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Argentine President-elect Carlos Menem To Take Over July 8; Summary Of Recent Events, Statements

by John Neagle

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On July 8, President-elect Carlos Menem will take office five months before the constitutionally mandated date, Dec. 10. Menem will take over from President Raul Alfonsin in the midst of a severe economic crisis. June 15: Menem received an invitation to meet with President Bush after his inauguration. According to US Ambassador Terrence Todman, Bush intends to discuss Argentina's economic situation and foreign debt problem personally with Menem. June 16: Daily newspaper La Razon reported that Alvaro Alsogaray will represent Menem in negotiations with foreign creditors. Earlier press reports indicated that Alsogaray would be appointed president of the Central Bank, but unidentified sources cited by La Razon said he would instead serve as Argentina's chief debt negotiator. In statements to reporters following a meeting with Menem, Alsogaray said he had refused appointment as Argentina's ambassador to the US, but that he was willing to collaborate "with Menem's government to assist in restoring confidence in the productive and banking sectors." Alsogaray was the Democratic Center Union's presidential candidate in the May elections. According to Alsogaray, Menem's Economy Ministry appointment Miguel Roig, former vice president of the Argentine transnational Bunge y Born, indicates that the new administration "will not be socialist." June 19: Designate Deputy Minister of Health and Social Action, Ruben Cardozo, told reporters that at present 4 million Argentines are living in absolute poverty, and about 200,000 people are literally starving to death. Cardozo, a federal deputy from Santa Fe province, pointed out that unemployment affects 23% of the labor force, which explains in large part the country's record number of prostitutes. The legacy of the Alfonsin government, said Cardozo, is so serious "that even the numbers shock us." Julio Corzo, designate Minister of Health and Social Action, said that a social pact between workers and employers is the only viable solution to hyperinflation. Unofficial estimates of inflation for the month of July surpass 200%. Adrian Freijo, spokesperson for Menem, said a social pact would temporarily prevent strikes. He told reporters that upon taking office, Menem will implement an economic shock treatment plan and an emergency food distribution program. Among other things, the economic plan will include currency devaluation to promote exports, public deficit reduction, wage hikes, and tax increases. An estimated nine million people will receive foodstuffs distributed by the armed forces, the Church and private businesses. [Basic data from ADYN (Argentine newspaper collective), 06/15/89; Notimex, 06/16/89, 06/19/89;

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