

Why London Finds Argentina ‘Odious’

by Dennis Small and Cynthia Rush

Sept. 30—The newly selected head of the International Monetary Fund, Christine Lagarde, could scarcely disguise her repressed rage at a Sept. 21 press conference on the eve of the annual IMF-World Bank meeting in Washington, D.C., when an Argentine journalist asked her about suggestions that Greece might follow the Argentine model of default and voluntary debt restructuring. “I believe such comparisons are odious,” Lagarde shot back. “You can’t compare the situation of one country with another.”

The British Empire—and its current top cop Lagarde—has never forgiven Argentina for unilaterally defaulting on its debt in December 2001, imposing a 75% “haircut” on the vulture fund bondholders that had been looting Argentina for decades, and achieving record economic growth after that. London is all the more hysterical today, as Greece, followed by other European countries, is being viciously pressured to *not* default on its debt, but to keep decimating its population and economy in the endless process of paying off the country’s bankrupt creditor banks.

To London’s dismay, the word “Argentina” is now on everyone’s lips in Greece, as a precedent which shows that there is, in fact, “life after default.”

Argentine President Cristina Fernández de Kirchner—whose late husband and predecessor, Néstor Kirchner, imposed the “haircut” on the bondholders in 2005—is blunt in her assessment of the IMF’s role. “In

a world that was crashing, they tried to give us lessons and [impose] conditionalities,” she said in a speech in Mendoza on Sept. 26. “Even today, in the midst of the most calamitous crisis in memory of the past decades, those responsible for Argentina’s 2001 default . . . insist on making the world swallow the same medicine given to us for a decade, that ruined us. Such idiocy, such stubbornness is inconceivable.”

But there is a broader strategic issue posed by Argentina’s refusal to knuckle under to London. The world today faces two starkly contrary policy options: to go down into the maelstrom of national destruction along with the bankrupt trans-Atlantic banking system, as London demands; or to survive and prosper with Lyndon LaRouche’s science-driven “Great Pacific Alliance” policy, dramatically strengthened with the Putin-Medvedev “Russian surprise” of Sept. 24.

Germany, for example, faces those choices in its own way. “Putin is good for Germany,” said Alexander Rahr, Russia expert at the German Foreign Policy Association (DGPA) in Berlin on Sept. 26. With him, Russian-German economic cooperation and trade will skyrocket. The other option for Germany is to be Europe’s “cash cow” to bail out London’s bankrupt banks. As City of London mouthpiece Ambrose Evans Pritchard put it in the Sept. 27 *Daily Telegraph*: “Sorry Deutschland. History has conspired against you, again. You must sign away EU2 trillion, and debauch your central



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Argentine President Cristina Fernández de Kirchner, with workers and national and provincial officials at the launch of the Atucha II nuclear plant on Sept. 28, 2011.

bank, and accept 5% inflation, or be blamed for *Götterdämmerung*.

In the developing sector, Argentina's current policy course under President Fernández—rooted in the country's historic commitment to economic and social justice based on scientific and technological progress—presents a clear option for nations otherwise facing extinction at the hands of the British Empire. As such, it represents leadership in the developing sector's battle to survive, by linking up with an emerging "Great Pacific Alliance" represented by Russia, China, and a United States freed of the Obama pestilence.

Consider, in that light, the extraordinary speech given by the Argentine President at the Sept. 28 inauguration of the Atucha II nuclear reactor, the country's third.

Argentina's 'Greatest Fuel'

President Fernández spoke at the site of the reactor, in the province of Buenos Aires, surrounded by thousands of workers, engineers, scientists, and others, as she drove home the key political point that the development of nuclear energy, the fight against the IMF, and the defense of national sovereignty are one and the same fight.

Her speech was a fervent statement of Argentina's national identity as a country dedicated to scientific and technological advancement. "The best fuel we have is

the Argentine people, . . . and with this incredible nuclear reactor, I feel we are starting up the machine which our country Argentina was, which knew how to be a leader in all fields in Latin America—nuclear, aeronautics, building railroads, automobiles, scientific matters. . . . Look at what a country we have been!"

