

## ARGENTINA

### Kirchner, Chávez strike mutual pose

**Argentina's dealings with Venezuela's populist leader doesn't mean Buenos Aires won't also cooperate with Washington.**

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BUENOS AIRES --

Ask people in Buenos Aires what Argentina's increasing chumminess with Venezuela means to them, and the most likely response will be a shrug or a blank stare.

Though 30,000 people attended a rally here last week to hear Venezuelan President Hugo Chávez bash President Bush and U.S. "imperialism," it appears that it was shared antipathy toward Washington -- rather than support for Chávez -- that motivated them.

"Economically, it's the big companies, not the people, who are profiting," said Alberto Lissarrague, a Socialist Party activist who attended the March 9 event, referring to Argentine-Venezuelan energy and financial deals over the past couple of years that have helped Argentina consolidate its recovery from its 2001-02 economic crisis.

The two countries have teamed up on oil exploration and Venezuela has sold diesel to cover serious shortages of the fuel, essential to Argentina's vast agricultural sector.

Flush with cash from high oil prices, Venezuela has also bought up more than \$3 billion in Argentine debt. That has been a lifeline since Buenos Aires still cannot tap international capital markets because of a dispute with bondholders over its post-crisis debt restructuring. In addition, Chávez is bailing out a troubled Argentine dairy company.

In return, Chávez gets agricultural know-how to diversify Venezuela's oil-centered economy, milk supplies, Argentine technology to run vehicles on natural gas and a willing partner for ambitious regional projects like a bank, gas pipeline and gas producers' cartel.

Politically, he gets a key stage from which to grandstand to the world.

It was not the first time Chávez has used Argentina to seek to upstage Bush. At a Summit of the Americas in the seaside resort of Mar del Plata in 2005, he topped the bill at a parallel anti-summit. He timed last week's rally to coincide with Bush's arrival in neighboring Uruguay on a five-country Latin American tour.

Most commentators say Argentine President Néstor Kirchner's closeness to Chávez is purely pragmatic.

"The relationship is clearly based on economic interests in which Argentina is benefiting in many respects," said Carlos Germano, a political analyst. "Today, Argentina is light years away from Hugo Chávez's political project."

Despite the fact that Argentina -- where U.S. support is the lowest in Latin America -- has been trying to mend fences with Washington recently, Kirchner's green light for the rally "can't have come as too much of a surprise," said political consultant Federico Thomsen.

"The United States knows Kirchner is playing a two-faced game and officials say the government is cooperating on everything Washington really cares about, like drugs and terrorism," he added.

Still, as Argentina's relations with Chávez have strengthened, those with its neighbors have soured. Argentina was left out of a biofuels deal between the United States and Brazil agreed to on Bush's tour, despite big potential in renewable fuels. Relations with Uruguay have crumbled over its fierce opposition to a paper mill being built on the bank of a shared river. And it has incensed Chile by hiking the price of crucial natural gas.

Some analysts say Kirchner, himself something of a maverick, appears increasingly isolated. They see him as tainted by association with Latin America's most volatile leader, who has cultivated links with states like Iran which the West views as suspect.

"There's no doubt Argentina has to have trade and economic relations with Venezuela," said Jesús Rodríguez, a political analyst. "But in the world's eyes, Venezuela being our ally politically is a real calamity."

Despite the leaders' closeness, Chávez's popularity in Argentina has fallen. A recent poll conducted by the private Germano firm showed Chávez's approval rating here dropped from 52 to 35 percent over the past 18 months.

In the eyes of investors, Argentina's friendship with Venezuela puts it more in the camp of risky, volatile Latin American countries like Bolivia and Ecuador than alongside attractive ones like Chile, Brazil, Mexico and increasingly, Colombia and Peru. If that really became a problem, endangering investment, Thomsen said he expected Kirchner would swiftly cool things down with Chávez.

"They're both using the situation, and I think Chávez knows Kirchner isn't beholden to him," said Del Franco.