

## Argentina's Debt Default: "US Plotting to Oust, Kill Me", says Argentina President Cristina Kirchner

By [Global Research News](#)

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*Domestic business interests "are trying to bring down the government, with international (US) help," she said.*

Kirchner said that on her recent visit to fellow Argentine Pope Francis - whose help she has sought in Argentina's ongoing debt default row - police warned her about supposed plots against her by Islamic State activists.

"So, if something happens to me, don't look to the Mideast, look north" to the US, Kirchner said at Government House.

Just hours after the US embassy here warned its citizens to take extra safety precautions in Argentina, an aggravated Kirchner said "when you see what has been coming out of diplomatic offices, they had better not come in here and try to sell some tall tale about IS trying to track me down so they can kill me."

The president said local soybean producers unhappy with prices, other exporters and car company executives, all were involved since they would benefit from a devaluation of the peso, which is being pushed lower by her government's selective default. "Exporters who have lost money have Argentina in a vice.. so do the car company executives who tell consumers they have no inventory when they do .... What they are all waiting for is a devaluation."

Argentina exited recession with 0.9% economic growth in the second quarter, national statistics institute INDEC said yesterday, a rare bit of good news amid the country's new debt default.

But with inflation estimated at more than 30% and the value of the peso tumbling, Latin America's third-largest economy is still mired in a slowdown after averaging 7.8% annual growth from 2003 to 2011.

Argentina is still struggling with the aftermath of a default on nearly \$100bn in debt in 2001, with the two hedge funds it labels vultures battling the country in US courts.

But it has been blocked by US federal judge Thomas Griesa, who has ordered the country to first repay two hedge funds demanding the full \$1.3bn face value of their bonds.

Griesa ruled on Monday that Argentina was in contempt of court after it passed a law allowing the government to repay creditors in Buenos Aires or Paris - skirting the New York

judge's freeze on the bank accounts it previously used to service its debt.

Argentina has been locked out of international financial markets since its 2001 default. More than 92% of its creditors agreed to take losses of up to 70% on the face value of their bonds in 2005 and 2010 to get the struggling country's debt repayments back on track.

But the two hedge funds, US billionaire Paul Singer's NML Capital and US-based Aurelius Capital Management, which had bought up defaulted Argentine bonds for pennies on the dollar, refused to accept the write-down and took the country to court.

The strategy, which stands to make them profits of up to 1,600%, has earned them the label "vulture funds" from Buenos Aires. Blocked from paying its restructured debt, Argentina missed a \$539mn interest payment and entered default again on July 30. It is now trying to buy time until the end of the year, the expiration date for a clause in the restructuring deals that entitles all bondholders to equal treatment.

Argentina is meanwhile lobbying to create a UN convention to prevent a minority of bondholders from scuppering struggling countries' debt restructuring plans.

A resolution to negotiate such a framework passed the United Nations General Assembly earlier this month.

Economic analysts are forecasting the economy will shrink two percent this year, though the government is forecasting a return to economic growth of 2.8% in 2015. The end of the boom has revived the ghost of Argentina's 2001 economic crisis, when it defaulted on \$100 billion in debt and deadly riots erupted. That violence, in which at least 26 people were killed, led to the resignation of president Fernando de la Rúa, who was replaced by Adolfo Rodríguez Saa. He resigned a week after taking office amid more unrest.

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