

112TH CONGRESS
2^D SESSION

H. RES. 686

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

JUNE 12, 2012

Mr. SMITH of New Jersey 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 the Republic of Argentina enjoys the privilege of membership in the Group of Twenty Finance Ministers and Central Bank Governors (G20);

Whereas the G20 aims to bring together the world's major advanced and emerging economies to achieve global economic stability and sustainable growth;

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

Whereas at the Pittsburgh Summit of 2009, G20 leaders including President Barack Obama “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 (IMF) surveillance of national economies, avoid protectionism, reinforce the multilateral trading system, strengthen anti-money laundering measures, and combat financing of terrorism;

Whereas Argentina has repeatedly and willfully refused to honor its debts despite currently holding at least \$45,000,000,000 in foreign currency reserves;

Whereas 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 IMF membership requirements, and failing to implement anti-money laundering and terrorist financing measures;

Whereas the Argentina government has a longstanding policy of repudiating debts to bondholders stemming from its 2001 default, evading over 100 judgments against it in United States courts, and enacting the so-called Lock

Law by which it prohibits itself from satisfying its obligations to bondholders that refused derisory exchange offers;

Whereas Argentina has persistently ignored claims brought by United States and other companies 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 refuses to submit to an IMF review in violation of Article IV of the IMF Charter;

Whereas Argentina's disreputable conduct threatens to embolden other nations to pursue comparable tactics for flouting their international financial commitments, as exemplified by Ecuador, which in 2008 selectively defaulted on its sovereign bond obligations, citing Argentina's actions as precedent; and

Whereas the Financial Action Task Force has warned of Argentina's failure to comply with 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 member nation: Now, therefore, be it

1 *Resolved*, That the House of Representatives calls

2 on—

3 (1) the Republic of Argentina to fulfill the re-
4 sponsibilities inherent with membership in the Group
5 of Twenty Finance Ministers and Central Bank Gov-
6 ernors (G20), in accordance with the principles ar-

1 ticated by this premier forum for international eco-
2 nomic cooperation; and

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

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

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

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

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

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

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

22 (C) identify other countries that could re-
23 place Argentina in the G20 by virtue of their

- 1 adherence to international economic norms and
- 2 respect for the rule of law.

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