
He abandons
popular anti-imperialism
and non-alignment
extolled by Pern and Evita
and initiates a "physical relationship"
with the United States.
His policies will be dictated
by the World Bank and the IMF.
But Menem
is not the only one who betrayed.
Many of the political
and union leaders
dumped overboard
a whole life of resistance.
Many of them
accepted arrangements
and opted for indemnifications.
Others climbed
onto the bandwagon
of privatizations.
Senator Cafiero,
you are a historic leader
of the Peronist party.
How do you explain
Menem's treason?
It happens frequently
in the political life
of every nation.

There's a small French book,
"In Praise of Treason",
where they prove
that treason
is part and parcel of politics.
To succeed, you have to lie.
If you say what you think,
no one will vote for you.
That's what happened
in Argentina,
but much more intensely,
let's face it,
when Menem was in power.
He even admitted
he hid his goals to get elected.
Of course, in my opinion,
it's politically unethical,
but that's the reality.
Then, some international
parameters changed...
And the model gradually
exhausted itself.
How do you explain
the existence
of a real "mafocracy"?
Economic power,
banks and the political class...
On that, Pino,
I won't pass judgment...
how can I put it...
in an absolute way.
My long experience
has taught me
that things are relative.
It's not all black or white,
things aren't corrupt or pure.
Argentinean society as a whole
can't call itself pure
and assign corruption
to the ruling classes.
The ruling classes
come from that society.
On one hand,
we politicians have been a failure,

and I'll assume
my part of responsibility.
But on the other hand...
many of the ruling circles
let us down,
and to reach a verdict on everyone,
I'd say we're all in Dante's hell.
Undoubtedly,
treason is very effective.
Treason
has phenomenal political power,
precisely because it's treason.
It's insidious,
it sneaks up behind you,
without warning,
where you least expect it.
Otherwise it wouldn't be treason.
In this sense,
the neo-Peronist party
was the most brilliant
representative
of Cafiero's point of view.
If you ask Argentinean society
to choose
between San Martn
- our national hero - and Spiderman,
it'll vote for San Martn.
But between
Spiderman and Superman,
how can you fault society
for the consequences of that choice?
So we have...
a society with a weakened role,
a party that betrays its historic ideas
and surrenders to the enemy,
a working-class movement
eroded by de-industrialization,
infested with traitors...
Law courts
that pay lip-service to all that,
Opposition parties
without much room to maneuver...
and the result of it all is...
THE REPUBLIC DETERIORATES

Menem's neo-liberal model
is inseparable from the deterioration
of the republic and corruption.
His political plan
needs a biased Supreme Court
and federal law courts
under his control,
and for special powers
to be delegated by Parliament.
In one month,
he got his Law of Laws passed,
the Reform of the State,
that opened up for him
the door to privatizations.
Today the Senate is debating
a fundamental law for the country.
For the first time,
we are going to attack head on
the structural weaknesses
of the State as a whole,
notably of its public corporations.
We must be grateful
to the President of the Republic,
because this law is the beginning
of the Productivist Revolution.
Democracy was ridiculed
by Parliament
during the Menem era.
He gave Ministries
extraordinary powers,
absolute powers,
total public power.
He gave Ministries the power
to privatize State enterprises,
without inventories, balance sheets,
without verifying beforehand
if these enterprises
generated profits or losses.
Meaning that this vote
was the starting point
of the plunder of State property.
Who voted for it?
The neo-Peronists,
the Radicals, very obligingly...

I remember very well
the Radical Jaroslavsky
ordering many of his congressmen
to withdraw from the House
so that the neo-Peronists
could pass these laws.
Rarely does everything enable
a minority to come to power
without throwing a bomb,
or firing a shot.
Yet that's
what the conservative Alsogaray got
for the Reform of the State.
This reform gave Menem,
absolute, dictatorial powers,
that even the dictator Videla
never had.

- Alsogaray said it openly.
- What did he say?

He told the neo-Peronists
that they were taking part
in an extraordinary moment,
that they'd have total power.
But now,
this ostensibly democratic power
was going to be held
by those who once censored,
executed and slaughtered.
That's what Alsogaray brought about.
How far would they go?
What were they capable of?
Of a lot more.
And they kept it up.
There were denunciations
over the privatization
of the national oil company YPF.
A congressman denounced
the remittance to senators
of a bribe of 8 million dollars,
then denied it hours later.
Of 130 congressmen present,
114 voted "Yes",
10 voted "No",
with 1 abstention.

