



An Emergency Program to Save Argentina, the Newest Member of the BRICS

Sept. 4, 2023—There are certain battles that cannot be avoided and must be won. One such is the battle to get the United States and Western Europe to change their current geopolitical confrontation course with Russia and China, a course meant to enforce the bankrupt trans-Atlantic financial system and its unipolar world order. The alternative to winning that fight is probable thermonuclear war.

Another is the upcoming presidential election in Argentina on Oct. 22, which is shaping up as the immediate, first battleground between the newly-expanded BRICS-11 process, and that same bankrupt trans-Atlantic system – a system that is terrified that it will be swept away by the tidal wave of nations joining the BRICS, the emerging Global Majority. The outcome of that showdown will surely determine the future of Argentina for decades to come; but it may also decide the fate of the BRICS as well.

Argentina is one of six nations that joined the BRICS at the Aug. 22-24 summit in Johannesburg, South Africa, despite threats and pressure to not do so. Now there are another 20-30 countries that want to follow suit, and join the Global Majority in building a new development and security architecture for their nations and the world. The City of London and Wall Street urgently need to make a bloody example of Argentina and prevent it from ever joining the BRICS on Jan. 1, 2024, by beating that nation's economy to a bloody pulp through debt collection and capital flight, and in that way fully discredit the current Alberto Fernández government and its candidate, Economics Minister Sergio Massa, and hand victory to the psychologically unstable Javier Milei.

Bankers' favorite Milei, who some call "Argentina's Zelensky," has already sworn that, if he wins, he will pull Argentina out of the BRICS even before it joins; eliminate Argentina's currency (and thus its sovereignty) and replace it with the speculators' dollar; break ties with China, Russia, and most of Argentina's Ibero-American neighbors; and otherwise implement extreme neo-liberal policies that will deliver a coup de grace to the nation's physical economy.

The economic crisis is already so grave in Argentina that Massa, who is currently in charge of negotiations with the IMF hit-men, was slammed in last month's presidential primaries, with the three leading candidates (Massa, Milei and neoliberal Patricia Bullrich) each getting about a third of the votes – a shocking setback for Massa, who had expected a much stronger showing.

Argentina is today in the death choke of the International Monetary Fund (IMF) and the trans-Atlantic banks it represents. Those banks forcibly indebted the country under the previous Macri government, the way an aggressive drug dealer shoves fentanyl down a victim's throat. As a result, Argentina today is by far the largest debtor of the IMF, at \$46 billion. Massive capital flight, orchestrated by the same banks, has bled the country white; the parallel-market peso has plunged from 200

to 600 to the dollar in a year's time; interest rates today stand at 118%; and inflation for the year is forecast by the IMF to come in at 108%, which has played a major role in driving about half the population into poverty.

If Argentina can be picked off by the bankers, its neighbor and ally Brazil – one of the five founding members of the BRICS – will be next. And the message will have been delivered to the world: "Try to break with our system, and we will financially 'waterboard' you and wipe you off the map."

This message is the same one pronounced in 1969 by the arrogant Henry Kissinger, then National Security Adviser to President Nixon, to visiting Chilean Foreign Minister Gabriel Valdés: "Nothing important can come from the South. History has never been produced in the South. The axis of history starts in Moscow, goes to Bonn, crosses over to Washington, and then goes to Tokyo. What happens in the South is of no importance. You're wasting your time."

The BRICS are now proving him wrong.

The following is the Schiller Institute's proposed emergency program for Argentina and the BRICS to win that fight, which specifies the immediate steps to be taken by the Alberto Fernández government and candidate Sergio Massa of the Unión por la Patria governing coalition, well before the Oct. 22 presidential election so that its impact will already be felt by election day. Based on Lyndon LaRouche's work in the science of physical economy, we propose nine specific measures, which fall under three broad policy headings, to be adopted for Argentina and as an example for the world.

Stop the bloodletting: People First!

1) Declare an immediate debt moratorium on the servicing of the \$275 billion foreign debt, including the \$46 billion owed to the IMF – the largest amount owed that institution by any country in the world. Unilaterally break off all negotiations with the IMF – whose initials in Portuguese (FMI), according to Brazilian patriots, in fact stand for "Fome, Miséria, e Inflação" (Hunger, Poverty and Inflation).

2) Impose full capital and exchange controls, including the obligatory conversion of all export earnings into pesos for deposit in Argentine banks. These measures will end the free convertibility of pesos into dollars, and stop the speculation and capital flight that it promotes.

3) Establish a fixed parity between the peso and the dollar, as sovereignly determined by the Argentine government, for approved categories of international trade, travel, and other productive uses of foreign exchange. Speculative international banking transactions are not in the approved category, and illegal efforts to carry them out should be severely penalized by confiscation and legal proceedings. Franklin D. Roosevelt demonstrated that bankers tend to respond with remarkable rationality when facing the prospect of losing both their speculative assets and their freedom.

