

THERE IS A LIMIT TO THE TYRANTS' POWER

Vulture Fund Greed Backfires, As OAS Supports Argentina

by Helga Zepp-LaRouche

July 5—The unbelievable scandal around the attempt of the United States to enforce the lunatic demands of Paul Singer's vulture fund NML Capital against Argentina—with a profit-rate of 1,608% (!) in only six years—is the proverbial last drop that brings the barrel to overflowing. Unlike those many thousands of times in the past, when the mega-speculators have wrought suffering and death upon millions of people, and gotten away unpunished, this time the U.S. administration, the Supreme Court, and the aforementioned vulture fund have been hit with an obviously unexpected, implacable resistance. All of Central and South America are standing unified behind Argentina, and are saying “No!”

With tremendous audacity, the vulture fund, with the help of the American courts, is trying to collect the perverse demand for a profit of 1,608%—for junk bonds which it had purchased in 2008, three years after Argentina's sovereign debt restructuring, for \$48 million, and for which it now wants to be paid at the full nominal value of over \$833 million. This would nullify the successful restructuring of the debt by 93% of the remaining creditors and throw Argentina once again into bankruptcy. The vulture fund's bid highlights the character of the system of globalization, which is nothing more than a gigantic Madoff swindle, a fraudulent Ponzi pyramid scheme, and nothing would be more absurd than to dignify the claims of the hedge fund. One might as well agree to a not-guilty verdict for a

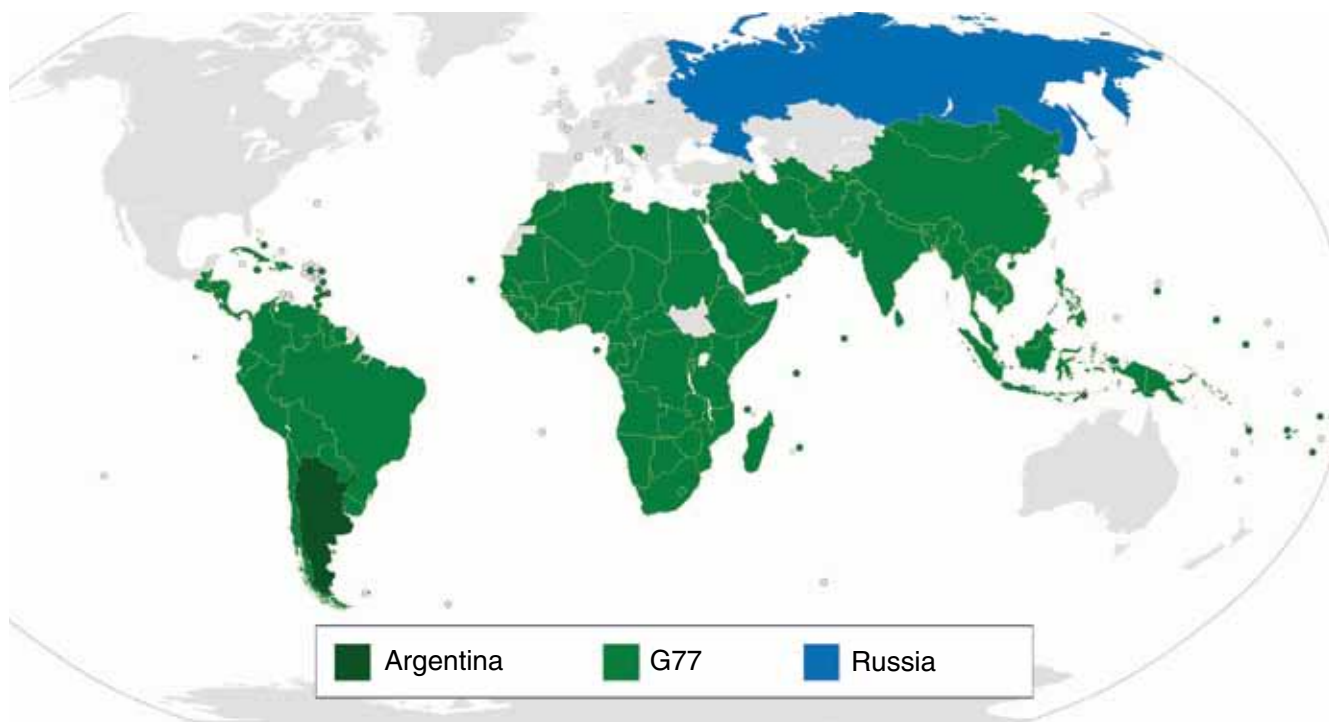
person who kills his parents, just because he pleads that he is an orphan.

OAS Foreign Ministers Rally

The chorus of Latin American foreign ministers, which rallied in full solidarity behind Argentina at the emergency summit of the Organization of American States (OAS), was the opening chord of a new composition of a different world financial and economic order, which has to emerge right now. The acting Foreign Minister of Guyana, Robeson Benn, hit the nail on the head, when he challenged his colleagues to appeal to the American Congress with the demand that they reinstate the Glass-Steagall two-tier banking system, without whose repeal such excesses never could have happened. The vulture funds and their “modern piracy” must be stopped with effective re-regulation of the banking system, he said. These funds have destroyed the well-being and desired progress of all countries with their actions, as you can see now with the example of Argentina. Therefore there is a “moral responsibility of all stakeholders, including the American people and their government, to ensure that countries such as Argentina, which has made significant strides in improving their debt situation, do not have to adopt measures that threaten the progress that has been achieved.