We should be delighted
that the House
was able to perform its duties.
For Argentina,
this is a day of jubilation.
From now on,
the oil belongs to the provinces,
YPF will be quoted
on the stockmarket
and benefit
from private investment.
Thanks to this, old-age pensioners,
will benefit
from billions of dollars...
These fine words
hid one of the most odious acts
that Parliament committed.
With the help of bribed congressmen,
it voted the privatization
of YPF and Gas del Estado,
the two biggest
Argentinean companies.
The country lost enterprises
that financed its infrastructures,
and of course
old-age pensioners and workers
got swindled.
The opposition couldn't prevent it,
though dissident Peronists
formed
the "Group of Eight".
Reforming the State
doesn't mean privatizing it.
In an emergent country,
you don't begin with layoffs.
Other opponents
of the oil company plunder
were threatened or attacked.
In May 1991,
for having filed charges
against Menem
for dismantling the YPF,
I got 6 bullets in my legs.
The privatization of YPF

is madness.
It's an outrageous theft.
Of course there was corruption!
It's a fact.
It goes hand in hand
with privatization.
Just look at the heritage
of those who voted for it.
I mean the leaders.
Look at them...
There's no evidence...
Nobody saw suitcases
full of dollars.
Yet it was never denied.
There were so many lobbies,
so much money to be made,
again and again,
so many deals made on the quiet...
while the media praised
the advantages of privatization.
Like the TV journalist Neustadt.
He had high ratings.
Not only the politicians,
we reporters and the media,
also played a role.
How long must we put up
with this idiocy?
TV and radio
in the hands of idiots,
for a nation of idiots?
How long?
The Congress
of this mafioso decade,
that voted such disgraceful laws
against the Nation,
needed the police to protect it.
The people were so outraged
that each week
brought its share of protests.
Pensioners, teachers,
civil servants,
students, workers,
and the unemployed
from every profession.

It was the beginning of a dark era:
The national budget
had to be approved in Washington
before it was by our Congress.

The government
asked for people's understanding,
because the country
was on its knees...

"We were called the hand-raisers
"We were devoted, committed
"We voted with our eyes closed
"As the party asked us to
"We were called the hand-raisers
"We legislated without remembering,
"And our voters, we betrayed
"And we didn't hear their boos..."

THE ECONOMIC MODEL

The instrument
used to apply the neo-liberal model
was the Convertibility Plan
that liberalized imports
and was based on a lie:

One peso equaled one dollar.
It managed to stop inflation,
but left our nation's industries
defenseless.

Until then, the country
produced 95% of what it consumed
and exported machine-tools,
trains,
and household electrical goods.
Henceforth, it imported fabrics,
meat, dairy products,
fruit and pasta...

The country was "dollarized":
You could pay for anything
in pesos or dollars.
But with zero inflation rate,
credit outfits and banks
lent at usurious rates
of 50% per year,
when in the U.S. And Europe,
the rates were 7%.

The euphoria

of peso/dollar parity
made tradesmen and small businesses
unable to compete
and bankrupts them.
Hundreds of factories
and workshops disappeared:
In textiles, metallurgy,
automobile spare parts,
consumer goods
and many other areas.
These were the years of flaunting
illegally acquired wealth.
Let's try not to steal for 2 years.
Bribes and swindles are permitted.
If you put your hand in the till,
do it discreetly!
Life is privatized and walled in.
Security agents
and country clubs...
The land of
"Rich and Famous"...
You're a Peronist?
Always have been.
... and of pizza with champagne.
The media
as the driving force of change
Meddling with the YPF,
with oil,
was sacrilege.
It was like offending
the tango or the flag.
The State meant corruption
and bureaucracy.
Oil underground
is no good to anyone.
Private ownership
is modern and efficient
Everyone has the right
to a little frivolity.
Your lover-boy image
embarrasses you?

The opposite:

Politics become a spectacle

My love, it's really hot here...
He's so cute!
Politicians are handsome now.
I'm thrilled
by this economic model.
It's a lie,
a total lie,
that it creates poverty.
We've lived here a long time:
The politicians
always make promises.
But our local representatives,
never did anything for us.
So we, who live here,
decided to block the road,
so that they'd understand
what our daily life is like.
Kids can't get to school.
Patients can't be moved,
as ambulances can't get through.
We want to live decently,
we deserve it.
We're poor, humble,
but we're not fooled
when they offer us a meal, clothing,
booties for babies...
We wanted them to build drainage.
There was money,
everything that was needed.
But they kept the money.
When it comes to stealing,
they are the masters.
They teach people how to steal.
We're no longer just teachers,
now we're also social workers.
Moms come and ask
if we don't have extra sneakers...
We take care
of the whole community.
When there's flooding,
we become the emergency shelter.
We put up the students,
when the roof of their house
blows away,

when they have nowhere to sleep.
The kids are worried
for their families,
and want to take home
any remaining sandwiches.
We can't make them concentrate,
their minds are on other things.
Sometimes, they faint.
Then we ask them:
"What did you eat yesterday?
And this morning?"

