

The Argentine Leader Took on the Financial Hit Men; Rescued His Nation

Oct. 31—The sudden death last week of former Argentine President Néstor Carlos Kirchner, age 60, stunned and shocked his nation. The gutsy Argentine had been a pivotal leader in the nation's life for the past seven years, first as President from 2003 to 2007, when he saw the country through the worst economic crisis in its history, by defying the International Monetary Fund (IMF) and its allied speculative vulture funds.

Then, after his wife, then-Sen. Cristina Fernández de Kirchner, succeeded him as President in 2007, he took the reins of the Justicialista (Peronist) Party, was elected to Congress, and more recently, was elected as Secretary-General of the regional Union of South American Nations (Unasur). He looked forward to reviving the regional integration and cooperation that had stalled in recent years, and was also reportedly considering another run for the Presidency in 2011.

It wasn't just shock that characterized the popular response to Kirchner's Oct. 27 death from a massive heart attack, however. As reflected in the 24-hour wake in the Hall of Latin American Patriots in the Casa Rosada, the Presidential Palace, where Kirchner's body lay in state, and then, in the farewell demonstrations on Buenos Aires streets, the death of the former President also catalyzed an outpouring of national pride. This is rooted culturally and historically, not only in the movement created by Gen. Juan Domingo Perón in the 1940s and 1950s, which both Kirchner and his wife joined as college students; but also in Argentina's longstanding hatred of the British Empire, dating back to the Empire's 1833 seizure of the Malvinas Islands, which, at the time, were part of Argentina's territory.

British imperial efforts to crush Argentina have failed to stamp out this nationalist sentiment, which as in vibrant display during last May's five-day Bicentennial celebrations. Combined with a sense of optimism and pride in its impressive scientific and technological achievements, this underlying nationalism is what

makes Argentina so dangerous to the Wall Street and London financial predators who have continuously sought its destruction.

'Argentina, Argentina, Argentina!'

The financial hit men for whom Kirchner was their worst nightmare, gloated over his death, and predicted that President Cristina Fernández will be too weak to govern the country, and will be forced to make concessions to the more "pragmatic" political opposition.

International bankers and hedge fund managers chortled over the rapid spike in the value of Argentina's bonds on international markets that occurred within hours of Kirchner's death. Kirchner's "populist" policies made many enemies during his term in office, the *Wall Street Journal* explained. Now that he's dead, investors are optimistic that his passing "will pave the way for the country to shift to more market-friendly policies."

The City of London's *Economist* predicted that "political upheaval" would follow Kirchner's death, while Bank of America analysts expressed certainty that President Fernández would never be able to gather the necessary support to run for reelection in 2011. There is now a vast "political vacuum" in Argentina, Goldman Sachs gloated.

These London and Wall Street swine who are salivating over the prospect that Argentina can be brought to heel, may be in for a nasty surprise. They don't have a clue about the deeply rooted cultural tradition that the former President's passing has put into motion.

The estimated 100,000 people, a majority of them workers and their families, as well as a very large contingent of young people, who filed through the Casa Rosada during the 24-hour wake, were not only paying tribute to Néstor Kirchner, they were also offering their support and encouragement to his widow. "Be strong," and know that "millions are with you," the mourners told Cristina.



Presidencia de la Nación Argentina

Néstor Kirchner saw his nation through its worst economic crisis. Shown: The Kirchners celebrate Cristina Fernández's election as President of Argentina, Oct. 25, 2007.

Upon learning of the former President's death, Hugo Moyano, the head of the Peronist CGT labor federation, announced that Fernández would have the CGT's full support in the crucial task of "deepening the economic model" that both she and her husband backed.

Several commentators were astonished at the magnitude of the popular response, noting that nothing like it had had been seen in the country since the death of Juan Perón in 1974. Tens of thousands lined Buenos Aires's streets, standing for hours in the pouring rain, while thousands more gathered in the city of Rio Gallegos, in Kirchner's beloved Santa Cruz province, where he was buried. The area in front of the Casa Rosada and in the historic Plaza de Mayo was filled with people, Argentine flags, floral wreaths, banners, pictures of Néstor and Cristina, or of Juan Perón and his wife Evita.

Though somber in tone, the wake was punctuated by frequent impromptu *political* statements and applause from tearful citizens, who thanked the former President for improving their lives during his term in

office, while expressing the certainty that the current President would continue to do the same. When the funeral procession left the Casa Rosada and began wending its way through city streets to the Jorge Newberry airport, it was greeted with shouts of "Argentina, Argentina, Argentina," from citizens who equate Néstor Kirchner not only with the defense of their interests, but also of the nation's sovereignty.

