

112TH CONGRESS
2D SESSION

S. RES. 457

Expressing the sense of Congress 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 SENATE OF THE UNITED STATES

MAY 10, 2012

Mr. LUGAR submitted the following resolution; which was referred to the Committee on Foreign Relations

RESOLUTION

Expressing the sense of Congress 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 the President Cristina Fernandez de Kirchner has flouted international norms and agreements by proposing legislation to nationalize Argentina’s largest oil and gas producer, YPF SA, effectively expropriating the assets of foreign investors;

Whereas President Fernandez won congressional backing to seize YPF SA (YPFD) from Spain’s Repsol YPF SA (YPF), with the Argentina Senate approving the legislation on April 26, 2012, and the lower house of the Argentina Congress voting 207 to 32 on May 3, 2012, to back her bill empowering the Government of Argentina to take 51 percent of YPF;

Whereas Argentina has persistently ignored claims brought by United States and other countries before the International Center for Settlement of Investment Disputes (ICSID), administered by the World Bank, despite receiving billions of dollars in loans from the World Bank;

Whereas Argentina remains one of only four countries, and the only G20 member, that refuse to submit to an International Monetary Fund review in violation of Article IV of the IMF Charter; and

Whereas the Financial Action Task Force has warned of Argentina's failure to comply with fully 47 out of 49 recommendations to address the vulnerability of institutions to terrorist financing and money laundering, giving Argentina the worst evaluation of any G20 nation: Now, therefore, be it

1 *Resolved*, That the Senate—

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

5 (2) calls upon the President and the Secretary
6 of the Treasury to work with the governments of the
7 G20 to suspend the participation of the Republic of
8 Argentina in the G20 until the Government of Ar-
9 gentina has fully demonstrated its intent to adhere
10 to international norms of economic relations and to
11 commit to the rule of law; and

12 (3) calls upon the President and the Secretary
13 of the Treasury to work with the governments of the

1 G20 members to condition any reinstatement of Ar-
2 gentina's membership in the G20 on its dem-
3 onstrated compliance with its international commit-
4 ments and obligations.

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