They answer:

They faint very often.
We've got used to it.
But it's shameful.
The Convertibility Plan
was part of a global project
linked to a debt
that had become irredeemable.
In 1992,
Finance Minister Cavallo negotiated
with the U.S. Secretary
of the Treasury, Nicholas Brady,
exchanging this debt
against our national heritage,
for a bargain price.
State enterprises are purchased,
with national bonds
pegged at 15% of their face value,
but redeemable at 100%.
This agreement made the country lose
more than 30 billion dollars.

PRIVATIZATIONS:

The Argentine government
achieved tonight
seven fundamental privatizations,
in seven strategic sectors
for the country.
We'll move on
to the privatization of TV,
of phone companies,
of a forthcoming tollbooth system,

of forthcoming road and railway
concessions,
as well as
the privatization of radio,
without forgetting, of course,
the privatization
of the national airline.
We've elaborated
our Ten Commandments,
the Menemist Ten Commandments
for the Reform of the State.
Commandment number 1,
Menem doesn't know it yet,
is taken from one of his speeches:
"Nothing belonging to the State
will remain in its hands."
Nothing was spared.
No matter what it was,
or how much it cost,
or how and why it was sold.
Cued by the methods
of other centuries,
these privatizations
were an extension
of the old colonial expropriations.
Once, the Potos was robbed
of its silver and gold.
Now oil, water,
and communications are stolen.
The foreign companies
did in our country
what they couldn't do
in their own countries.
Non-execution of works
They were exonerated
for the non-execution of works.
Rates were raised
to make the users
pay for the investments.
No new capital was needed.
The more you risk,
the more you earn.
In Argentina, no risks
yielded huge profits.

Outstanding profitability
They either doubled or tripled
the rates in dollars.
pocketed 60% of the income.
France Telecom in Argentina
had a profitability of 15%
and Telefnica of 16%,
whereas the ten biggest
international operators
only average
a profitability of 5,4%.
These concerns are private here,
and public in their own countries.

Stripping

The Argentinean enterprises
were sold without debts.
The State took care
of the 150000 layoffs
required by the purchasers.
The main investors
were Spanish and French:
The profitable ENTEL was sold
for a fifth of its value
to Telefnica and France Telecom,
who saddled it
with a 6 billion dollar debt.
Aerolneas Argentinas
was profitable and owned 37 planes.
The Spanish line Iberia mortgaged
them to purchase the business,
and stripped it of all its assets.
The State water utility was taken
over by a European syndicate
headed by Suez and Vivendi.
After making it owe
8 times its assets,
huge profits were made,
but the works agreed to
were not completed.
800000 people were left
without drinking water,
and a million people
had no sewers.
The worse case is probably

the dislocation of the railroads
that dealt a fatal blow
to regional economies.
Thousands of families had to move.
36000km of tracks existed,
now only 8000 remain.
There were 95000 jobs,
now only 15000 are left.
Ten years later, the State
pays out more and more subsidies,
and now owes the World Bank
700 million dollars
borrowed to pay for the layoffs,
and another 700 million
in interest...
Just to suppress 80000 jobs!
Billions in subsidies
Privatizations were supposed
to end the payment of subsidies
that supposedly led
to the public deficit.
The irony today, is that
most of the privatized companies,
are subsidized.
Just for
the national highway system,
the subsidy was
And as the 980 million
for acquiring them weren't paid,
they stole a total
of 2 billion dollars!
They never paid the fee
You have to pay a fee
to use public property
belonging to a country.
They never paid it.
- Who didn't pay?
- No one.
Not for the roads,
the postal system, the airports...
Impunity
Legal protection always favored
the conglomerates.
No one negotiated for the consumers.

Why such impunity?

Politics.

Big business
and political scheming.

The big conglomerates
Privatizations were planned in
the interest in the big conglomerates.

They were the ones who financed
all the election campaigns,
all the governments,
all the coups d'tat,
all the major public-works
undertakings.

No other sector
benefited from such privileges:

Protected markets,
astronomical subsidies,
fiscal advantages,
rate-overcharging,
exoneration of penalties
for non-performance of work,
extensions of concessions,
and conversion into pesos
of debts in dollars.

They failed to honor
their contracts with the State,
swindled it
and then sued it for damages.

Among these were:

Macri's Socma and Sideco,
Bulgheroni's Bidas,
Fortabat's Loma Negra,
Prez Companc's Pecom,
Rocca's Techint,
Benito Roggio, Pescarmona,
and others.

Unemployment
is spreading like a plague,
contaminating the whole society.

The lines of dole seekers
get longer everywhere.

Unemployment has gone from 11%
to more than 20%,
not counting the temps.

