

## City of London/Wall Street attack on Argentina could bring down global financial system

American statesman and economist Lyndon LaRouche has warned that the assault on Argentina by London-based hedge funds, backed by the full power of the City of London and Wall Street, is evidence “that the bailout-bail-in policy is in full play now and that this attack on Argentina set this into motion.” Wall Street is about to go bankrupt, he said on 23 June, and the situation is about to “explode or implode immediately”.

Argentina is being punished for casting aside IMF prescriptions to prioritise banks over people in dealing with the debt crisis.

But the 16 June U.S. Supreme Court decision to force Argentina to pay out hedge funds to the tune of US\$1.5 billion by 30 June, will not only cause Argentina to default, it could detonate the collapse of the entire global monetary system.

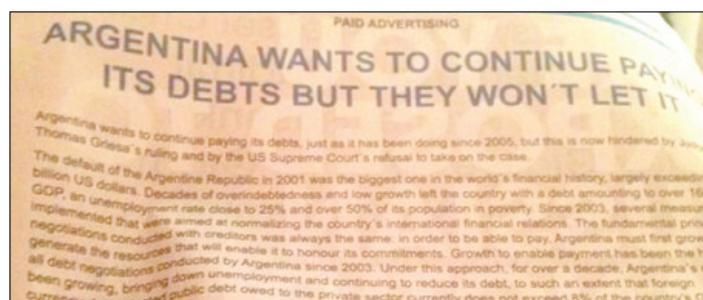
The “vulture funds” demanding payment, such as NML Capital and Aurelius Capital Management, had preyed on Argentina prior to the default crisis in 2001, buying up its debt for cents on the dollar. Like the other 92 per cent of creditors they had the choice to accept a “haircut” and rescheduled payments over longer terms and at lower rates, when Argentina renegotiated its debts in 2005. But, having refused those terms, which resulted in Argentina’s IMF and World Bank debts being paid out in full, they are demanding immediate payment of the full face value of the defaulted bonds instead, an action which would prevent all the other creditors being paid out, as it would bankrupt Argentina.

In a full page ad in *The New York Times* and *Washington Post* 22 June<sup>1</sup>, Argentine President Cristina Fernández de Kirchner stated that the total value of bonds not restructured in 2005 is around US\$15 billion, an amount which is over 50 per cent of Argentina’s foreign currency reserves. In addition, bondholders who did accept the restructuring may well demand full repayment under such precedent, invoking a further US\$120 billion in costs. This is what Argentina would really be up for.

The U.S. Supreme Court decision, which removed the stay on a previous 2013 court ruling that had ruled Argentina must pay, not only requires immediate payment to the vulture funds, it also allows for Argentine assets anywhere in the world to be seized to execute payment if necessary.

Uruguayan President José Mujica had remarked 20 June that the vulture funds would come after Argentina’s oil: “They will want to eat Argentina’s oil for nothing,” Mujica said, “and they’ll end up proposing that the debt be paid with natural resources.”

Indeed, just one day after the Supreme Court’s 16 June decision, NML Capital went before California’s District 9 Appeals Court to demand discovery on the location of Argentine assets. Aside from what Judge Griesa’s court has granted it, NML also claims that Argentina owes it another \$2.7 billion, and demands that Chevron Corp., ExxonMobil, Dow Chemical and Apache Corp.—international business partners of Argentina’s YPF oil com-



Argentina has been ordered to pay: On June 18 the U.S. Second Circuit Court of Appeals lifted the stay on Federal Judge Thomas Griesa’s 2013 court ruling that Argentina must pay \$1.5 billion to speculative vulture funds. Above, the ad in the *New York Times*.

pany—provide information about where oil assets may be located.

If allowed, such action could lead to an orgy of predatory looting of nations, their populations, and their resources—another means of “bailing-in” collapsing banks and hedge funds which are rapidly imploding.

Argentina is being targeted because they are showing by example that there is a workable alternative to the savage austerity being imposed by the bankers’ dictatorship over other nations in default, such as those in Europe.

Beginning in 2003 Argentine President Néstor Kirchner, the late husband of Cristina Fernández, began to systematically reverse the IMF policies that led to Argentina’s bankruptcy, renationalising crucial assets, refocusing on industry, development, nuclear technology, increasing investment in science and technology by 937 per cent and repatriating nearly 1,000 scientists who were driven out under the IMF regime. His program was based on Franklin Delano Roosevelt’s New Deal. (Read the full story here.)<sup>2</sup>

Other South American nations are now rallying to Argentina’s cause. The Uruguayan President called on “all of America” to respond. “From the countries of the region we have to come up with something to lend Argentina a hand, allowing it to launch a counter-coup, so that the confrontation becomes a global one, not just one involving Argentina.” He warned that “today they come for you, but tomorrow they’ll come for me!”

