



Written by [Veronika Kyrylenko](#) on October 15, 2025

## The \$20 Billion Question: Why Is Washington Backing Argentina's Milei?

At the White House on Tuesday, President Donald Trump [announced](#) that the United States would move forward with a multibillion-dollar lifeline to Argentina, offering \$20 billion in U.S. taxpayer funds to a nation grappling with deep financial turmoil.

The president presented the deal's conditions with characteristic bluntness: Argentina's leader Javier Milei must win his next election.

"If he loses, we are not going to be generous with Argentina," Trump declared. "The election is coming up very soon," he added:



AP Images  
Donald Trump and Javier Milei

Victory [for Milei] is very important. Your poll numbers, I hear, are pretty good. I think they'll be better after this.

Milei's own race is not due until October 2027, but the country is holding its midterm elections later this month. In recent provincial races in Buenos Aires, Milei's *La Libertad Avanza* coalition underperformed. The party is also reeling from several [corruption scandals](#). A poor showing in the midterms could weaken Milei's grip on the country's congress and stall his reform agenda.

Noninterventionists at home could have winced as the self-styled champion of "America First" openly interfered in another nation's politics. But then it was fiscal conservatives' turn to recoil when the president unveiled his rationale for sending billions abroad.

Pressed on how the arrangement would benefit the United States, Trump offered the kind of airy idealism usually reserved for commencement speeches rather than billion-dollar commitments.

"Just helping a great philosophy take over a great country," he said, adding that Argentina was "one of the most beautiful countries" he had ever seen and that he wanted to see it "succeed, very simple."

Asked again what was in it for America, Trump, with candor rarely heard in Washington, said,

We don't have to do it. It's not going to make a big difference for our country, but it will for South America.

There are other parties standing to benefit. More on that later.

## Bessent's Blueprint

In his September 24 [post on X](#), Treasury Secretary Scott Bessent outlined the administration's sweeping plan to stabilize Argentina's economy.



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Yesterday, @POTUS and I spoke extensively with President @JMilei and his senior team in New York. As President Trump has stated, we stand ready to do what is needed to support Argentina and the Argentine people.

Bessent praised Milei's early reforms, saying that under his leadership,

Argentina has taken important strides toward stabilization. He has achieved impressive fiscal consolidation and a broad liberalization of prices and restrictive regulations, laying the foundation for Argentina's historic return to prosperity.

He confirmed that the U.S. Treasury is negotiating a \$20 billion swap line with Argentina's central bank "to prevent excessive volatility," while also pledging to purchase Argentine bonds and extend credit through the Treasury's Exchange Stabilization Fund ([ESF](#)). He added that Washington would help end the "tax holiday for commodity producers converting foreign exchange" and "defeat speculators" seeking to destabilize Argentina's market.

Bessent closed by emphasizing political alignment. "The Trump Administration is resolute in our support for allies of the United States," he wrote, adding that President Trump had given Milei "a rare endorsement of a foreign official."

Bessent's post contained a retweet of Trump's own praise, describing Milei as having inherited "a 'total mess'" of an economy but already lifting it to "a new level of Prominence and Respect." Yet, if Argentina is truly on such a "historic return to prosperity," one might ask why it now requires a \$20 billion emergency infusion. Perhaps the recovery is less stable than advertised.

## **"Buy Low, Sell High"**

In an [interview](#) with *Fox News* host Laura Ingraham on October 9, Bessent portrayed the package not as a rescue, but as a profitable strategic play.

Describing the Treasury's purchase of \$20 billion worth of Argentina's pesos, Ingraham asked, "What do we get out of it?"

Bessent replied, "We get a lot out of it." He implied that if Argentina's economic reforms fail, that would jeopardize America's security. "Do you want to be shooting at more gunboats like in Venezuela?" he asked, referring to the alleged drug-smuggling boats [targeted](#) by the Trump administration since early September. He also said that Milei "is committed to getting China out of Argentina," but provided no further detail on how exactly that benefits everyday Americans.

Ingraham clarified, "So, this isn't a bailout?"

Bessent said, "Not a bailout at all." He then said that the "Argentine peso is undervalued," and that it makes sense to "buy low, sell high."

His comments echo his background as a global investor. Bessent insisted that the swap would strengthen the dollar system while advancing U.S. interests in Latin America. "We are not putting money into Argentina," the secretary [told](#) CNBC separately. "What we're doing is maintaining a U.S. strategic interest in the Western Hemisphere."



## ***Cui bono?***

[According](#) to *The New York Times* report on October 9, the Treasury's new Argentina package remained opaque. "The terms and conditions of the economic support package were not announced," the paper reported, "but Mr. Bessent said the funds would come in the form of a currency swap with Argentina's central bank."

Still, Wall Street seemed to know enough:

Big global investors have been anxiously awaiting the details of the bailout, which critics have said will benefit wealthy fund managers at a time when American farmers are struggling and the U.S. government is shut down.

The market's verdict was instant. Dollar-denominated Argentine bonds due in 2035 surged, and the peso rallied. Yet critics said the move looked less like strategic statecraft and more like a windfall for the well-connected.

Eight Democratic senators swiftly [introduced a bill](#) to block the use of the ESF for the apparent bailout. Senator Elizabeth Warren (D-Mass.) accused the administration of hypocrisy:

Trump promised "America First," but he's putting himself and his billionaire buddies first and sticking Americans with the bill.

*The Times* also pointed out that several hedge-fund veterans close to Bessent — including Stanley Druckenmiller and Robert Citrone, both former colleagues from [Soros Fund Management](#) — hold sizable positions in Argentine debt. As markets cheered the swap, their portfolios swelled.

A Treasury rescue framed as "strategic support" is, in effect, enriching the same investors who have wagered heavily on Argentina's rebound.

## **The Strategic Logic**

For all the political theater and profits for the few, the Treasury's move also serves a larger strategic purpose, as Bessent indicated.

By re-anchoring Argentina's economy to the U.S. dollar, Washington is countering Beijing's advance in South America. In recent years, China has extended yuan [swap lines](#), financed infrastructure, and positioned itself as Argentina's key trade partner. The new \$20 billion swap attempts to reverse that trend. By injecting dollar liquidity, the U.S. keeps Buenos Aires within its financial orbit and reasserts the dollar's dominance as Latin America's reserve standard.

It's also a subtle act of monetary statecraft. When emerging markets run short of dollars, global investors rush for safety, driving up the dollar index and pressuring the Federal Reserve to ease policy. By channeling liquidity directly to Argentina, the Treasury preempts that spiral, stabilizing global dollar demand without adjusting U.S. rates or expanding the Fed's balance sheet. As a result, Argentina gains short-term relief, global markets sidestep a dollar crunch, and U.S. borrowing costs remain comfortably in check.

At the same time, Argentina holds some of the world's richest reserves of lithium, copper, and rare earth minerals — the raw materials powering electric vehicles, semiconductors, and modern weapons



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systems. With the deal, Washington gains leverage over how Argentina monetizes its minerals, making sure they continue flowing through Western supply chains rather than yuan-linked ones.

In short, what looks like a bailout is also a chess move — a fusion of finance, geopolitics, and resource control.

## **A Constitutional Coda**

The deal may look like economics, but it functions as policy by other means. Through the ESF, the executive now wields what amounts to a quiet instrument of foreign intervention — one that bypasses Congress and public debate. In this case, we don't send Marines to secure influence; we send dollars, credit, and swap lines.

This is interventionism by liquidity, not force — dollar diplomacy reimagined for the algorithmic age. It preserves the global order Washington built, yet strains the constitutional one it inherited.



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