What's the situation
of the workers?
They've lost their salaries,
their social benefits,
their unemployment insurance,
their accident
and sickness coverage.
More than half of them
are moonlighting,
a social situation
that only prevails in the most
under-developed countries.
People don't dare resist,
they fear layoffs,
and that the next day
there may be no solution at all.
So they agree to salary cuts,
deteriorating work conditions,
working in unsanitary surroundings.
Losing your job
means ending in a void,
joining an army of beggars,
the army of the excluded.
It leads to depression,
to anxiety...
In the Latin-American country
where social rights
were once most advanced,
thousands of destitute people
flock to the church
of San Cayetano,
patron saint of work,
asking for help.

THE LIQUIDATION OF OIL

Argentina is a unique case
in the world and in Latin America.
No other country gave up
its gas and oil
without losing a war.
The country was truly betrayed
by the ruling class.
Mexico, Brazil and Venezuela
never privatized their oil.
Why was the sale of YPF

such an atrocity?
Because of the role that YPF played
in the country,
and in the world oil-market.
You have to remember
that when Mosconi
created YPF, the first
State enterprise in the world,
oil was considered
to be very strategic,
and the sale of fuel
to be of national interest.
If the international price rose,
YPF kept the price low,
according to its costs
and not the market price.
YPF was created in 1923
on orders of General Mosconi.
In 1907, oil had been discovered
in Patagonia.
In spite of its detractors,
the oil company was developed
without the need for foreign funds,
and became a model
for Latin America.
It expanded so rapidly
that it earned as much for the country
as the province of Buenos Aires.
Its reserves were estimated
to be worth 200 billion dollars.
To privatize it, they had
to commit many irregularities.
Actually, if the law was applied,
most private concessions
would be invalid.
Argentina could soon rebuild
its national oil company,
if it had true political motivation.
The strategic reserves,
where the greatest sums
were invested,
were awarded for 25 years,
for a price equivalent
to 9 months of production.

They were so poorly sold
that Menem
had to deal with it personally.
\$19 for shares
that were worth \$38...
is a gigantic swindle.
They even hired
the McKinley company
to underestimate the reserves.
A year later, the reserves reappeared
in the accounts at their real value.
So they sold, say,
a reserve for 100,
when it was worth 140.
A cartel of four multinationals
applied the highest rates
on earth to us
and paid the lowest royalties.
Who checks up?
They pump as much they want?
They make a declaration
under oath.
Meaning?
By a declaration under oath,
informing the Argentineans
how much they pumped.
The reserves, the facilities,
were sold for a pittance.
They didn't have to do anything.
The site was there,
with the staff and the facilities,
and everything
needed to transport the oil.
A high quality infrastructure
that belonged to YPF.
They didn't have to do anything,
because a concern like YPF
had completely planned
its future 20 years ahead.
Now they were exploiting it,
benefiting
from their State acquisitions,
in terms of oil
and gas infrastructures.

That's the reality of Argentina.
You can't understand
industrial development in Argentina
and Patagonia,
without knowing about YPF.
It had developed pipelines,
steel plants, roads and factories,
and given birth to dozens of towns,
geared to the social needs
of their inhabitants.

In particular:

Comodoro Rivadavia, Caleta Olivia,
Cutral-C and Plaza Huincul,
which was the first oil-town
in the province of Neuquén.
All these empty,
walled up buildings,
lying neglected,
were Camp 1,
the administration block,
the heart of YPF.
When it was privatized,
people had to leave
to look for another livelihood.
They abandoned their homes,
in search of new horizons.
Were you adequately paid?
The wages? No problem...
Here, no one was ever needy.
What happened was a crime,
a murder.
No one ever imagined
this could happen.
Privatizations were done
almost without inventories.
YPF left behind lots of things
that disappeared.
Large motors, for instance...
Vehicles, new equipment,
drilling bits, tools, clothing...
No track was kept of many items
that were never found.
You can dismantle a hangar

without anyone asking questions.
This is what's left of PEXSE,
a company created
by the oil-workers union SUPE
to make the workers believe
they could be entrepreneurs.
The company went bankrupt,
owing us money.
The SUPE executives
were in on the fraud.
They knew very well
that YPF would be dismantled.
People accepted
\$40 or \$50000 dollars
and agreed to get fired.
They were paid to take
a training course in pastry-making,
data processing, anything,
for a year.
They accepted privatization
and layoffs without a struggle
because they had money
in their pockets.
Then they spent this money,
bought a car, enlarged their home,
started a business.
Did it create many unemployed?
Between 5000 and 7000,
maybe more.
There are no reliable figures,
but it's known to be
in the thousands.
There were thousands
of us semi-employed,
trying to get by.
The unemployed
weren't all from YPF.
Thousands of others came
from the factories and businesses
that also had to close.
Some years later,
during the winter of 1996,
there was a revolt in Cutral-C.
We're starving!