The speech was also a tribute to her late husband Néstor Kirchner, President of Argentina from 2003-07. She stated that in inaugurating the plant, she felt as she did in 2007, when her husband "decided to put an end to the debt with the IMF, when we decided to also restructure our debt in 2005 and last year [when a second restructuring occurred], to put an end to that sword of Damocles which had continuously hung over the growth of the Argentine

Republic." We are paying off "historic debts, generated over decades of abandonment, mistakes, bad policies, or also of foreign interference so that Argentina would not have nuclear development. We have restored the will and the decision that the country should govern itself."

President Fernández was unapologetic in tone, never once stooping to "defending" nuclear energy or answering "green" arguments. (London-run Greenpeace, however, responded instantly to her speech, arguing that "just months after the Fukushima tragedy, it is a real irresponsibility" to launch Atucha II and announce the building of Atucha III.) In feisty response to the vicious attacks coming from the IMF, the Obama Administration, and others, President Fernández noted that Argentina has the second highest economic growth rate in the world—8% this year—after China.

She praised the dedicated workers present, many of whom served as "guardians of national sovereignty" during those years of paralysis when the plant was mothballed, before Néstor Kirchner revived the nuclear program in 2006. Eighty-eight percent of the plant, she said, was "made in Argentina"—our money, our workers, our technicians (some of whom returned from abroad). And she outlined the future nuclear goals: to complete extending the useful life of the existing Embalse plant for another 25 years; to build Atucha III; and also to build the small 25 MW CAREM reactor, which

can be used at sites in the country's interior to generate electricity. (See *Documentation* for more excerpts from the speech.)

Obama Backs the Vultures

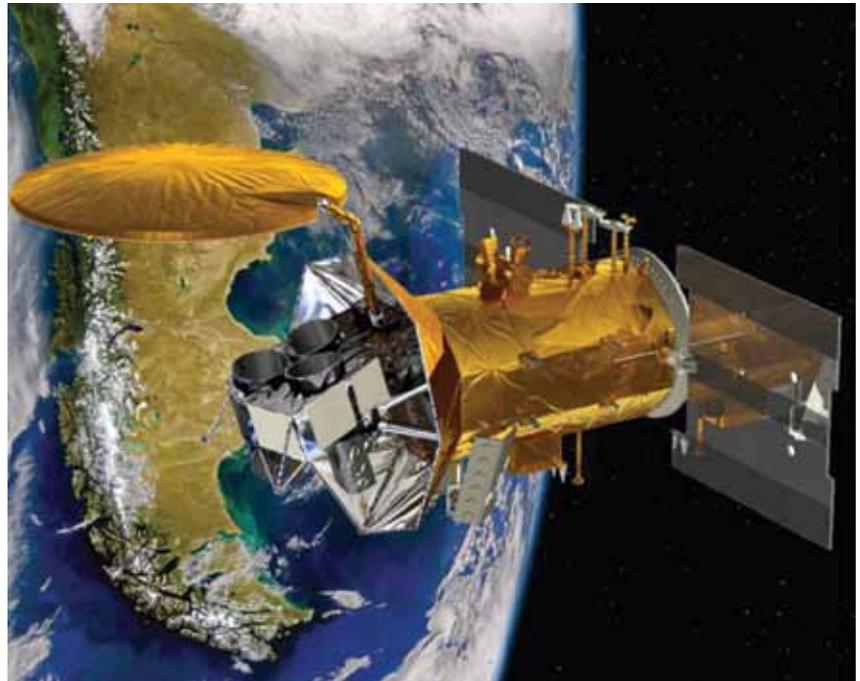
Even before President Fernández's assault on British imperial policies, she and her country were under escalating attack by London's Obama Administration.

