

Mired in crypto scandal, Javier Milei escalates war on Argentina's working class

Rafael Azul
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On Monday night, the government of fascistic President Javier Milei in Argentina announced a new Decree of Need and Urgency (DNU), illegally bypassing Congress to ram through a new IMF loan program, which will demand even greater cuts to social programs. While the document does not provide any details, the Swiss bank UBS points to a \$20 billion package, most of which will be used to meet existing debt payments.

The decree is only the latest in a series of actions aimed at consolidating an authoritarian regime against the Argentine working class, with the support of Wall Street and the IMF, and the collaboration of the trade union apparatus.

On February 27, President Milei, appointed two Supreme Court judges by decree in a recess appointment, bypassing the Senate before it reconvened on March 1. The President decreed that these appointments would be made “by omission” of the legislature.

Both right-wing judges, Ariel Lijo and Manuel García-Mansilla, had been rejected by the Senate when they were presented in 2024. Lijo, in particular, had been repeatedly accused of corruption, and judicial incompetence. García-Mansilla is a right-wing opponent of abortion and reproductive rights.

While García-Mansilla was quickly sworn in by the Supreme Court on February 27, the court has made Lijo's swearing in contingent on his resigning from a federal judgeship he now holds.

The Milei administration had hoped that both judges would be sworn in before March 1, opening day of the 2025 legislative term. Only García-Manzilla may join the other three judges, who have invited Lijo to sit in with them informally. According to a report in the Madrid daily, *El País*, Milei is confident that Lijo will

be sworn in soon, even though the legislature is no longer in recess.

The executive approval of an IMF package and the appointment of the two judges, both clear authoritarian power grabs, took place in the context of the “crypto crisis” that has raised accusations of wholesale corruption on the part Milei and his sister Karina, who functions as his chief of staff and top advisor.

On Friday February 14, less than two weeks before the recess decree appointment of the two judges, President Milei posted on his X, Instagram and Facebook accounts, statements promoting a new crypto currency, *\$Libra*, insisting that investing in it would strengthen the Argentine economy, and become a path to prosperity for Argentina's businesses. The posts included the blockchain contract address for buyers to access a \$Libra (which had not been listed on major trading platforms).

\$Libra's price rapidly increased, and then collapsed, within a few hours after its founders sold off their holdings. By midnight the next day, Milei had removed his posts. Since then, he has not been able to dispel suspicion that in fact he was party to a pyramid scam that enriched a handful of investors, parties to what is known in the industry as a “rug pull,” while costing the rest some \$250 million in losses. An investigation is ongoing. The president denounced those demanding an investigation as “dirty rats, of the political caste,” taking advantage of the incident to “cause harm.”

A recent article in the English-language daily *Buenos Aires Herald* stated:

According to reports from *La Nacion* and the publication *CoinDesk*, which specializes in digital currencies, \$LIBRA co-creator and

Kelsier Ventures CEO Hayden Davis bragged that he had the Argentine president in his pocket because he was funneling money to his sister. “I control that n****,” Davis wrote in texts reviewed by the two outlets. “I send \$\$ to his sister and he signs whatever I say and does whatever I want.”

Under these conditions, the Milei administration requires pliant judges. Both of his appointees are believed to be totally loyal to Milei, and would in all probability vote to clear him of any involvement in the crypto scandal.

On March 1, in a speech opening the 2025 session of the national legislature, Milei made no mention of the crypto scandal while denouncing the Senate for its inaction in the appointments, accusing it of politicizing the courts. Hypocritically, he declared that “Justice cannot function correctly in our country without an independent and effective judiciary... The judiciary will not function correctly until politicians decide not to politicize the naming of judges, prosecutors and public defenders. Along these lines, we intend to present candidates for all the vacancies in the federal judiciary...which add up to 40 percent of the magistrates in the federal judiciary.”

In addition to appointing right-wing judges, Milei also proposed swift trials against “criminals,” lowering the age at which children can be tried as adults, in addition to the dilution of labor laws that currently protect the rights of workers.

Milei’s words on the judiciary came towards the end of an hour-long rambling speech in an assembly hall that was more than half-empty, boycotted by most of his political opponents.

On that day as the presidential motorcade was arriving at the legislature in Buenos Aires, accompanied by a large military contingent, one could hear the sound of pots and pans being banged by angry demonstrators.

In his speech Milei made totally false claims about decreasing poverty, reducing inflation and improving working conditions for what he called Argentina’s “vulnerable population.”

In his speech, the Argentine president indicated that his policies had resulted in a 4.8 percent increase in real

Gross Domestic Product. He called his budget slashing economic policies “expansive adjustments,” supply side policies, which supposedly avoided a recession because they mainly affected government spending, and not the private sector, giving free rein to private capital.

The total opposite is true for the 45,000 government workers who have lost their jobs, for the many small business that have shut down, for the native tribes falsely accused of setting forest fires, for those that depended on government-supplied soup kitchens, and for public school educators and university students.

In talks with IMF chief Kristalina Georgieva, trade union bureaucrat Gerardo Martinez of the General Labor Federation (CGT) indicated that 78 percent of Milei’s austerity measures have fallen on the working class and asked that the IMF intercede on behalf of the working class. “Fiscal equilibrium” from now on should be achieved in a context of “social dialogue and labor rights,” declared Martinez.

Martinez’s words reek of hypocrisy, since the CGT has consistently blocked demands for a general strike action by its membership and made agreements with the Milei administration.

Wall Street is gloating over potential windfalls from Milei’s policies. Less than a week after the \$Libra crypto collapse, Wall Street celebrated two days of Argentina Day meetings, hosted by Bank of America in New York. The meeting, which included investment firms, financiers, and politicians, celebrated Milei’s austerity measures and recommended the purchase of Argentine financial instruments. The \$Libra crisis was not even discussed at the meetings.

Milei, in partnership with the IMF and Wall Street, is able to pursue this war on the democratic and social rights of the working class, even in the face of his direct involvement in the crypto scandal, thanks to the complicity of the Peronist-led trade union apparatus and politicians, along with their apologists in the pseudo-left.



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