One of the most touching moments of the wake was the musical tribute from a young opera singer, who was clearly also political. As he approached the coffin, he began singing Schubert's *Ave Maria* in a rich baritone, immediately capturing the President's attention while onlookers fell silent around him. Deeply moved, the President remained standing as the young man sang, and then ended his tribute by raising his fist in the air and shouting "Hasta la victoria, Néstor" ("To victory, Néstor!"). The President went to the line to thank the young singer for his musical offering and embrace him warmly.

LaRouche: 'He Will Be Missed'

The international response to Kirchner's passing was also impressive. Messages of condolence and support poured into the country from around Ibero-America, where the former President had been a leader of the informal "Presidents' Club" of Ibero-American heads of state, formed to promote the continent's physical integration in opposition to IMF looting policies. Eight Ibero-American Presidents attended the wake, and almost every government on the continent declared at least one day of national mourning.

Leaders from Europe, Asia, Africa, and the United States also sent their condolences, among them Lyndon LaRouche, who said simply: "I would like to personally send my condolences to his wife and family. He will be missed."

Why? Néstor Kirchner had guts. He stood up to the IMF in order to save his own country, but also acted regionally and internationally in search of a new "international financial architecture" to replace fascist globalization.

The Sept. 14, 2005 speech that Kirchner instructed

his Foreign Minister Rafael Bielsa to give before a special session of the UN General Assembly was a case in point. Representing the Rio Group of nations, Bielsa called for “reforming the international financial architecture, [which is] anachronistic and inefficient.” The current system, he said, “places concrete obstacles in the way of building the necessary favorable economic environment” for development, job creation and ending hunger.”

Bielsa pointed out that, “there are many experts, specialized groups and leaders throughout the world who are promoting a new call for an international conference of heads of state, similar to the 1944 Bretton Woods conference, to rebuild a more just global monetary and financial architecture which eliminates financial bubbles and concentrates on supporting the real economy.”

With these remarks, the Argentine government joined a growing chorus of voices internationally, echoing LaRouche’s call for a New Bretton Woods conference. This was a significant positive proposal for a solution to the global financial crisis.

From Hell to Purgatory

Kirchner took office when the country was in the depths of an unprecedented crisis, and began to gradually reverse it through the “heterodox” policies of regulating and protecting the economy, which are anathema to the IMF and its City of London accomplices.

In December 2001, following more than a decade of the IMF’s criminal free-market policies, Argentina defaulted on \$85 billion in foreign debt, and then, in early 2002, sharply devalued the peso, with devastating results. By the time Kirchner was elected in May 2003, unemployment stood at close to 25%, and an unheard-of 57% of the population was living in poverty. In one of the world’s premier agricultural producers, where previously no one went hungry, desperate citizens dug through the garbage in search of food, or articles they could sell or barter for food.

Under these conditions, Kirchner stated that he would not subject the Argentine people to more of the same “structural adjustment” policies which had caused the crisis in the first place.

“I received an Argentina devastated by an economic program supported by the International Monetary Fund,” he explained to a Berlin audience in April 2005. The IMF model had been “imported and imposed” on Argentina, unleashing the “worst social-

economic catastrophe in our history, which exploded at the end of 2001.” This catastrophe, he said, was the product of a “political-economic model at the service of interests *alien to the common good*, which favored the proliferation of the corrupt, genocidalists, and thieves.”

Kirchner infuriated the IMF and the speculative vulture funds it protected, not only by refusing to bend to their demands, but by also trumpeting to the world that it was possible to fight and win against those who sought the destruction of sovereign nation-states. He described the fight with the financial sharks as “minute-to-minute, hand-to-hand combat.”

In the September 2003 annual meeting of the World Bank and IMF in the United Arab Emirates, Argentine Finance Minister Roberto Lavagna unveiled the government’s daring plan to restructure \$85 billion in defaulted debt with a 75% writedown. This meant that bondholders, a large number of which were vulture funds, would receive only 25 cents on the dollar.

International bankers and vulture funds went ballistic, terrified that Argentina’s action might induce other developing nations to follow suit. Some of the more notorious vulture funds, such as those of billionaire Kenneth Dart or Elliot Associates, sprang into action with legal suits and seizures of Argentine assets around the world, in an attempt to bludgeon Kirchner into submission.