We give them gas,
oil, electricity!
Unable to find work,
thousands of unemployed
blocked the main highway
for days and nights,
in freezing temperatures,
and facing
the charges of the state police.
That single victory
created the "piquetero" movement
with its "roadblocks".
I cannot rule on this.
The police and I are withdrawing.
This judge ordered
the state police to withdraw.
The people has won!
Natural-gas field of Loma de la Lata
Gas del Estado
was the pride of the Argentineans.
It was a showpiece
for companies all over the world.
Why?
It managed the extraction of gas,
despite of the remoteness
of the deposits,
like clockwork.
Europeans copied it,
and even some North Americans.
In 50 years of existence,
it provided natural gas
to 5 million Argentineans,
whereas in 90 years
of British companies,
only 300000 Argentineans
got high-priced imported gas.
The Petrobras company
estimated that Gas del Estado
was worth 25 billion dollars.
After being appraised
by international consultants,
it was sold
for 2,5 billion dollars.
- Ten times less?

- Precisely.
Repsol polluted the area
to such an extent
that the Mapuche Indians
lodged a complaint
with international organizations.
Here, a member of our community
built a home
but couldn't move in.
When he dug a well to pump water,
he realized that in fact,
it was gasoline
that was coming out.
This is the pipe...
installed by my father in 1995,
so he could pump water to drink
and irrigate.
You'll see what he got...
It's gasoline.
I'll show you,
It's pure gasoline.
Seven years ago, supposedly,
Repsol decontaminated this area.
What you pump out
is almost hi-octane gas.
Not only on these 55 hectares.
The whole ground water
is contaminated,
to the very bottom...
Where the ground water begins.

CORPORATISM:

AND MAFIOCRACY:

Menem concludes a pact
with Alfonsn for his re-election,
in exchange
for a constitutional reform
that includes new statutes
and an extra senator
for the Radical party.
The "Olivos Pact",
or bi-party pact,
is signed

without consultations or debate,
behind the backs of the citizens,
in order to guarantee
the continuity of the model.
This reform legitimizes Menem,
who has enacted
more than 300 decree-laws,
ten times more
than in Argentina's whole history.
The parties
have nothing left to propose.
Radicalism and neo-Peronism
are emptied of their substance.
They become organizations
for doling out public appointments:
A corporation of professionals
without any ideology
that infects nearly
all political parties,
whose only loyalty
is to their own privileges.
The once-powerful
CGT workers union
is now a ghost of its former self.
Its zealous association with Menem
finally drove the workers away.
As they hugged each other,
the union bigwigs
betrayed the workers
and amassed private wealth.
The Supreme Court
The court of impunity
No court was as criticized
and challenged
as the Menem era court
Argentinean society faults
the Supreme Court
for its role in a mafioso pact
of impunity
set up in the country in the 1990s.
It is blamed
for authorizing and legalizing
the sale of State-owned corporations
at odious prices,

stripping pensioners
of their rights,
stripping workers of their rights,
and finally
for exonerating politicians
who committed offenses
while in public office.
For dozens of years,
no important bureaucrat who
committed an offense against the State
has been sentenced.
Menem's second term
Protected by corrupt judges,
the sinister alliance
of politicians and union-leaders
with big business,
consolidates the mafocracy.
Gentlemen, it's no easy task
to lead a country,
especially in such
hard and complex times,
where notions like homeland,
common good, morality,
respect of others
and social friendship
are so damaged
or discredited...
Eat what?
I have 7 children, no work...
I have nothing.
No mattress, no blanket.
We're totally indigent.
Come see my shack.
Come see it.
See how I live.
Everything's wet.
No one helps us.
They must think we're dogs,
us and our kids.
I never got help.
I have no right to anything,
I'm not paid anything.
I give my youngest some boiled maze
or boiled rice.

I have nothing, that's the truth.
I have no way to get another home.
They promised,
they put down my name, that's all.
The same as for others.
Mariela, come see...
My sister tells me:
"Go to the doctor,
"you're not well, you're so skinny."
I can't take it anymore.
It's intolerable.
There's no work,
I can't feed my little girl
and that hurts.
She asks when we're going to eat,
but there's nothing.
A child can't understand,
but you have to tell the truth.
It hurts to have to say
I have nothing, but it's true.

MAFIOCRACY:

The mafocracy unites businessmen,
politicians and magistrates,
traffickers and bureaucrats,
union leaders and media moguls.
Their complicity was only matched
by their hypocrisy.
The commission
on money-laundering
showed how
the dirty money
from drugs and corruption
left Argentina
via dummy companies
located mainly in Uruguay,
where they were managed,
toward relay-banks
in the U.S. Or in Switzerland.
Money-laundering
We investigated
Citibank, Credit Suisse,
Trainers Bank, JP Morgan...
Argentina was the center

of their illicit operations,
via Citibank,
Banco Republica,
and Monetta's Federal Bank.

Ral Monetta:

Monetta owned

Of the media? Like what?