On Sept. 21, Marisa Lago, U.S. Assistant Treasury Secretary for International Markets and Development, announced at a hearing of the House Financial Services Committee's International Monetary Policy and Trade subcommittee that, from now on, the Obama Administration would vote against granting development loans to Argentina from such multilateral lending agencies as the World Bank or the Inter-American Development Bank. It has already voted against \$232 million at the IADB. Why?

Argentina has failed to honor its "international commitments," Lago said, referring to \$3.5 billion which ATFA—the unsavory group of financial predators known as vulture funds, grouped in the American Task Force Argentina—says is owed to "U.S. citizens." But as Argentine officials have stated repeatedly, those "citizens" are in fact the vultures that speculate on developing-sector debt defaults, in order to make a financial killing.

Treasury Department spokeswoman Kara Alaimo also complained that Argentina has failed to honor its commitments to the G20 and its obligations to the IMF—it hasn't invited the IMF back to evaluate its economy—as well as to the Paris Club of creditors, and the World Bank's International Center for Settlement of Investment Disputes (ICSID), which has ruled several times in favor of foreign corporations that sued Argentina.

ATFA, run by three former officials from the Clinton Administration, has been gunning for Argentina since its 2001 default, arguing that the vultures that failed to participate in the 2005 debt restructuring should be paid the full face value of the defaulted bonds they still hold, instead of accepting the 75% "haircut." ATFA put out a euphoric press release Sept. 21, follow-



NASA

Artist's conception of the Argentine SAC-D/Aquarius science satellite, launched on June 10, 2011. The space program is an important aspect of Argentina's high-tech orientation.

ing Lago's remarks, crowing that "the U.S. government has now sent a signal that it will no longer tolerate Argentina's misconduct," and has responded positively to "lawmakers' concerns" about Argentina's behavior. (See accompanying article on the actual history of Argentina's default and ensuing "haircut.")

But Argentina is not likely to be forced to kneel by such imperial diktats, and remains solidly on course with its commitment to science, technology, and sovereignty.

The LaRouche movement's new Spanish-language website, www.larouchista.com, based in Argentina, has just posted a new video on "The Potential of Argentine Science," which discusses the crucial role that this South American nation can play within an emerging Pacific Alliance of Russia, China and a U.S. "free of the Obama dictatorship."

The video, narrated by Rosina Castillo, points to Argentina's success in developing satellite technology, seen in its cooperation with NASA and several European space agencies in the SAC-D/Aquarius satellite launched on June 10, as one example of its preparation for moving beyond the Earth—and beyond the five senses—to understand reality and "see Earth with different eyes." The video quotes Sandra Torrusio, the SAC-D's chief researcher, documenting the satellite's

role in identifying natural disasters and establishing early-warning systems that can save lives.

“If we don’t go beyond Earth and the Solar System, and discover where we belong as a species,” Castillo underscores, “we will never find the causes or the solutions” to the problems afflicting mankind.

Dmitri Medvedev’s 2010 visit to Argentina was the first time in 125 years that a Russian head of state had visited the country, and, as Castillo notes, resulted in agreements for cooperation in geological research, aerospace, rail transportation, and nuclear energy. Rosatom, Russia’s nuclear energy agency, has proposed to build Argentina’s next two reactors.

In 2012, China and Argentina will celebrate 40 years of a bilateral relationship, the “strategic” nature of which was reaffirmed last month in China by Argentine Foreign Minister Héctor Timerman. It was in 2004 that Argentina’s late President Néstor Kirchner had insisted on characterizing the relationship in this way. The two countries have now joined forces and agreed to double food production, and to seek a solution to the problem of speculation on food and raw material prices which contribute to global crisis and hunger.

Castillo also emphasizes how significant it is that Russia and China have supported Argentina’s demand, as have many UN resolutions, that the British imperialists sit down to seriously negotiate the issue of sovereignty over the Malvinas Islands with the Argentine government.

Documentation

Fernández: Argentina’s Best Fuel Is Its People

The following are excerpts from the speech delivered by Cristina Fernández de Kirchner, President of Argentina, at the inauguration of the Atucha II nuclear plant in Zárate, Buenos Aires, Argentina, on Sept. 28, 2011. The speech is translated from Spanish.