On 24 June the Argentine Catholic Bishops put out a statement in which they called upon leaders to put the Common Good of the people first, and to take heed of the ruthless critique of today’s economic system centred solely on money, in Pope Francis’s Exhortation, *Evangelii Gaudium*.

Argentina’s fight against the vulture funds is no different to that being waged by the CEC against the planned bail-in legislation. It is a fight which must culminate in a reorganisation of the entire global financial system, beginning with Glass-Steagall.

Become a member of the CEC to join the fight.

1) <http://larouchepac.com/node/31116>

2) [http://www.larouche.org/public/2013/eirv/40n30-20130802/14-21\\_4030.pdf](http://www.larouche.org/public/2013/eirv/40n30-20130802/14-21_4030.pdf)

# Citizens Electoral Council of Australia



Postal Address: PO Box 376, Coburg Vic 3058

Phone: 1800 636 432 Fax: 03 9354 0166

Home Page: [www.cecaust.com.au](http://www.cecaust.com.au) Email: [cec@cecaust.com.au](mailto:cec@cecaust.com.au)

Authorised by R. Barwick, 595 Sydney Road, Coburg, Victoria 3058. Printed by Citizens Media Group Pty Ltd., 595 Sydney Road, Coburg, Victoria 3058.

Independent Political Party

24<sup>th</sup> of June 2014

## Argentine Bishops:

# Economy Must Be at the Service of the Common Good; Don't Sacrifice Our People to the Foreign Debt

A June 24 statement by Argentina's Catholic Conference, entitled "A Reflection on the Situation Created by the Foreign Debt," expresses the grave concern of the nation's bishops over "the situation created by the foreign debt and its possible consequences for our country and the lives of our people, especially our most vulnerable brothers, as a result of the recent U.S. Supreme Court decision."

### The Only Measure Is Man

In the midst of the current crisis, they state, Pope Francis's statements from *Evangelii Gaudium* must be heeded: "an economy based solely on financial speculation weakens relations, postpones the development of nations and compromises the stability of the international order."

The bishops underscore that the economic issue is "the central issue in the lives of nations, but must always be at the service of the common good and the integral growth of the human being in the framework of justice. The economic order isn't independent of the social order—both belong to the world of ethics, having man as their reference point..."

The bishops makes clear that the nation-state is what is at stake, and petty differences and squabbling must be put aside on behalf of a higher purpose. "Society needs and expects attitudes and commitments that express the *consciousness of being a Nation...* The issue concerning us *belongs to the life of the Argentine State.*" [emphasis added]

An attitude of "maturity, unity and responsibility" is required now from the national leadership to deal with this crisis, they warn, beyond political differences. They call on the national leadership, and all sectors—politicians, economists, businessmen, trade union leaders, etc., "to seek an environment of dialogue and work toward a solution to the [current] situation."

The bishops' statement reportedly came in response to a request by another grouping within the Church, "Priests in the Option for the Poor," which last week issued its own, very strong attack on the "brutal voraciousness of foreign creditors," and supported the government's decision to pay its debts "without compromising the country's growth, or the inclusion and broadening of the rights of the poorest and weakest." The group denounced local politicians and media for doing the vulture funds' bidding, to the detriment of the Argentine people and its most vulnerable citizens.

\* Link to the original document in Spanish:

<http://www.episcopado.org/porta/actualidad-cea/oficina-de-prensa/item/882-reflexión-ante-ia-situación-creada-por-ia-deuda-externa.html>

THE NEW CITIZEN  
Official Publication of the Points of Party  
Citizens Electoral Council of Australia  
CONTACT US  
1800 636 432  
PO Box 376  
Coburg Vic 3058  
Web: [www.cecaust.com.au](http://www.cecaust.com.au)  
Email: [cec@cecaust.com.au](mailto:cec@cecaust.com.au)

An Ecumenical Response to *Evangelii Gaudium*:  
Listen to Pope Francis!  
An Open Letter to the Catholic Church in Australia

Download

Please go online to download the pdf file: [www.cecaust.com.au](http://www.cecaust.com.au)



## GET A FREE COPY

For a free copy of the CEC's magazine, **Glass-Steagall NOW!**, which is the first step to overturning the bankers' dictatorship and start rebuilding real economies, call 1800 636 432, or send this coupon to: CEC, PO Box 376, Coburg, Victoria, 3058.

Please leave all the required details.



Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

JOIN OUR EMAIL LIST AT [www.cecaust.com.au](http://www.cecaust.com.au)