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## Argentina

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# Financial Vultures Try to Topple Kirchner

by Cynthia R. Rush

When Argentine Finance Minister Roberto Lavagna presented on June 1, his government's final offer on restructuring the \$81 billion in public debt on which the country defaulted in December of 2001, representatives of the speculative vulture funds and other financial predators who have spent the last 15 years savagely bleeding Argentina, went berzerk. The plan, they said, was no good, proving once again, that President Néstor Kirchner was not negotiating "in good faith"—even though the June 1 offer improved somewhat on the proposal originally made in September 2003.

Kirchner's offer proposes to write off 75% of the market value of the debt, rather than the nominal face value, thereby slightly reducing the size of the original "haircut." The remaining 25% will be restructured through three different types of bonds with maturities of between 30 and 40 years. Unlike the 2003 plan, the June 1 offer includes the restructuring of \$18.2 billion in accrued interest unpaid since the 2001 default, as well as a GDP-escalator clause, which stipulates that bondholders will be paid more, when and if the country's Gross Domestic Product grows by more than 3% a year.

This, Lavagna said, is a reasonable and responsible offer. It represents what Argentina can actually pay, without jeopardizing its economic growth and the still fragile living standards of its population. On June 8, he added that this is the final offer, made by "the sovereign State," and will not be changed. "Now, in the market, each one will have to decide what works best for him."

The predators were outraged. Hans Humes, co-chairman of the vulture fund front group, the Global Committee of Argentina Bondholders (GCAB), said his group was "extremely disappointed," with the proposal, and would lobby the Group of Seven nations to reject it. "Clearly, there is a political issue here between what they want to pay, and what they can pay," Humes told *The New York Times*. "Come on," he whined, "they *can* pay more."

### Kirchner has to Go

As they have made clear from the moment Argentina defaulted in 2001, the fascist banking interests that stand behind the vulture funds and the International Monetary Fund, have never had any purpose other than crushing the Argentine na-

tion-state. To achieve that goal today, they have launched efforts to overthrow President Kirchner, now a major obstacle in their path.

It is not that Kirchner is the best or most perfect President that Argentina has ever had. He has made mistakes, seen in his tendency to be sucked into the machinations of the left-wing synarchists that run the country's human rights apparatus. These are typified by former 1970s Montonero terrorist, now Presidential adviser, Horacio Verbitsky. A George Soros collaborator, Verbitsky is intent on reviving the climate of the 1970s fratricidal "dirty war"—itself orchestrated by synarchists on both the left and the right—to destroy a country that, as Kirchner puts it, "is still in hell."

As the financial beast-men see it, however, Kirchner's unpardonable sin is that he has stood up to the International Monetary Fund (IMF), and to the usurious private banking interests that still think there is more on the Argentine carcass to be picked. He has drawn a line in the sand, and will not allow the Argentine people to be trampled on and humiliated again. Whether he knows this consciously or not, he has taken up what Democratic Presidential candidate Lyndon LaRouche outlined in an early May reply to a question posed him by an Argentine youth in the province of Neuquén: "The national political issue for the nation today, must be insight into the determining relationship between the struggles of Argentina's patriots and the international monetary-financial system associated with the IMF, and its Schachtian-like, rapacious policies. Given the assumption that a patriotic national leadership is supported by the people, the possibility of an Argentina-determined remedy for the crisis depends upon defeating the policies represented currently by the IMF/World Bank and the related 'vulture funds.' "

### The Plotters Gather

Efforts to overthrow Kirchner are seriously underway, carried out under many political guises, but never far from the underlying economic cause that drives them all.

Exemplary was the secret meeting held on May 20 at the Patricios Army Regiment in Buenos Aires, allegedly a gathering of a diverse group of retired military, businessmen and other "patriots" to celebrate national independence day—which happened to be five days away on May 25. Learning of the meeting, Kirchner sent his Defense Minister José Pampuro to investigate, and upon his unexpected arrival, Pampuro discovered a group that included military officers who had been purged by Kirchner when he first took office, bankers, and businessmen linked to former President Carlos Saúl Menem, as well as political operatives and former government officials.

Noteworthy among the attendees were Gustavo Breide Obeid, friend and ally of Spain's fascist Blas Piñar, whom LaRouche has identified as a leading figure in a new international Hispanic terrorist apparatus; and Vicente Massot, director of *La Nueva Provincia* newspaper, who, in the 1970s,

belonged to the Nationalist Restoration Falange, led by Air Force synarchist Jordan Bruno Genta. Genta's son-in-law, Mario Caponnetto, together with his brother Antonio, are part of the Blas Piñar network.