The truth is that when I first pressed the two buttons—one which started the rotor of the turbine, and the other which brings water in for cooling, as we begin the work of this Atucha II plant, which was also the

symbol not only of the postponement of something in which we were pioneers when our country almost 40 years ago, to be more precise, in 1974, started up Atucha I, becoming the first country in Latin America to operate a nuclear plant—I felt the way I did when recently we were in Yacyretá, the way I did when he [then-President Néstor Kirchner] decided to put an end to the debt with the International Monetary Fund, when we decided to also restructure the debt in 2005, and last year, to put an end to that sword of Damocles which had continuously hung over the growth of the Argentine Republic. . . .

Just a few operatives kept the *Adolfo Storni* [submarine] alive, perhaps the same operatives who here maintained this marvelous plant during the years of paralysis. Today I thank you who have been the guardians of national sovereignty, the workers. . . . When they entered the plant where the turbine is today, there was a huge warehouse full of owls and rats, because this was paralyzed in 1994. When he [Néstor Kirchner] decided to once again activate the Argentine Nuclear Plan, in 2006, he was restoring one of the most important bastions of Argentine technological development, which has been a pioneer in Latin America.

I believe that we, the generation of the Bicentennial, are repaying all the historic debts generated over decades of abandonment, mistakes, bad policies, or also of foreign interference so that Argentina would not have nuclear development. We have restored the will and the decision that the country is going to govern itself. . . .

I remember when I came here with him [Néstor Kirchner] for the first time, in 2007, for the closure of the pressure vessel. And the truth is that I feel great emotion today, because I know that he is watching this from somewhere, and he is seeing that everything he did was not in vain, that it was worth it. There are 2.2 billion pesos here in this project; but there is something more. Eighty-eight percent of that money is in Argentine inputs, and the labor of Argentine workers. It’s also the more than 800 technicians and skilled operatives who returned, after we began to once again push the nuclear issue. More than 900 nuclear welders have been trained here over these years, more than 100 technicians, more than 200 specialized workers. . . .

Hear the numbers clearly: We have added 8,122 megawatts of power, I repeat, 45.4% more than we were generating in 2003. And it’s not just power that has been added: We were able to add that power be-

cause over these eight years we opened factories, workshops, businesses, which demanded that power. Therefore, we had to generate that much power and we still have to keep generating more.

Because over these eight years, we Argentines have achieved the most important economic growth of our entire history. And last year, in 2010 and 2011 to date, we also have the pride of being the second country in the entire world, after China, in economic growth. I feel proud, as President of all Argentines. . . .

What a Country!

And we have to go for more in the Argentine Nuclear Plan. That is why the next goals have to be to extend the life of Embalse de Rio Tercero [nuclear plant]; second, the construction of Atucha III [nuclear plant]; and also the construction of the CAREM nuclear reactor, which has already begun. . . .

Here today, with this incredible nuclear plant, I feel we are starting up the machine that our country Argentina was, which knew how to be a leader in all fields in Latin America—nuclear, aeronautics, building railroads, automobiles, scientific matters. . . . Look at what a country we have been!

And allow me to tell you that, of course, in the things that have happened to us, we Argentines have also been responsible; but I also think that perhaps there are those who did not want Argentina to be able to achieve that magnificent development which it was achieving back in the 1970s, where we were taking off in all fields, and where workers also had achieved a very important level of participation in national income, where we excelled in science and in the full development of our industry.

I also want to tell you that my commitment is not only to be a generation which pays its debts, but also the generation which again starts up that formidable and marvelous machine which is Argentina, and which also, as in this plant, has nuclear fuel. I say that the Argentine machine has the best fuel: the Argentine people and its strength. That is the fuel of the machine, and all of us Argentines have to stand up to make sure that that machine can never be stopped again by anybody, that it continues its unstoppable march to achieve more growth, more justice, more equality, more liberty, more democracy, more of a country for all.

Thank you very much, and congratulations to all of you.