

US bankrolls fascist Milei regime ahead of Argentine elections

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25 September 2025

US Treasury Secretary Scott Bessent announced Wednesday a potential \$20 billion currency swap arrangement with the government of fascist President Javier Milei in Argentina in a brazen act of election meddling.

Using the funds of the US state to prop up a regime whose support is collapsing ahead of the October 2025 legislative elections and already casting a shadow over the 2027 presidential contest, Bessent was unambiguous in framing the intervention as a direct “endorsement” of Milei.

The Argentine president’s approval rating fell below 40 percent for the first time this month amid an unraveling corruption scandal involving paybacks to his sister through the National Agency for the Disabled.

For Argentina, the swap means the US Treasury would transfer US dollars to Argentina’s central bank, with Argentina supplying pesos in return. This acts as a line of credit or liquidity support—Argentina gets access to the dollars it desperately needs to pay debts and import, and prevent a currency run.

Bessent confirmed that the Trump administration is also preparing to buy up Argentine sovereign bonds and provide massive emergency financing through the US Exchange Stabilization Fund (ESF). Established in 1934, the ESF is a US Treasury slush fund designed to intervene in currency and bond markets to “support allied economies” and “mitigate monetary instabilities”—typically in crisis situations, as with the \$20 billion swap extended to Mexico during the Tequila Crisis of 1995.

Every aspect of the US-Argentine deal is characterized by naked political interference in the name of “market reforms,” with the chief aim of reasserting US imperialist control in the face of China’s growing influence across the continent.

This intervention must be read in the context of increasingly open threats of economic and even military retaliation by Washington against governments across Latin America that present the slightest resistance to its domination. This includes new sanctions and tariffs against Lula da Silva’s administration in Brazil for the conviction of

Trump ally Jair Bolsonaro—paired with a military buildup in the Caribbean aiming to orchestrate a putsch or military intervention against Venezuela’s Nicolás Maduro government.

Bessent’s “all options for stabilization” unmistakably targets Beijing. The swap is explicitly conditioned on countering “China’s interference in the territory,” according to Casa Rosada officials quoted in Argentine media. Bessent’s veiled threats included stipulations to halt financial deals between Buenos Aires and Beijing, effectively demanding that Milei sever Argentina’s \$20 billion currency swap line with China, which remains partially active in an economy on financial life support.

Discussions are also underway about new legislation to permit further entry of foreign (i.e., US) troops, deepening the already advanced process of converting Argentina into an outpost for American imperialism in Latin America’s Southern Cone.

Bessent’s glowing reviews of Milei’s record—insisting that Argentina is “doing a fantastic job” and that his “broad liberalization of prices” and “deregulation” constitute “important strides toward stabilization”—are patently absurd when confronted with the reality of Argentina’s deepening financial disaster.

Far from stabilizing anything, Milei’s “shock therapy” has hit the working class with unprecedented austerity: collapsing wages, a steep recession, mass layoffs, social spending cuts, and a spike in poverty, all amidst “critically low” reserves acknowledged by the IMF. Only last week, the central bank spent \$1.1 billion in reserves in three days to prop up the peso, following another wave of devaluations, merely months after Milei loosened currency controls in line with IMF diktats.

While the US pledge briefly steadied the peso (now up about 7 percent to the dollar), financial commentators have warned that stabilization is fleeting without a radical improvement in Argentina’s fundamentals, which remain grimly negative.

It is not only a matter of Trump and Milei’s “kindred

spirits.” Wall Street as a whole has weighed in alongside Washington, with the World Bank accelerating \$4 billion in new loans (from a \$12 billion package) for mining, critical minerals, tourism, and energy infrastructure. The Inter-American Development Bank (IDB) simultaneously announced \$2.9 billion for “structural reforms” and another \$1 billion for “strategic sectors”.

Meanwhile, the IMF—already engaged in its largest-ever \$44 billion program with Argentina—has signaled flexibility on technical targets due to Milei’s suppression of wages and social outlays, even as reserves hover at “critically low” levels.

All this largesse and “reforms” come with a price: the unqualified enforcement of market fundamentalism, the conversion of the Argentine working class into a test case for the region, and the prying open of Argentina for further looting by transnational corporations, above all US and allied interests.

This convergence of finance and authoritarian reaction was underscored as Milei received the Atlantic Council’s Global Citizen Award at a gala in midtown New York, where he loudly praised Trump’s authoritarian rhetoric, attacks on immigrants.

The deal with Trump took place during a meeting on the sidelines of the UN General Assembly, where Milei decried the “inadmissible escalation of leftwing political violence globally”—mimicking Trump’s own fascist speech. These displays are not simply affinities; they are a unification of methods by Wall Street and its political frontmen.

This massive backstopping is the clearest evidence of Trump’s—and by extension the American ruling class’s—elevation of the “loco” Milei as “a systematically important ally,” in the words of Bessent. It is the forging of an axis of brittle, authoritarian regimes ruthlessly determined to crush working class opposition, from the Southern zone to Washington.

After all, the American intervention in Argentina is in part aimed at stemming a fall in confidence in the US dollar itself—a confidence that underlies the ability to continue expanding the gargantuan US federal debt to pay for war and bailouts for the rich.

Within Argentina, the aim is to support Milei government’s continuation of its austerity and authoritarian drives. His regime has issued repeated vetoes on pension and university budget increases, even as it prosecutes, criminalizes and represses mass protests.

As Bessent made his announcement Wednesday, federal police launched yet another brutal onslaught against pensioners protesting in front of the Argentine Congress, leaving 10 demonstrators injured. The past two weeks have seen repeated mass protests against Milei’s vetoes, in the

context of similar demonstrations against the far-right governments in Ecuador and Peru.

The violent, dictatorial methods now being refined in Buenos Aires are being prepared for use against all opposition, including in the United States. Milei has orchestrated a campaign that promotes the legacy of the 1976-83 dictatorship, whose methods of torture and mass murder killed at least 30,000 Argentine workers, students and opponents of the military regime.

As Trump pursues a presidential dictatorship based on the military-police apparatus, the enormous political and now financial backing for Milei is among the most alarming warnings for the American working class of the support for such brutal methods of fascist authoritarianism.

All these maneuvers indicate that Washington is committed to preserving Milei’s rule at any cost. But the fact that the Peronists have gained new life by posturing as an “opposition” to Milei’s catastrophe can only be understood as the result of the so-called “Left and Workers’ Front” (FIT-U), whose disparate groupings continue their historic role of steering mass anger into the dead-end of illusions in Peronism, traditionally the preferred tool of capitalist rule in Argentina, and providing a political buffer for the capitalist system itself.

The policies demanded by the White House and the IMF can only lead to an even deeper political crisis, social explosions and mass strikes. But the only way to oppose the onslaught against social and democratic rights spearheaded by Milei and Trump is to mobilize workers independently of all pro-capitalist political parties, the union bureaucracies and their pseudo-left apologists in the form of an international struggle by the working class for socialism.



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