

Argentina: Bad Friend, Growing Threat



Hugo Chavez, Cristina and Néstor Kirchner
President of Venezuela,
Current and Former Argentine Presidents

It's No Laughing Matter.

Bad Friend

In 2005, Argentina offered to restructure \$80 billion in its defaulted public debt at the worst terms in history, and then repudiated \$20 billion of it owed to foreign lenders.

The Argentine government has deliberately and aggressively devalued its currency in an effort to maintain a "competitive currency exchange rate," creating an unfair trade advantage for Argentine producers over American farmers.

Argentine beef has been affected by outbreaks of foot-and-mouth disease (FMD) in recent years. A proposed USDA plan nevertheless would allow the importation of Argentine beef, at great cost to U.S. agriculture.

When Néstor Kirchner was president of Argentina, the economy suffered. The country saw the largest sovereign debt default in world history, deep devaluations of its currency and disastrously inept economic mismanagement, while its leaders cozied up to its virulently anti-American neighbor, Hugo Chavez.

Then his wife, Cristina Fernández de Kirchner, became president.

And things went from bad to *worse*.

Nearly \$800,000 in likely illegal campaign contributions were smuggled into the country from Venezuela. The new president refuses to undo her predecessor's illegal repudiation of much of Argentina's foreign debt, which has resulted in the country being barred from global capital markets. This self-inflicted financial isolation makes Argentina more dependent on its anti-American neighbor, Venezuela, just as members of Congress target that country as a state sponsor of terrorism for its support of FARC.

And through their closer ties to dictator Hugo Chavez, the Kirchner-Fernández governments have moved Argentina closer to rogue states.

Argentina should follow the examples of Latin American countries such as Brazil and Mexico, which are embracing the global economy and working to join the ranks of developed nations.

When bad friends become security threats, it's unacceptable. Argentina is choosing the wrong path.

Growing Threat

Argentina has drawn increasingly close to Venezuela's anti-American dictator Hugo Chavez. Nearly \$800,000 in Venezuelan money was smuggled into Argentina, likely for an illegal campaign contribution to Cristina Kirchner's successful presidential bid.

Hugo Chavez's state-sponsored support of terror groups such as The Revolutionary Armed Forces of Colombia (FARC) has led to congressional calls to designate Venezuela as a state sponsor of terrorism.

Argentina's new president, Cristina Kirchner, has voiced a new claim to the Falkland Islands, stirring up a dormant territorial dispute with U.S. ally Great Britain that led to war in the 1980's.

Argentina, Get Serious:

Honor Your Debts. Rejoin the Community of Responsible Nations in Latin America.

Learn more about what you can do to help make Argentina repay its debts and become a more responsible member of the world community at: www.atfa.org

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