Like cable channels,
Telef, Azul Televisin,
Radio Continental, Editorial
Atlntida, Torneos y Competencias,
provincial cable stations,
Cablevisin...

He was also the biggest shareholder
of Telefnica Argentina.

And on top of it well-connected
to political power
and the Supreme Court.

The very same Supreme Court
that allowed
telephonic rates to be altered
favoring France Telecom
and Telefnica
against international competition.

Curiously, it seems
that a member of the Supreme Court,
a cousin by marriage
of Monetta's lawyer,
received \$800000 dollars
sent to the Citibank of New York.

What are the global estimates
of kickbacks
connected to privatizations?
- Between 5 and 10 billion dollars.

- And who were the perpetrators?
Mainly Cavallo, Menem and Kohan,
in the last ten years,
and for money-laundering,
the Banco General de Negocios.

We also discovered
bribes paid
during Alfonsn's government,
mainly to the central Bank,

from the BCCI,
a bank that laundered drug-money,
that financed
There is a definite complicity
between the political class,
the narcotraffickers,
and encouragement of capital flight.

Kickbacks

Plunder of public funds
via dividends
and rate-overcharging
was the norm
for government contracts.

Over 20% of government investments
is estimated
to have vanished in "commissions".

Minister Manzano said,
referring to the President:

"I steal for the crown."

A major source of corruption
was the PAMI,
the pensioners' health-insurance
organization.

The system of illicit contracts
made with companies
owned by bureaucrats
lasted during several governments.

A monument to corruption

The Yacyret Dam, N.E. Argentina

Yacyret is one of the biggest
earthfill dams in the world,

with a retaining dam

on the river Paran

that is 67km long.

This huge worksite,

financed by Argentineans,

fed the country's slush funds,

ever since the dictatorship.

How did corruption

at Yacyret dam operate?

Overestimation of costs,

overdue work schedules.

Today, the site,

is still not completed,

and still generates costs.

It has reached

And we still don't know

when it will end.

I'll give you an example:

In 1985,

there was a cost reappraisal
estimated at 30 million dollars,
that was presented several times
to the World Bank
and the Inter-American Bank
of Development.

It was finally signed in 1989
for 180 million dollars.

Many accepted it.

Some didn't.

They were excluded from Yacyret
by the auditors.

- You, among others?

- Yes.

- Who headed the auditing firm?

- Mr. Carretoni.

He was campaign-manager
for Alfonsn,
then for Angeloz.

A member of the Assembly?

Yes, for the reform
of the Constitution in 1994.

Mr. Carretoni, owned the leading
auditing firm in Argentina,
and was the father-in-law
of the construction company's boss.
Say that again...

Mr. Carretoni
was the father-in-law of Mr. Risso.
So the head of the audit cabinet
that had to control costs,
completion date
and technical quality,
was the builder's father-in-law?
Precisely.

Arms smuggling

We sent arms to Ecuador,
that was at war with Peru,

when Argentina was guaranteeing
a truce between the two countries.

We also sent arms
to Croatia and Bosnia,
violating UN dispositions.

Those implicated
were the Army factories,
the top army brass,
the Ro Tercero factory,
through which most arms passed
coming from the North,
a free-zone.

What happened?

The Ro Tercero factory
was blown up, causing 7 deaths.

As I started
a procedure in March, 1995,
they tried to erase
all traces of the explosion,
all documents,
inventories, fingerprints,
anything that could prove
that it wasn't an accident,
but a planned act
to conceal their crime.

Who was part of this plot?

Its leader was
an ex-president of the republic,
Carlos Menem,
but many others are implicated.

Many other shady events occurred:

"Suicides",
accidental deaths...

A helicopter crashed
opposite the race track,
on a polo field,
causing the death of a key figure...

General Andreoli...

The "suicide" with his wrong hand
of Captain Estrada,
who had been part
of the "terror groups",
during the country's darkest hours.

Today,

a question needs to be clarified:

Where's the money they stole?

Carlos Menem,

his brother-in-law Emir Yoma,

Cavallo and others,

implicated in arms smuggling,

were arrested.

But the Supreme Court

set them free.

These offenses

concerned leaders at all levels.

Ministers, judges,

top bureaucrats

were hauled into law-courts

for corruption.

Neo-Peronists:

Gerardo Sofovich,

Juan Carlos Alderete,

Matilde Menendez,

Mara Julia Alsogaray,

Carlos Grosso, Claudia Bello,

Triaca, Dadone, Grisanti,

Amira and Emir Yoma,

Vico and Spadone.

Radical civil servants:

Delconte, Mazorino

and many others.

Presidential candidates:

Angeloz and Massachessi.

I'll lead the struggle

against corruption.

All the cases were dismissed

The threats concerned

a gold exporting business,

with phony financial records.

The gold mafia

"If you don't want trouble...