The international floating exchange rate system which was ushered in with the Aug. 15, 1971 measures announced by U.S. President Nixon, was the catastrophic turning point which opened the doors to the \$2 quadrillion speculative bubble which has today taken over the entire trans-Atlantic financial system. A return to a fixed-rate system of productive (non-speculative) national currencies, long advocated by Lyndon LaRouche, is now on the agenda, far sooner than most expected.

Provide an urgent transfusion of productive credit

4) Issue emergency government funds and subsidies to the poorest Argentines (half now live in poverty) and to businesses otherwise heading towards bankruptcy. Debt service payments on the government's large domestic bonded debt (which in March 2023 totaled almost \$400 billion) must be frozen, until such time as the urgent needs of the population have been met. Economics Minister Massa announced measures in late August to provide some emergency relief, but what the government hands out on a Monday is stolen from Argentines on Tuesday by the bankers' imposition of over 100% hyperinflation and rampant capital flight. That will change with the implementation of measures 2 and 3 above.

5) Nationalize the "autonomous" central bank (BCRA), which is in fact controlled by the City of London and Wall Street, and reestablish a national bank which issues peso-denominated productive credit, at 1-2% interest rates. Argentina has such precedents in its history, as does the United States with Alexander Hamilton's First Bank of the United States of 1791.

6) End runaway inflation by establishing strict price controls for market baskets of essential consumer and producer goods. Inflation-generating high interest rates, banker-imposed devaluations, and the international speculative "carry-trade" will all have been banished and will no longer be factors creating skyrocketing domestic prices.

7) Expand trade in national currencies with BRICS members and other friendly nations, taking full advantage of Argentina's new membership in the BRICS and its access to the New Development Bank (NDB). This will also help Argentina gain access to non-dollar credit lines for investment purposes from those countries and the NDB. The BRICS nations must respond to Argentina's battle for survival as if their own existence depended on it – because it does.

Launch great infrastructure projects

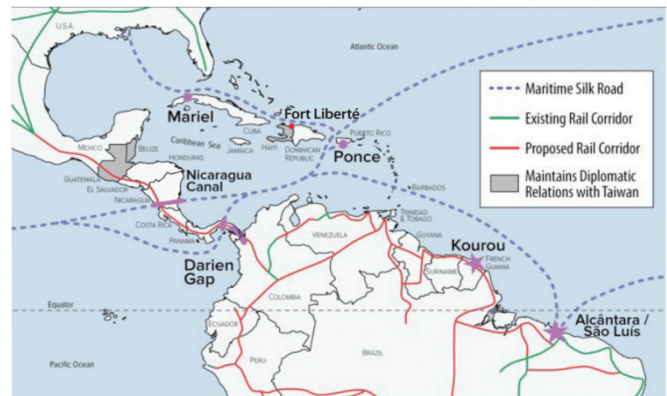
8) The bi-oceanic high-speed rail corridors linking the Atlantic and Pacific coasts of South America must be built, as part of a reestablished sense of long-term mission for Argentina – and the whole region. Convoke an international conference to be held in Buenos Aires in mid-October 2023 to get the projects quickly approved and launched, with the participation of high-level government representatives from at least Brazil, Peru, Bolivia and China (the country that has the required rail technology and has for years offered to build such projects, under its Belt and Road Initiative proposal). In China, such infrastructure projects have raised the technological platform of entire regions and have been essential to that country's spectacular achievement of lifting some 850 million Chinese out of extreme poverty in the last four decades. The growing sense in Argen-

tina and across the Global Majority is: If China can do it, why not we?

9) Argentina must also join the world's space-faring nations, as India just succeeded in doing with its Chandrayaan-3 moon landing. Argentina already has an active space program, and Brazil's Alcântara space launch facility near the Equator is the perfect center for a cooperative South American effort, along with international allies from among BRICS nations and others. The Alcântara base (and the European Union's space facility in Kourou, French Guiana – should they choose to join the effort) can serve as the hub for the rapid training of a highly productive, skilled labor force for the entire region. This can be taken up at the same mid-October international conference, with the critical addition of India as a participating nation. After all: If India can do it, why not we?



Caribbean Basin Belt and Road



Such a set of measures will save Argentina from becoming a failed state, allow it to proudly join the BRICS on Jan. 1, 2024, and strengthen the BRICS's role strategically for the battles that lie ahead. Argentina won't survive without the BRICS; but also, the BRICS may not survive without Argentina.

As President Lula of Brazil recently stated: "I can't accept that it's normal for a citizen to be born poor and die poor, for their child to be born poor and die poor, for their grandchild to be born poor and die poor.... We don't have the right to remain poor... We don't have the right to continue being called the Third World."

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