

What Europe Can Learn from Argentina

July 29—In his July 27 webcast presentation, *EIR*'s Dennis Small noted that British homicidal hatred of the two Kirchner governments—Néstor (2003-07) and Cristina (2007 to present) is easily understood by looking at just two exemplary graphs.

The countries of southern Europe that universally followed IMF/Troika dictates to slash government spending and renegotiate their speculative debt, purportedly to lower their high debt/GDP ratios, all ended up with vastly higher debt/GDP ratios as a result of these insane policies. From 2003 to the present, Portugal's debt/GDP ratio rose by 114%; Spain's increased by 81%; Greece's by 65%; and Italy's and Cyprus's went up by 25% each.

Argentina, which adopted the exact opposite policy, and instead imposed a sovereign renegotiation with a 60% haircut of its \$85 billion debt, saw its debt/GDP ratio plunge by 72%. Argentina's current ratio is 43%, as compared to 87% for Spain and Cyprus, about 130% for Portugal and Italy, and 160% for Greece.

The effect of these policies on their respective physical economies is indicated by the key parameter of youth unemployment. In the nations of southern Europe, over the last decade youth unemployment generally quadrupled, from the 10-15% range, to the deadly 40-60% range today. In Argentina, under the Kirchners' policy of emphasizing science-driver industrial development, youth

unemployment dropped by nearly half, from 35% when Néstor Kirchner took office in 2003, down to under 20% today.

Small wonder the British Empire is intent on wiping the Kirchner government off the face of the globe, before others in the Europe get the idea that there indeed is life after the IMF and after the euro.

FIGURE 1

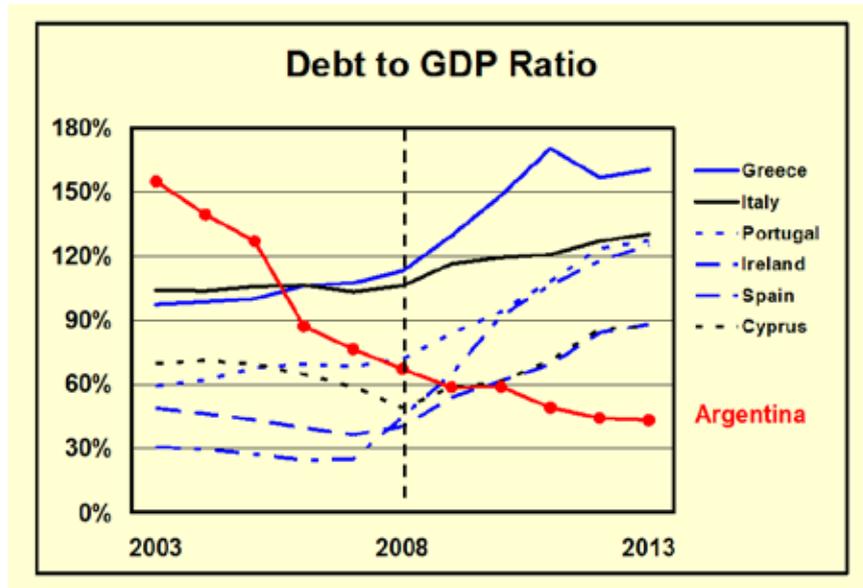


FIGURE 2