Drug trafficking

"...stay out of this."

They slashed my arm.

During the Menem years...

"Parallel" Customs officers

... the mafiosi thrived

under an obliging government,
and have ever since.
The Buenos Aires police mafia
Among their deeds:
Abductions for extortion,
murders...
IBM-Banco Nacin affair
... car thefts,
trigger-happy deaths,
fake accidents
and unexplained suicides.
Deadly bomb attacks
Israeli Embassy
AMIA Jewish center
Crimes still unpunished
The betrayals of the Alliance
In the Argentina
of the mafia organizations,
the Alliance campaigns
on promises to create jobs
and fight corruption,
but without altering the economic
model or the foreign debt.
Made up of the Radical party
and center-left parties,
it promises to investigate
bureaucrats, but disregards
corrupt privatizations
or financial plundering.
Good luck!
The team of Fernando De la Ra
and Carlos Alvarez
beats the neo-Peronist candidate
Eduardo Duhalde.
The new government continues
the IMF's recessionist policy.
Long live De la Ra!
Don't disappoint us!
Once more,
the voters mandate is betrayed:
Civil servants' salaries
are lowered
and taxes raised.
In Spain, De la Ra,

offers to extend
the concession of Argentina's
richest gas reserves,
Loma de la Lata,
to the Repsol oil company.
Worth 50 billion dollars,
they are illicitly surrendered
for 300 million dollars.
The government bribes the Senate
to get it to pass
a controversial labor law.
Vice-president Alvarez
doesn't question the law,
but wants the bribery investigated.
I hereby resign irrevocably
as vice-president of the Nation,
so as not to harm the President,
or jeopardize our institutions...
Alvarez abandons his voters
and works
for the return of Cavallo.
Appointed again as a super-Minister,
Cavallo renegotiates the debt.
This operation,
baptized "mega-exchange",
is another swindle
that costs the country
55 billion dollars.
The "Argentinean miracle"
ended in social disaster.
Cavallo's plans
wiped out the middle class,
made the rich richer
and the poor poorer.
60% of the wealth
wound up in the hands
of the richest 10%.
People are suffering!
People are hungry!
We're not guerrillas!
De la Ra opts for repression:
Two unemployed youths
are murdered in Corrientes,
as a bridge

is cleared of protesters,
3 "piqueteros"
are gunned down in Salta and Jujuy.
Never had an elected president
caused so many deaths
in such short time.

SOCIAL GENOCIDE:

Here, we foresaw exactly
the effects of the austerity plans
adopted by the country.
The well-known austerity plans,
of the era of Alfonsn, of Menem...
These measures
meant the hospital would receive
a huge number
of underfed people,
underfed kids with their families.
We would say to each other:
"This one, in 2 or 3 months,
will need a bed."
An incredible number
of undernourished kids.

We said:

In 1982, we took to the streets,
formed a major movement,
that the press took up,
and reached the whole country.
But the policy continued.
The policy of austerity...
Each time it was like a stab
in the back for us doctors.
We knew that
the kids born then
would be so poorly fed
that a huge amount of them
would wind up in here.
That's why we wrote
this text saying:
"Others decide,
but we see them dying."
When we started
to find out what to do,

we translated books from English.
We found some solutions there
for balancing liquids,
salts, and proteins.
But we were so overcrowded,
and then we read
a little Argentinean book,
by a man called Juan P. Garrahan...

He wrote:

"is a socio-economic
and cultural disease
that can be cured
by giving everyone a job."

He doesn't say:

"By giving food to everyone."
That triggered things off,
we got it...
Why send
an undernourished kid home?
What's the country doing?
We had a scientific approach,
but this year,
it's become exponential.
Before, we had
about 18% underfed kids.
Now it's close to 80%.
In garbage dumps,
all those abandoned children,
pregnant girls of 14 or 15,
the kids called "nobody's kids",
only eat every other day.
Should I tell a 14-year old mother:
"To fight your baby's diarrhea,
"you need chicken,
polenta, milk,
"clean water..."
It's totally unethical,
an inconceivable cruelty.
How can I say that,
if she's eating garbage?
These children live on garbage.
The survivors of the 3rd generation

of underfed people
are giving birth to these kids.
A lot of kids die.
Those that survive
are smaller, weaker,
and have less intellectual capacity.
But they're people like any others,
with feelings.
To consider them...
as a sub-species of society,
is revolting.
They're people like you and me.
They have the same rights as others,
they suffer like others,
if their child dies or gets sick,
they have a right to a home,
with drinking water,
and food daily, and a job.
We speak of human rights...
What rights do these people have,
when they're put down this way?
I really feel
that a certain part of society
wants to get rid of these people.
As if they were bothered by them.
What part?

