

113TH CONGRESS
1ST SESSION

H. RES. 291

Expressing the sense of the House of Representatives that the Republic of Argentina's membership in the G20 should be conditioned on its adherence to international norms of economic relations and commitment to the rule of law.

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2013

Mr. SMITH of New Jersey (for himself and Mr. DESANTIS) submitted the following resolution; which was referred to the Committee on Foreign Affairs

RESOLUTION

Expressing the sense of the House of Representatives that the Republic of Argentina's membership in the G20 should be conditioned on its adherence to international norms of economic relations and commitment to the rule of law.

Whereas Argentina has enjoyed the privilege of membership in the Group of Twenty Finance Ministers and Central Bank Governors (G20);

Whereas at the Summit of the Group of Twenty in 2008, G20 leaders declared that "our work will be guided by a shared belief that market principles, open trade and investment regimes, and effectively regulated financial markets foster the dynamism, innovation, entrepreneurship

that are essential for economic growth, employment and poverty reduction”;

Whereas at the Pittsburgh Summit of 2009, G20 nations “designated the G20 to be the premier forum for our international economic cooperation”;

Whereas at the Cannes Summit of 2011, G20 leaders reaffirmed their “commitment to work together” and stressed among other principles the need to conduct International Monetary Fund surveillance of national economies, avoid protectionism and the need to reinforce the multilateral trading system, strengthen anti-money laundering measures, and combat financing of terrorism;

Whereas the Republic of Argentina has consistently violated the spirit and letter of these and other G20 declarations through its policy of expropriating the property of foreign investors, evading the judgments of United States courts, ignoring decisions of international arbitral forums, refusing to comply with International Monetary Fund membership requirements, and failing to implement anti-money laundering and terrorist financing measures;

Whereas Argentina’s defiance of more than 100 United States court judgments stemming from Argentina’s default on more than \$81,000,000,000 of sovereign debt is ongoing and escalating;

Whereas notwithstanding that it holds more than \$41,000,000,000 in foreign currency reserves, Argentina refuses to pay these judgments, which are estimated to be approximately \$5,000,000,000, independent of various further direct and indirect costs incurred by United States bondholders, investors, and taxpayers;

Whereas Argentina has refused to pay even the de minimis fees required of all parties to an ICSID dispute to fund the dispute-settlement process, demonstrating its utter lack of respect for the World Bank’s jurisdiction;

Whereas in a display that illustrates Argentina’s contempt for the rule of law, Argentina’s legal counsel vowed at a hearing before the United States Court of Appeals for the Second Circuit that Argentina would “not voluntarily obey” any rulings that upheld the judgments and orders of the United States District Court for the Southern District of New York;

Whereas Argentina has undermined global sanctions on Iran by expanding bilateral trade with Iran tenfold over the last 5 years;

Whereas Argentina has circumvented due legal process by agreeing with Iran to jointly “re-investigate” the 1994 terrorist bombing of the Argentine Jewish Mutual Association (Asociación Mutual Israelita Argentina, or AMIA) in Buenos Aires, which killed 85 people and injured hundreds more—an agreement that ignores the 2006 indictment by independent Argentine Government prosecutors of five senior Iranian Government officials for orchestrating the attack, which led to the issuance of Interpol arrest warrants against the Iranian Government officials;

Whereas the Financial Action Task Force (FATF) has given Argentina the worst evaluation of any G20 nation, highlighting Argentina’s regulatory shortcomings and the vulnerability of Argentina’s financial institutions to terrorist financing and money laundering;

Whereas United States Drug Enforcement Administration (DEA) and United States Department of State officials

have raised concerns about Argentina's growing role in the international drug trade, with a specific focus on Argentina as an increasingly important source of the precursor chemicals used in manufacturing methamphetamine, much of which is consumed in the United States;

Whereas Argentina has undermined the rule of law by expropriating assets from the Spanish firm Repsol without compensation, making it more difficult for Argentine businesses and individuals to access international capital markets;

Whereas Argentina has enacted a so-called "anti-monopoly" law and solely enforced it against an independent media group that has been critical of the Government, indicating that the law's true intent is to limit the freedom of expression to criticize the Government;

Whereas the Argentine executive branch has sought to undermine the independence of the Argentine judiciary by threatening to impeach the judges of the Federal Civil and Commercial Court who ruled in favor of the independent media group in its lawsuit alleging that the anti-monopoly law is an unconstitutional attack on freedom of the press; and

Whereas Argentina's actions have been injurious to its credit worthiness and detrimental to its own citizens by directly contributing to Argentina's double-digit inflation, economic stagnation, growing isolation from the international community, and borrowing costs that are three times higher than neighboring countries with similar fiscal profiles: Now, therefore, be it

1 *Resolved*, That the House of Representatives—

1 (1) finds that the Republic of Argentina has
2 failed to meet the responsibilities inherent to mem-
3 bership in the G20; and

4 (2) calls upon the President and the Secretary
5 of the Treasury to work with the governments of the
6 G20 members to—

7 (A) terminate the participation of Argen-
8 tina in the G20 until the President determines
9 and reports to Congress that Argentina has—

10 (i) reversed efforts to expropriate for-
11 eign investment in Argentina;

12 (ii) fully satisfied all outstanding
13 judgments of United States courts against
14 it;

15 (iii) fully honored all awards of inter-
16 national arbitral panels against it; and

17 (iv) complied with the recommenda-
18 tions of the Financial Action Task Force;
19 and

20 (B) condition Argentina's future member-
21 ship in the G20 on its adherence and commit-
22 ment to international norms of economic rela-
23 tions and commitment to the rule of law.

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