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De La Rue's Victory Gives Argentina an Opportunity to Overcome Menem's Grim Legacy

- *Overwhelming defeat of Peronist candidate spotlights how Washington's support for Menem belied the will of the Argentine people.*

Sunday's landslide victory in Argentina of Fernando De La Rúa resulted not so much from his campaign against Peronist candidate, Gov. Eduardo Duhalde, as from his patient dissection of the abuses and failures of the ten-year presidency of Carlos Saul Menem. De La Rúa underlined a legacy of corruption, cronyism, and the advocacy of skewed trade and investment policies that further marginalized the urban and the poor while favoring the richest sector of the population. While the nation was witnessing a scandal a day, Menem basked in the applause for ending hyperinflation, a fete orchestrated solely by the now-estranged ex-Peronist, Domingo Cavallo. When all was said and done, the "economic miracle" simply exchanged inflation for unemployment (currently at least 20 percent) in a classic proof of the Phillips curve.

Menem's legacy is a record of profiteering that has rarely been equaled in the country's corruption-riven history. During his presidential term, the Supreme Court (almost all of whose members were his appointees) and the rest of the judiciary was famed for its venality and lack of self-respecting professional standards. While Menem made much of the fact that under his rule per capita income increased by almost 400 percent, he failed to go one step further by telling the population this increase disproportionately went to the already rich, leaving the country with one of the most skewed income figures in the hemisphere.

But the spotlight on this sordid record deserves to be shared with the Clinton White House, which entered into a bizarre relationship with Argentina in which the country was denominated a "special non-NATO U. S. ally." During Menem's years in office, which straddled much of Clinton's own term, Washington lionized Menem for his accomplishments in the areas of privatization, investment incentives and monetary reform that failed to produce truly balanced development.

While few issues were closer to the Clinton administration's heart than trade policy, Washington would still do well to ask why it extolled a man and an administration that became legendary for corruption, waste of public funds (the new president already has promised to rid himself of Menem's presidential jet, Tango 01) and clownish public

exhibitionism. While Clinton repeatedly has stressed judicial reform and other anti-corruption standards for Latin America, he has not allowed such principles to affect his day-to-day policy making. The U. S. president must now live with the fact that in Menem, he feted a man who represented the antithesis of democratic values.