We know who:

Those who grabbed everything.
and 10% own everything.
That's not a system...
I'm 54 and it's always the same.
That same old austerity.
They always go back
to the same things.
They don't give a damn.
And the kids
have no place at the table
and aren't fed.
The people we don't want to see
in this country
are those who are born,
who live and die
without ID's,

without legal existence.
The other Argentina,
the hidden one.
Those who've been excluded,
for whom nothing is done,
who shouldn't be allowed
to reproduce,
who should be taken out
of circulation,
of whom no one dares say yet:
"Let's hide them."
When our country
produces enough commodities to feed
300 million people,
the level of poverty denounced
in the film
"The Hour of the Furnaces"
in the 1960s,
never foresaw the incredible
neo-liberal genocide of the 1990s.
Curable diseases
and undernourishment
cause every day in Argentina
the death of 55 children,
35 youths and adults
and 10 elderly people.
An average
of 35000 people per year.
The international organizations
This country was held up
to the world
as a model to follow.
The IMF
applauded Menem in Washington
for the "Argentinean miracle."
President,
this photo will be great for me.
- For me, too.
- I don't know...
They say that a photo
with the devil is dangerous.
Come on...
Our government's responsibility
in social genocide

doesn't exonerate international organizations, or their proxies, the United States and Europe, or the unfair North-South commercial relationships.

These neo-racist programs that generated huge profits at the cost of segregation and the premature death of millions of people, are peacetime crimes against humanity.

Their authors cannot go unpunished. A quarter of century later, the economic results

are disastrous:

The public and private debt rose from 7,8 billion to 170 billion dollars, and 150 billion more were paid out for services, and a similar sum was sent abroad.

Argentina lost another 150 billion because of agricultural subsidies in Europe and the U.S.

Since 1999, growth is non-existent, and the country is heading toward devaluation and bankruptcy.

THE BEGINNING OF THE END

Going over this memoir, it may appear that the reality can't be changed, that the plunderers won the day, and we are the losers.

It's closer to the opposite: Neither the dictatorship, Menem, or De la Ra brought their projects to fruition, and the wealth they gave away

isn't lost forever:
It can be recovered.
The neo-liberal model
ended in a mass sell-off,
but those responsible
weren't able to sell everything:
Not the major public banks,
or the big
Ro Santiago shipyards,
or the nuclear power plants,
or Yacyret,
or Salto Grande, or Epec.
Menem and De la Ra
weren't able
to impose a repressive solution,
or to silence the protests
against mafioso and police crimes,
or to stop the persistent action
of the Mothers,
Grandmothers and Children
of the "disappeared".
A new spirit kept them at bay:
That of all the struggles,
the rallying to causes,
in the social movements
that grew during the decade:
The local organizations,
the "piqueteros", canteens,
and neighborhood assemblies,
the occupation of land
and settlements,
the huge nation-wide march
and hundreds of other marches,
national strikes...
the CTA movement,
the factories
reclaimed by the workers,
the successive demos of pensioners,
the struggles of women farmhands,
students and bank depositors,
storekeepers, artists...
It all led
to the big December, 2001 uprising:
As on October 17, 1945

and in Crdoba in 1969,
Argentinean history was changed.
My heart has closed up tight
so it can survive
Living so I can save
my skin,
which is all I have left
My soul is wasting away
Don't think, don't protest
Don't even try, don't interfere
Anyway, nothing makes sense
Our lives are preordained
In this apocalyptic comedy
We're all headed
for the slaughterhouse
We're not eliminated
the same old way
Now we're told
to make ourselves disappear
Asking questions without answers
Protesting without hassling anyone
Domesticated, neutralized, paralyzed
When will we wake up?
There's no work,
might as well split
Human dignity
is as good as dead
Everything's hanging
by a thread
What's difference
between dead or alive?
I refuse to shut my mouth now
I'm not here
to spread around bad news
They haven't won yet,
so choose
You got balls or not?
I'm bug 'em,
but they listen to me
Friend I'm not scared
to go against the grain
And I encourage
all those who fight
To join us in our struggle

My heart has closed up tight
so it can survive
Living so I can save
my skin,
which is all I have left
That's the bind we're in
My soul's an empty shell
I want a miracle
to make us wake up
I want a miracle
to make everyone rise up
Don't expect anything
from destiny
What we need
is for the earth to quake
I'm gonna talk and act,
I won't stop
My poetry's
gonna penetrate your soul
and if it enters
through the wrong hole,
You put the vaseline there, pal...
Dammit to hell!
Let's kill 'em all!
In the face
of these violent events,
let's not get carried away...
President De la Ra resigns
"I'll only like
"Cavallo and De la Ra
"when they are in jail!"
First Argentinean victory
against globalization
Carlos Menem pulls out
of the run-off
in the 2003 presidential elections.
Nstor Kirchner
is elected President of Argentina.
The information
contained in this film
came from official Argentinean
and international sources