

Argentina-Venezuela scandal worries diplomats, media

The fallout from an alleged illegal campaign contribution from Venezuela to Argentina has U.S. policymakers and Argentine media nervous.

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BUENOS AIRES --

An unfolding international campaign contribution scandal involving the leaders of Argentina and Venezuela has two groups walking a tightrope: U.S. diplomats and Argentine newspaper editors.

For the diplomats, a U.S. prosecutor's allegation that Venezuela tried to secretly send \$800,000 in cash to the electoral campaign of Argentine President Cristina Fernández de Kirchner earlier this year threatened to derail a delicately crafted effort to improve ties with Argentina and negotiate a long-simmering debt default, U.S. officials said.

Instead, Argentina has closed ranks with Venezuelan populist President Hugo Chávez, and both have condemned the affair as a plot by Washington to attack Chávez and his friends, including Fernández.

U.S. officials said the Bush administration had made an effort to reach out to Fernández, whose husband and predecessor Néstor Kirchner was an outspoken critic of U.S. policies.

President Bush called her after she recently won election, and Fernández told the U.S. ambassador in Buenos Aires, Earl Anthony Wayne, that she favored improved relations, U.S. officials said.

The Bush administration wants Fernández to negotiate with a group of rich creditor nations known as the Paris Club. Argentina defaulted on its Paris Club debt in 2002. Washington plays a lead role in the Paris Club negotiations.

But given the scandal, a settlement at this point appeared to be a "low-probability event," Goldman Sachs researcher Pablo Morra wrote in a report. The case was "a blow to the supposed intention of the new Argentine president to improve relations with major countries [including the United States] and distance itself somewhat from the Chávez regime."

'DIRTY POLITICS'

Fernández has reacted furiously to the accusations by U.S. prosecutors in Miami, calling them "garbage." On Tuesday, she reiterated her criticism, calling the case "dirty operations, dirty politics."

The State Department has pointed out that the Department of Justice acted independently. But diplomats are lamenting the geopolitical consequences of the scandal's timing.

"Obviously, if I had been asking God to pick a time for this to happen, three days after Cristina Kirchner's inauguration would not have been that time," said one State Department official, who agreed to be interviewed provided his name was not used. "But that's life. Our job is to deal with that and make the best of it."

From the Argentine editors' point of view, the story should be a juicy political drama starring a shady, wealthy businessman, Guido Alejandro Antonini Wilson, and implicating the glamorous Fernández and the feisty Chávez. Antonini, who lives in Key Biscayne, was stopped in Buenos Aires in the summer and accused of carrying the \$800,000 in a suitcase and violating customs laws. Four defendants arrested last week in South Florida -- on charges of being unregistered agents for the Venezuelan government -- are accused of traveling to Miami and trying to silence Antonini about the source of the money.

For some newspapers, it is a minefield, given the influence wielded by the Argentine government on the nation's media.

The case referred to as "the man with the suitcase" has split the national press, dividing them between those who support the Peronist government and have been demonstrating notable caution in their coverage of the event and those who are against it -- and are relishing the fallout.

Juan Carlos, a newspaper vendor in Buenos Aires, has been following the scandal. He lays out the day's front pages in front of him and analyzes the two most popular: Clarín and La Nación.

La Nación goes straight for the jugular with its headline, *They accuse Kirchnerism of trying to silence Antonini -- Cristina and Chávez together*, while Clarín reads: *Two million dollars paid to silence Antonini*, but makes no reference to the Kirchners.

"Clarín is a pro-government newspaper," Carlos said, "so it's obvious that they won't go against the government on this."

"All newspapers receive government [advertising] money, but some get much more than others," explained Dado Fernández, director of media watchdog Diarios sobre Diarios. "Our research has concluded that the newspaper Pagina 12 can be considered pro-government as can Clarín, which has had more pro-government coverage than anti-coverage in the last couple of years. La Nación, on the other hand, is more critical."

CONFUSING COVERAGE

"The coverage of the Antonini Wilson case, in particular, has been very confused," Dado Fernández added. "I think that if they could have, lots of newspapers would have avoided the story altogether. But because it was such a huge international story, they have had to include it."

Andrew Graham-Yooll was the editor of the English-language Buenos Aires Herald for 20 years and is now ombudsman for the weekend newspaper Perfil.

"There has been lots of coverage in Perfil and La Nación [the two antigovernment papers] about the Wilson case, but the other papers have been more cautious because they are in the government's pockets," he said.

"It doesn't make sense that the money would be for Cristina's campaign, because the government [of her husband] had plenty of money to pay for her election campaign," Graham-Yooll said. "If anything, it was to screw Chávez, but there is no one that the press can pinpoint for this, either, so they are covering every angle, which ends up being confusing."