

ACTION INR-00

RELEASED IN FULL

INFO	LOG-00	NP-00	AID-00	AMAD-00	CIAE-00	INL-00	DODE-00
	WHA-00	DS-00	EUR-00	UTED-00	VC-00	H-00	TEDE-00
	LAB-01	L-00	VCE-00	AC-00	DCP-00	NSAE-00	OMB-00
	EPAU-00	PA-00	GIWI-00	ACE-00	FMP-00	BBG-00	R-00
	EPAE-00	ECA-00	IIP-00	DSCC-00	PRM-00	DRL-00	SAS-00
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FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 0444

INFO USCINCSO MIAMI FL//SCJ2

USCOMSOLANT

UNCLAS BUENOS AIRES 001428

STATE FOR INR/R/MR, I/GWHA, WHA, WHA/PDA, WHA/BSC,  
WHA/EPSC

USCINCSO FOR J-2 IAD/LAMA

E.O. 12958: N/A

TAGS: KPAO, OPRC, KMDR, PREL

SUBJECT: MEDIA REACTION BOLIVIA COLOMBIA ARGENTINE

FOREIGN DEBT NEGOTIATIONS FIGHT ON DRUG TRAFFICKING

06/10/05;BUENOS AIRES

## 1. SUMMARY STATEMENT

Leading international stories today focus on the Bolivian Congress electing Supreme Court Justice Eduardo Rodriguez caretaker president; and the Argentine Government adopting tougher capital controls requiring banks to hold up to 30 percent of foreign capital inflows for investment "to stem speculation that could destabilize the local currency."

## 2. OPINION PIECES AND KEY STORIES

- "The economic and social reactivation, another face of Colombia"

Daily-of-record "La Nacion" carries an opinion piece by Rodrigo Holguin Lourido, Colombian ambassador to Argentina, who writes (06/10) "The main 2004 Colombian economic and social indicators, and its most remarkable results, are a clear demonstration of the determined and committed way our government has implemented its security and socio-economic

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reactivation policies... Colombia, which is committed to one of the most crucial international priorities, has managed to prevent and reduce terrorist actions through territorial control. Today, we can say that... attacks against civilians decreased by 97 percent between 2002-2004. Obviously enough, the progress made on the security policy has enabled the people to recover confidence in the State and its institutions, and it has been key to the economic and social reactivation obtained during the most recent years... In spite of all the progress made, our government is aware that, vis--vis the multiple and complex requirements of our country, these results are meager. Maintaining the direction of the policies implemented and the political and financial support of the international community will be fundamental to strengthening these endeavors."

- "IMF (and Argentina): no deal before October"

Marcelo Bonelli, economic columnist of leading "Clarín," comments (06/10) "The (Argentine) economic team... has acknowledged in private meetings that no deal will be reached with the IMF before October elections. This was the conclusion reached by Economic Meeting Roberto Lavagna after having held a series of meetings with Washington's experts, and this explains the latest and harsh public statements from both Lavagna and IMF head Rodrigo Rato: the two of them are attempting to avoid being rebuffed when negotiations get stalled. A few days ago, Lavagna said 'We will not accept conditions putting a brake on growth.' Rato replied 'In order to reach a deal, we should first have Argentina request a program.' By the end of June, the IMF Board will hold meetings... aimed at assessing the status of the Argentine economy. Expectations are that critical voices will appear during those meetings, and also that a group of G7 directors will attempt to 'charge pending bills' to the Argentine Government. Anoop Singh has drafted a critical report in which he praises the Argentine economic recovery while asks for some progress in the resolution of problems affecting investment and mid-term economic activity. This twenty-page document has already started circulating in Washington. It contains what businessmen say in private - that the Government should dispel several doubts in order to sustain the current rhythm of growth... Nevertheless, Kirchner has already sent clear signs that he wants to revalidate his political strength through elections before making

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complex economic decisions. He conveyed this message to Washington as well as Europe. Therefore, all the main offices of privatized corporations are aware that they should not expect conclusive definitions about public rates before October elections."

### 3. EDITORIALS

- "Bolivia's crossroads"

Daily-of-record "La Nacion" editorializes (06/10)

"Radical political and social claims in Bolivia... have created the illusion that the country is on the verge of a revolution. The only possible revolution is that of the peaceful construction of a viable country, for which purpose political leaders should set aside

personal ambitions, the countries of the region should cooperate putting aside their own interests, and multilateral lending agencies should lend the kind of assistance required. The deepening of the country's political and social crisis has placed our neighboring country on the verge of civil war, which will only be avoided if it chooses to take the road of peaceful dialogue and respect for democratic institutions and the rule of law. A gesture of generosity from its political leaders could contribute to avoiding chaos, whose outcome would be nothing but the radicalization of poverty in one of the most castigated nations of Latin America. The rightful decision made by Argentine and Brazilian presidents Nestor Kirchner and Lula, respectively, to immediately respond (along with the UN) to the request for cooperation from departing president Carlos Mesa could help Bolivians find a solution amid prevailing uncertainty and convulsion. However, it is necessary to insist that beyond the cooperation Bolivia receives from abroad, the resolution of the very serious institutional crisis the Andean country is going through is in the hands of the Bolivian people... Farmers, indigenous groups, miners, students and trade union representatives are asking for hydrocarbon and natural gas nationalization, the expropriation of oil fields exploited by multinational corporations, and the closure of Congress. Meanwhile, the wealthy provinces of the North, Northeast and the South... are asking for the political and economic autonomy of the central government through the support of business sectors in a movement that stirs the ghost of territorial disintegration... The convulsion in Bolivian cities is

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the harshest expression of unresolved historic issues, such as the claim in defense of indigenous rights. But, it is also the demonstration of the prevailing disagreement in the country between those who want to make progress on an economic transformation... which could help insert the country in the world, and populist leaders who propose radical measures that will prevent the country from putting stagnation behind them... The Argentine Foreign Ministry should play a more active role in the search for a solution, which should become one of its priorities not only due to the economic consequences but the demographic impact of such a crisis on our country."

- "Deficit in the anti-drug fight"

Leading "Clarín" editorializes (06/10) "It has long been said that the Argentine territory is an increasingly used route for drug transportation from producing areas towards Europe and the US, and that transit countries end up being production and consumption sites... As was the case with many other warnings, this particular one was not taken into account due to domestic negligence... The spreading of drug abuse is a serious social and criminal problem... The spreading of drug trafficking also impacts on foreign relationships because it turns Argentina into a target of criticism, and it is the reason for political pressures from foreign governments and international institutions. In this framework, the discovering of several drug shipments through the Ezeiza airport unleashed an investigation that made apparent the airport's serious shortfalls regarding security as well as control of luggage and travelers. The same happens with shipment control at ports... Therefore, the fight against narco-trafficking calls for a substantial improvement in the equipment and organization of airports and ports, and also in the efficiency of forces devoted to this task."

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