

Could this happen here?

Argentina's presidential election this week was, I suppose, about as fascinating for Canadians as Canada's elections are for Argentines.

But, wait. Don't run away. Events down in the land of the gaucho and the tango offer a very sharp lesson for Canada.

In fact, you might call Argentina the Canada of Latin America. It's a vast, fertile nation, two-thirds the size of Canada. It even has its Arctic, in the form of Tierra del Fuego. Both countries have about the same number of inhabitants and both should be very rich. But they're not.

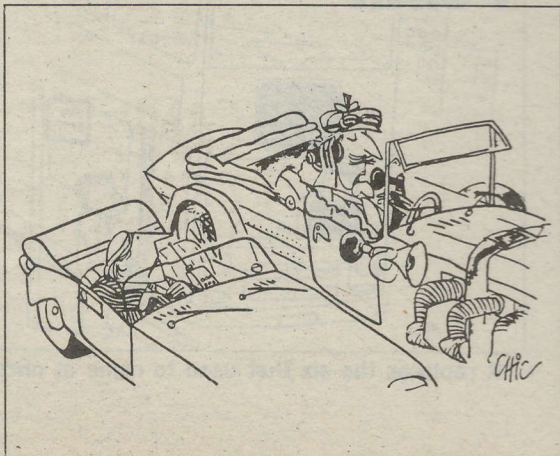
Interestingly, Argentina was once the world's richest nation. This was in 1900 when Argentina was the leading exporter of wheat and beef. Then things went terribly wrong. Political and economic madness infected Argentina.

In the latest election, Carlos Menem, the Peronist candidate, soundly beat his opponent Eduardo Angeloz. Menem, a fiery populist, will take office in December, replacing the decent but unfortunate Raul Alfonsin, whose government was literally swamped by economic disasters. If this happens, it will be the first time since 1922 that an elected president has finished his term and handed over power to an elected successor. That's pretty sad for a nation with Latin America's largest middle class and a country that prides itself as being intellectually, culturally and racially superior to the rest of the continent.

Worse, the incoming president is the standard bearer of the Peronist party, the populist-fascist movement founded by Juan Peron in the 1940s. Peron, an army officer, made himself dictator of Argentina, a sort of Latino Mussolini in a nation where most people are of Italian origin. Peron, and his dramatic wife, Eva, rallied Argentina's working class and poor with promises of a steak on every plate and goodies for everyone. "Soak the rich" and "social justice now!" became the cry of the Peronists.

Companies were nationalized. Printing presses went into high gear turning out money that was dished out by Juan and Evita to their adoring people. Inflation surged. Subsidies were imposed to

Punch



ERIC MARGOLIS



keep prices low. So were rent, price and currency controls. The people loved it—and why not? Money showered down from heaven.

Then, inevitably, the party ended. Argentina was bankrupt. The army threw out Peron and poor Argentina went through decades of economic mess and political instability. Now, after an absence of 13 years, the Peronists are back in the form of the colorful Menem.

In typical fashion, he's promised more freebies for everyone: More health care, better education, higher wages. But he refuses to say how bankrupt Argentina is going to foot the bills.

Inflation is now at 40% a month and the foreign debt is \$73 billion. The currency has lost 75% of its value and the government deficit is gargantuan. Anyone with money in Argentina has long ago gotten it out to Miami or Zurich.

Menem is of Syrian origin, a former Moslem who says he converted to Catholicism after seeing a vision of the Virgin Mary. Wait until the ayatollah hears about this! Curiously, many Latin American radicals happen to be of Arab descent, just as Jews were prominent among Europe's left-wing radicals at the turn of the century. Being an outsider radicalizes.

Anyway, Menem, who keeps a bust of Eva Peron in his office and refers to the former cabaret dancer as a saint, clearly intends to revive that old Peronist black magic, which has Argentina's middle and upper classes, and the army, horrified.

Right now the army won't do anything. But when things go from worse to catastrophic, the army may have to reluctantly intervene.

So what has all this to do with far-off Canada? Lots, amigos. What we are seeing in long-suffering Argentina are many of the same economic and political problems we have here: Huge deficits, reckless spending, no self-control or fiscal morality among our politicians. Like the Peronists, they buy votes by promising freebies to all, knowing full well they can't pay the bills.

Call Pierre Trudeau Canada's version of Juan Peron. PET had no Evita, but still managed to turn rich, stable Canada, a nation with almost no deficit, into today's economic mess. His successors, no matter what party, are now locked into the tradition of dipping into voters' pockets with one hand to give them small tips with the other. It's called, up here, "social services" and a "caring, responsive government." Canada, of course, has not reached the misery of Argentina. But economically, we're well on the way. A few more years of our spend-and-be damned politicians and we just might turn into a northern Argentina, tangoing all the way to the poorhouse.