“I would like to pose the question, perhaps, as to whether we should not, out of this imbroglio, re-look at the overall question of the repeal of the Glass-Steagall

FIGURE 1

Support for Argentina vs. the Hedge Funds

Original by: KYAT02

Act in 1999 in the United States, which related to the activity of the banking system, the international financial institutions, mainly resident in the United States and in the United Kingdom. President [Franklin] Roosevelt, of the United States of America, established a banking act, signed off on the Banking Act of 1933, which set up firewalls between the activities of the banks, and on the questions of speculation in the financial system. There is, perhaps, the need now to take a look at putting back in place important sections of the Glass-Steagall Act which was repealed in 1999,” Benn explained.

After Wall Street has employed a host of lobbyists and spent hundreds of millions of dollars in bribes, PR campaigns, and so forth, to stop the reenactment of Glass-Steagall, the genie is now again out of the bottle, and this time for good. Practically all of the foreign ministers of the OAS, minus those of the U.S. and Canada, naturally, emphatically made the argument that the interests of the murderous speculators should not be placed ahead of the interests of human life. The basic assertion of Pope Francis, which he presented in his Apostolic Letter *Evangelii Gaudium*—that the current world financial system is one that kills—stood plainly before them. Its name was NML Capital.

Venezuelan Foreign Minister Elías Jaua described in detail the exploitation carried out by such murderous vulture funds in Africa, which has led to the death of millions of people. He described how, for example, Paul Singer’s Elliott Management, the owner of NML Capital, which is suing Argentina, likewise sued Congo Brazzaville for \$400 million, a debt which they had bought for \$10 million.

“How many lives could be saved with \$400 million?” he asked. “How many people could eat with that sum of money?” He went on to list how many doses of anti-malaria, pediatric hepatitis A, oral polio, and pediatric pneumonia vaccines could be purchased with \$400 million. He listed how many tons of powdered milk, rice, or beef might also be purchased with that amount “to feed the people of the world. . . . \$400 million would make a huge difference in world efforts to put an end to hunger. Who thinks they have the right to deprive people of the right to food, health, integral development—to life itself?” That is indeed the heart of the matter. NML today has over \$30 billion at its disposal, although it had been founded with only \$1 million.

Argentine Foreign Minister Héctor Timerman declared that Argentina would not be alone at the next



OAS/Juan Manuel Herrera

Foreign Ministers of the Organization of American States stand in ovation at their meeting in Washington, D.C., July 3, 2014. All except the U.S. and Canada voted in favor of a resolution supporting Argentina's efforts to reach "fair, equitable and legal arrangements with 100% of its creditors."

meeting with the so-called "Special Master" appointed by Judge Thomas Griesa, who is supposed to preside over negotiations on the debt. "Not only will we be accompanied by all of you, but also by the faces, and the ghosts, of all the victims of the vulture funds—and the countries that protect them" (emphasis added). In the words of Timmerman resonated a higher law, natural law, to which Friedrich Schiller, in his poem "The Cranes of Ibykus" had given expression so powerfully, with the entrance of the chorus of the Erinyes, describing the fate of the murderer:

"Thus we pursue him, tiring never,
Our wrath repentance cannot quell.
On to the shadows and even there
We leave him not in peace to dwell. . . ."

On the BRICS Agenda: Global Cooperation

The story of Argentina will not end with the meeting on July 7 with the "Special Master" in New York. On July 15 there will be a meeting in Brazil of the five BRICS states (Brazil, Russia, India, China, and South Africa) with the heads of state of the CELAC states (Ecuador, Costa Rica, Cuba, and Caricom), a meeting which, according to Chinese Ambassador to Brazil Li Jinzhang, will initiate a new phase of Chinese-Latin American cooperation.

On July 15-16 the meeting of the BRICS heads of state will occur in Fortaleza and Brasilia, in which the

heads of state of all the Latin American countries will also participate. On the agenda will be, among other things, the deepening of cooperation and formalization of the relationship between the Eurasian Economic Union and the Customs Union, on one side, and Mercosur (the South American Common Market) on the other. In addition, Presidents Vladimir Putin and Xi Jinping will have numerous bilateral meetings. Putin will have a state visit to Argentina before, Xi immediately after the BRICS meeting. Many agreements are expected to be signed, for example, for a BRICS Development Bank and a foreign exchange reserve pool.

Already in the run-up to the summit, several trade and cooperation agreements have been reached, which will no longer be transacted in dollars, but in national currencies. One can assume from that, that the question of a new financial system and a just new world economic order will be on the agenda at all these meetings.

The contrast between the geometry of the trans-Atlantic sector and the Eurasian-Pacific sector couldn't be clearer. The region that is dominated by the British Empire—and therefore by London, Wall Street, NATO, and the EU—has not much more to offer than military confrontation against Russia and China, and the dictatorship of brutal austerity to the benefit of the bankers and murderous vulture funds. Russia, China, India, and Brazil have come together into a new alliance of sovereign Eurasian and Latin American states, which are cooperating in their common economic, political, and cultural interests, and a common perspective for a better future holds them all together.

It is in the interest of all states on this planet, including Germany and the United States itself—bearing in mind the commitments of the American Revolution and Constitution—to collaborate around this idea of the future, and to break the tyrannical power of the British Empire once and for all.

Translated from German by Nancy Spannaus