

# Joseph's Coat

By Derek Sambrook, FIBSA, TEP,  
Managing Director, Trust Services, S.A.,  
Panama



**“There never was a democracy yet that did not commit suicide.”**

President Hugo Chávez's words? No, they were spoken by one of the first presidents of the United States of America, John Adams. Although there are over 120 democracies today, there is no one system in place and like Joseph's coat, democracy has many colours rather than being a black and white issue.

Originally, democracy was created for expediency, not as a noble cause; Plato was a critic and the Athenian leader, Cleisthenes, applied its principles only “to muster support against aristocratic rivals and Spartan allies”. The Athenian model permitted choices under a complex system of self-rule which covered war, justice and taxation whereas today power is placed in the hands of a small group who make decisions on behalf of the people and upon whose judgement we must rely. There's the rub, as Hamlet observed, in a different context.

Despite democracy's global progress, however, in large parts of Latin America we can see moves afoot to bring about even greater control in fewer hands, making a mockery of the principle (democracy?). We need look no further than the president of Venezuela, Hugo Chávez, whose bid last December to change the constitution in significant ways failed. One of the key changes would have allowed the indefinite re-election of the president and an increase in his powers. For many Venezuelans his defeat was the best Christmas gift they received last year. For Hugo Chávez, however, it was a setback for his shared belief with George Bernard Shaw, that the “art of government is the organisation of idolatry”. But it was another American president, Harry S. Truman, who commented that “wherever you have an efficient government you have a dictatorship”. Efficiency might sometimes mean resorting to the use of a firm hand, but not, however, to oppression.

Venezuela's influence has had its greatest

impact on the presidents of Bolivia and Ecuador who are both left-wing allies of President Chávez. Countering this bloc are countries such as Brazil, Mexico and Chile with Argentina, under its new president, Cristina Fernández de Kirchner (wife of former President Néstor Kirchner), somewhere (for now, anyway) between the two camps.

During Néstor Kirchner's presidency, which started in 2003, the country's economy grew by almost 50%. But Argentina is still in arrears to international creditors following its economic crisis in 2001/2002. The country owes more than USD3 billion to Americans alone, including pension funds, university endowments and private investors. So Argentina has many critics in the United States of America who not only suspect its politics but its economic policies also. Some right-wing American commentators see an unhealthy level of economic co-operation with Venezuela, noting that Cristina Fernández shares her husband's good relations with Hugo Chávez who has not only purchased vast amounts of Argentina's bonds but also sells it fuel.

Milton Friedman once observed that inflation was one form of taxation that can be imposed without legislation and Argentina is grappling with it. Average wages rose by more than 22% last year and a large number of economists declared that the inflation rate was getting close to 20%. The government, which has introduced price controls, has refuted this, but many recognise the Kirchners as Peronists who will always, if a choice is needed, put jobs before inflation.

So this year will be a testing time for Cristina Fernández as she faces the twin dragons of increasing inflation and a slowing world economy. And she will need more than her presidential sash and staff when she negotiates with the unions over wages and addresses the concerns of businessmen.

The new president has a much greater interest in foreign policy than her husband

and she does appear to be less confrontational as well. Significantly, she has intimated that she wants better relations with Washington and so the timing of a row over a suitcase full of cash which began in the first week of her presidency is very unfortunate. The suitcase was intercepted in Argentina but it was a US citizen who was apprehended last August in the US after flying from Venezuela on an Argentine government-chartered private jet; subsequently four people were charged by prosecutors in Florida with plotting to conceal an intended USD800,000 cash contribution for Argentina's presidential campaign. Three Venezuelans and one Uruguayan were accused of acting for the government of Venezuela in a bid to manipulate Argentina's elections in favour of Cristina Fernández.

Argentina's new president has described the affair as a smear tactic and the work of those who wish Argentina to adopt a servile role and to support outside political interests. It is an embarrassment which must have seen her face turn as pink as the walls of the presidential residence in Buenos Aires. This case won't be shut as easily as it was opened.

Last year it was the head of the US military's Southern Command, Admiral James Stavridis, in a role which oversees US military operations in Latin America and the Caribbean, who said, in the context of regional relations, “we are not launching missiles, we are launching ideas”. Smoothing ruffled feathers in Buenos Aires and encouraging closer ties with the US rather than Venezuela are two ideas worth pursuing if Washington wants to encourage President Fernandez's campaign slogan “change is just beginning” to mean in the right direction.



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