But the presence at this meeting of 'Menemista' businessmen Aldo Ducler and Miguel Iribarne gets back to the economic issues at the heart of efforts to dump Kirchner. Now under investigation for money-laundering, Ducler and Iribarne typify the dirtiest of the financial interests that reigned supreme during the 1989-1999 government of Carlos Menem, when the country was ripped apart and looted by a free-market and privatization rampage that drove it into a crisis from which it has yet to recover.

As soon as the Defense Minister entered the room on May 20, and it immediately fell silent, one of the attendees, Enrique "Coti" Nosiglia, former Interior Minister in the 1983-89 Raúl Alfonsín government, piped up, "Hey, we're not conspiring."

## Naming the Names

Kirchner thought otherwise. He immediately linked the May 20 meeting to the permanent machinations directed against his government by powerful economic groups. In an interview with *Página 12* published on May 23, he elaborated that these groups "want a President who has a little power, but not too much, so as to manage in an orderly way only the needs of determined interests. But watch out if you touch [those interests]. . . . If you dare do that, you're called irresponsible. I am not irresponsible. I understand how the world works, and what interests are in play."

Kirchner and members of his inner circle charged that the May 20 meeting exemplified the forces that were conspiring against, and attempting to destabilize, his government. When that charge was challenged, Kirchner became more specific. He pointed to the grouping of Mont Pelerinian financiers, among them former Presidential candidate Ricardo López Murphy, and other "Chicago boys," who were trained by old University of Chicago guru Arnold Harberger to impose the free-market dogmas he taught them, and destroyed several Ibero-American nations during the 1980s and 1990s.

López Murphy's think-tank, FIEL, and the like-minded CEMA, are among those groups that benefitted from the criminal policies imposed during the 1990s by Carlos Menem, Kirchner said. "I say these groups are has-beens, representative of the decade of the 1990s, defenders of Argentina's indebtedness and convertibility," referring to the British colonial currency-board system imposed by Menem's former Finance Minister Domingo Cavallo in 1991, which pegged the peso to the dollar in a one-to-one parity. In statements made on June 4, Kirchner elaborated, "this is not a plot or a conspiracy, but what I'm saying is that there are sectors that want a different kind of country," or a return to the past, "and my obligation is to tell

this to our citizens."

Kirchner didn't mention what López Murphy and his FIEL friends had tried to do during López's two-week stint as Finance Minister in March of 2001, when they proposed cutting the budget by \$2 billion, eliminating 95,000 state-sector jobs, and closing down public universities, in order to pay the foreign debt. But he did report that FIEL had sent a delegation to New York in late May, shortly after he and Finance Minister Lavagna had been there, "to express totally different positions and to try to make it impossible for us to govern." This was a reference to the presentation given by a FIEL delegation May 26 in New York, before the U.S. Chamber of Commerce and the Council of the Americas, where it railed against Kirchner's economic policies, warning they would fail.

Implying involvement by López Murphy's friends, Interior Minister Aníbal Fernández charged at the same time that a group of Argentine business "consultants," had told the Merrill Lynch brokerage house that Kirchner would not finish his term in office. Carlos Menem has made a similar threat.

In a most revealing statement, López Murphy replied that Kirchner's statements were "nonsense," meant only to distract public opinion from the really important issues, such as the government's debt restructuring deal, which López Murphy attacked for not offering more generous terms to the vulture funds. He accused Kirchner of demonstrating "authoritarian" tendencies.

At a time when the Argentine people should be united to confront the onslaught of the vulture funds and the IMF—a new IMF mission will arrive in Buenos Aires June 15 to begin squeezing the government to improve its debt restructuring offer—the only Ibero-American President who has stood up to the IMF and the vultures to defend his country's national interests is, instead, under attack from several domestic quarters. The identity of some of the attackers is no surprise. The intelligence-linked Seprin news agency accuses Kirchner of being a terrorist sympathizer, and they peddle U.S. Vice President Dick Cheney's "axis of evil" line that Kirchner is in league with other "Marxists"—Brazilian President Lula, Venezuela's Hugo Chávez, and Fidel Castro are named.

Others, like Peronist Juan Labaké, or former Congresswoman Elisa Carrió, may be victims of their own ambition—if not something more malicious. Labaké helped launch a criminal suit against Kirchner, charging him with stealing funds from the government of Santa Cruz province when Kirchner was Governor, while Carrió, who has also implicated Kirchner in criminal activity, has just founded the "Hannah Arendt Institute." This is named for the lover of Nazi "philosopher" Martin Heidegger, and its alleged mission is to help produce the new political leadership the country needs.

Leadership? Pus might be a better word.