

Argentina's ex-dictator Videla dead at 87

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23 May 2013

General Jorge Rafael Videla, who headed the bloody military junta that seized power in Argentina in 1976, died last Friday in a Marcos Paz prison cell. The coup that toppled the government of President Isabel Peron unleashed both economic devastation as well as mass repression against the working class for seven years (the “dirty war”) until it fell following the defeat of Argentina’s armed forces in the Malvinas War against Great Britain.

It is estimated that over 30,000 Argentines were murdered by the military government.

At his 1985 trial, General Videla and his codefendant, Admiral Emilio Massera, were found guilty of torture, murder and kidnapping. Videla was sentenced to life imprisonment, but served only five years before President Carlos Menem pardoned him and 30 other junta leaders. He was briefly returned to prison in 1998 after being convicted for kidnapping children, but then was released to house arrest for alleged health issues. In 2009, he was again sent to prison after a court cancelled the 1990 pardons, declaring them unconstitutional.

Videla never expressed remorse for the deaths of political prisoners and declared he was responsible for all military actions committed in fighting what he called “an internal war.” Videla also referred to today’s Peronist government of Cristina Fernandez Kirchner and that of her late husband Nestor Kirchner as “yesterday’s enemies [who] are in power and from there ... trying to establish a Marxist regime.”

In 2010, judges in the central Argentine city of Cordoba declared that Videla was “criminally responsible” for the torture and deaths of prisoners there and sentenced him to life in prison for crimes against humanity.

The military coup in Argentina followed a pattern that had begun in South America with the US-backed military overthrow of the democratically-elected government of Joao Goulart in Brazil in 1964. Nine years later, Salvador Allende was overthrown by the military in Chile. These dictatorships, evoking an ideology of anti-communism and “national security” promoted by Washington ruled by

decree, violently suppressing all opposition, murdering, torturing and “disappearing” perceived enemies, freezing and cutting wages, arresting and killing trade unionists, reducing welfare assistance and raising food prices.

In Argentina, as in Chile, the military regimes carried out wholesale privatizations of the public sector, while attempting to develop the agrarian export sector and deregulating the banking industry to the benefit of the wealthy elites.

Opponents of these policies were branded as “terrorists” by Videla who declared in 1977, “One becomes a terrorist, not only by killing with a weapon or setting a bomb, but also by encouraging others through ideas that go against our Western and Christian civilization.” The hierarchy of the Catholic Church, including the current Pope, Jorge Mario Bergoglio, supported the repression against “communists” and “subversives”, offering consolation and forgiveness instead to the regime’s torturers and murderers who dumped their victims naked and bound into the sea from airplanes.

The political and military relationship between the United States and the military junta has been well-established and documented in recent years, especially through the release of secret archives by the US State Department in 2002. (See “US documents implicate Kissinger in Argentine atrocities”) These documents make clear the three administrations that dealt with the junta—those of Ford, Carter, and Reagan—were well-informed of the death squads, torture centers and atrocities being committed. Washington clearly understood that the repression was part and parcel of the defense of both its economic interests in Argentina as well as those of the native ruling class. What is equally illuminating are the ties demonstrated between the civilian leadership in the Argentine junta and the US financial elite.

Jose Alfredo Martinez de Hoz, lobbyist and later CEO of Acindar, one of Argentina’s largest steel manufacturers, was appointed Minister of the Economy under President Videla in 1976. He had long-standing ties

to the armed forces and used their services in bloodily suppressing workers at his steel plants in 1975, about three hundred of whom were abducted and most of them murdered for allegedly electing a “socialist” shop steward.

As Minister of the Economy, Martínez de Hoz announced a plan to make the country more efficient and competitive internationally by opening the economy to more foreign investment by lowering trade barriers, slashing workers’ wages, and rescinding the inheritance tax. He was a personal friend of David Rockefeller who moved to get IMF [International Monetary Fund] and Chase Manhattan Bank to approve loans of almost \$1 billion (US) to Argentina’s military junta. Banks were deregulated as well as financial markets and all bad loans in the private sector were transferred to the state which was charged with paying them off. Cheap imports into the country soared, resulting in local businesses failing and declaring bankruptcy. In addition, real wages for workers lost almost 40 percent of their purchasing power and resulted in a decline of consumer spending power.

In addition to de Hoz, the Central Bank of Argentina, was handed over to the control of Adolfo Diz, one of the so-called Chicago Boys of the Milton Friedman school of free market economics. Diz acted to limit domestic credit, enacted the Monetary Regulation Account Law of 1977 (this raised reserve requirements to 45 percent of deposits) and led to an inflation level of 175 percent.

Fearing social upheaval despite the repression, Martínez de Hoz implemented a currency devaluation of the official exchange rate between the Argentine peso and the US dollar. While this temporarily eased inflation, foreign credit and imported goods became cheaper, and by 1981, Argentina had a record \$4 billion annual trade deficit. Flooded with imports, many domestic industries collapsed and the state, once again, absorbed private sector debts, including, those of Martínez de Hoz’s own businesses.

At the same time, speculation on the Argentine peso and banking Ponzi schemes damaged the economy in the long run. Martínez De Hoz even participated himself in the short-selling by insiders of the peso. By 1983, the public debt coupled with capital flight amounted to \$43 billion (US). Under the free market, thousands of businesses collapsed and hundreds of thousands of workers faced unemployment. But all was not lost.

In 1988, Martínez de Hoz was arrested and indicted for his involvement in human rights abuses. He spent a total of 77 days in jail. Freed by President Carlos Menem in 1990, he returned to the corporate banking world. In 1992

he was convicted of operating a brokerage with a revoked license but became a member of the board of directors of the General Business Bank. This bank helped clients illegally wire almost \$30 billion (US) out of the country before the outbreak of the 2001 financial crisis. When the Argentine courts revoked Menem’s pardons in 2007, de Hoz was rearrested for new murder, kidnapping and extortion charges. He remained under house arrest until his death in March 2013.

On a final note, the Argentine military junta was advised by its American friends to enlist the services of the New York headquartered marketing agency, Burson-Marsteller, to counteract the “bad publicity” over its murder, disappearance and torture of tens of thousands of Argentines. Burson-Marsteller is one of the largest public relations firms in the world and known for handling damage control.

In a telling statement, Burson-Marsteller CEO, Victor Emmanuel, stated that “violence was necessary to open up Argentina’s economy.” Investment securement would be impossible if a state of civil war existed, it was lamented. Admitting that “a lot of innocent people were probably killed,” he went on to declare that “given the situation, immense force was required.” Burson-Marsteller also carried out public relations campaigns for Facebook’s Google smear campaign, Philip Morris’ support of supposed anti-smoking laws, Johnson & Johnson’s Tylenol disaster, Union Carbide and the Bhopal mass industrial homicide case in India, to name a few.



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