LaRouche, at the time a U.S. Presidential pre-candidate, responded bluntly: These speculators are “fascists, just like those who put Hitler in power. . . . Now you’re looking fascism in the face, and if you want to characterize it, you would say about the vulture funds’ reaction, this gives you the mentality of the same kind of fascists who sacrificed the human race, including all those who died eventually in Auschwitz. This is why people died in Auschwitz, because these vulture funds had to have a government which would do the kind of job they demand.”

On March 3, 2005, the Argentine government successfully concluded the debt swap, leading Kirchner to assert that one of the “greatest obstacles for the economy has now been overcome.”

On April 15, 2005, a little over a month later, Kirchner told an audience in Germany that, “there is life after the IMF, and it’s a very good life.” Remember, he added with characteristic humor, “being in the embrace of the IMF isn’t exactly like being in heaven.”

Perón and FDR

Kirchner's economic policies were grounded in Peronist nationalism. But as then-First Lady Cristina Fernández explained in a March 2007 speech in Quito, Ecuador, her husband's thinking had also been influenced by Franklin Roosevelt's New Deal. At the time of her speech, Argentina was leading the continent in real economic growth of 9% annually.

Speaking before the Latin American College of Social Sciences (Flacso), Fernández recalled that FDR understood that public works and infrastructure projects could serve as the motor to revive the devastated U.S. economy of the 1930s. Néstor Kirchner copied that New Deal policy when he was Governor of Santa Cruz, and now as President. "We understood the multiplier effect that [infrastructure development] had, both economically and socially. Economically it gave birth to industries . . . it provided basic infrastructure required for economic activity, so that businessmen could carry out their activity using railroads, communication systems, airports; and society could do the same, with hospitals, schools, potable water, housing. It's all a virtuous cycle, that also re-creates a country's confidence in itself."

Under Kirchner's leadership, the "Presidents' Club" moved in the direction of promoting the continent's physical and economic integration, as an alternative to savage neoliberalism.

In November 2005, the Presidents' Club delivered a stunning defeat to the Bush-Cheney Free Trade Area of the Americas (FTAA) proposal at the Summit of the Americas in Mar del Plata, Argentina, greatly alarming the British financier interests that controlled the U.S. President at that time. Not only did Brazil's often pragmatic President Lula da Silva back Argentina's intransigent opposition to the FTAA at this meeting; a month later, Argentina and Brazil coordinated a surprise move to pay off the entirety of their respective debts to the IMF, in an effort to deflate the IMF's ability to impose asphyxiating economic conditionalities on their countries.

Kirchner also acted as a mentor to Ecuador's young President Rafael Correa, whose profound grief was evident as he eulogized the late President in Buenos Aires on Oct. 28. The Argentine President also reined in Venezuelan Hugo Chávez where he could, to prevent this British asset's frequent episodes of insanity from sabotaging the sometimes fragile regional alliance.

LaRouche remarked on July 10, 2006 that Néstor Kirchner's leadership within the "Presidents' Club" was key to the consolidation of an emerging South American alliance.

And the United States?

President Kirchner didn't hesitate to challenge the United States to abandon its role as the enforcer of London-spawned globalization, and establish a more positive relationship with its neighbors to the south.

Speaking on Sept. 27, 2007, in New York, at a Global Initiative gathering organized by former President Bill Clinton, the outgoing Argentine President offered advice to the next U.S. President, and to a United States he referred to as "beloved."

He expressed his desire "that the United States become much closer to the region. It would be very important. This is a country whose closeness we value, and whose absence we feel when it distances itself from us."

"In recent years," the Argentine leader said, "we never felt we were supported by the United States. . . . We had different visions of the solutions that had to be offered to the world. But, all of our efforts tend toward—and we're sure that future U.S. administrations will also do this—seeking points of agreement with a region that will have to be very important for the United States of America, and that is all of America, all of Latin America."

Kirchner then underscored, "we really hope that we can come together with the United States in the task of building together, to be able to complement each other; and it's not the help that's so important, but being able to work together to jointly build a better society that, we have no doubt, our brothers and sisters here in the United States also aspire to."

Kirchner minced no words in describing the "disastrous" effects that IMF and World Bank policy had had on his country, and pointed to the irony that, with its supposed financial (free-market) "orthodoxy," the U.S. today has a huge deficit, while Argentina's "heterodox"—anti IMF—policies, have allowed it to grow enormously and generate a healthy surplus. Chastising the Bush Administration, he noted that if, "during the crisis of 2001-02, the U.S. had responded differently to Argentina"—without the bludgeoning that followed its debt default—"the contradictions would not have intensified as they unfortunately did" in the country, or caused such dire consequences.