

# Inter-American Dialogue

## LATIN AMERICA ADVISOR

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### Featured Q&A With Our Board of Advisors

**Q** After several delays since November, Haiti's Provisional Electoral Council has set February 7 as the new date for the country's first presidential and legislative elections since former President Jean-Bertrand Aristide was ousted nearly two years ago. Do you think authorities will stick to the new date, or will logistical problems, violence, and kidnappings once again derail the vote? On a related issue, do you think the apparent suicide Saturday of the Brazilian military commander of United Nations peacekeeping forces in Haiti will have any impact on security in the country?

**A** Guest Comment: Dina Paul Parks: "It is not likely that Commander Bacellar's death will have any discernible impact on the security situation. Within hours of the news on Saturday morning, MINUSTAH had appointed an interim commander, and the UN machinery will continue implementing UN policy. That policy, however, has been remarkably ineffective at facilitating security and preparing the country for elections, causing authorities last week to postpone, for the fourth time, the presidential elections, this time to February 7. Chances are that this date will not stick either. Given the need to distribute millions of voter cards, open thousands of polling sites and stanch the kidnapping scourge that has returned with a vengeance (several hundred people in December

alone), three weeks is insufficient to lay the groundwork for even logistically feasible, much less democratically meaningful, elections. What Haiti needs is a three-month timetable, backed by the genuine political will of various stakeholders—CEP, interim government, international community—to take the steps necessary to bring about a credible, if imperfect, process."

**A** Guest Comment: Dan Erikson: "Even by Haiti's tragic standards, the early days of 2006 have been unrelentingly grim. Elections originally scheduled for last fall have been delayed for the fourth time due to rampant  
*Continued on page 4*

### PHOTO OF THE DAY



Brazilian President Luiz Inacio "Lula" da Silva attended the funeral Wednesday of Lt. Gen. Urano Teixeira da Matta Bacellar, the Brazilian commander of UN peacekeeping troops who died in an apparent suicide on Saturday.  
*Photo: Agencia Brasil.*

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## NEWS BRIEFS

**Vargo Stepping Down as US' Top Trade Negotiator for Latin America**

Regina Vargo, the US lead trade negotiator for Latin America, is stepping down on Friday. Vargo, assistant US trade representative for the Americas, has been involved in negotiating the CAFTA-DR, NAFTA and the US bilateral agreement with Chile, as well as ongoing talks to conclude pacts with Colombia, Ecuador, Peru, and Panama. US Trade Representative Rob Portman announced Tuesday that Everett Eissenstat, chief international trade counsel to US Senate Finance Committee Chairman Chuck Grassley (R-IA), would replace Vargo.

Source: USTR, Portafolio.

**Mexico's High Court Won't Hear Case Against Ex-President**

Mexico's Supreme Court on Wednesday rejected the latest attempt by prosecutors to try former President Luis Echeverria for a 1968 student massacre. The Court voted 3-2 not to hear the appeal of a judge's September ruling throwing out genocide charges against Echeverria and several others for the massacre.

Source: Reuters.

**Chile's Grupo Security Offers \$128 Million for AIG Subsidiary**

Chilean financial group **Grupo Security** said Wednesday it offered \$128 million to buy life insurance company **Interamericana Rentas Seguros de Vida**, a subsidiary of US insurance and financial services giant **America International Group (AIG)**. The offer is subject to a definitive agreement expected to be reached by the end of January. Grupo Security owns a bank and other financial businesses in Chile.

Source: Reuters.

## Political News

**Diplomatic Tensions Between Venezuela, Peru Heat Up**

A diplomatic spat between Peru and Venezuela escalated on Wednesday, with Peruvian President Alejandro Toledo accusing his Venezuelan counterpart, Hugo Chavez, of destabilizing Latin America, while Venezuela's vice president shot back that Toledo's remarks were motivated by his own failures in governing his country. Toledo lashed out at Chavez after the Venezuelan leader criticized Lourdes Flores Nano, a conservative and leading contender in Peru's April presidential election, as belonging to the "oligarchy" in Peru. "Hugo Chavez is president of Venezuela, not Latin America. He can have all the petrodollars he wants, but that does not allow him to destabilize the

Mexico and Venezuela both withdrew their ambassadors after Chavez called Mexican President Vicente Fox a "lap dog" of the US and Mexico demanded an apology.

**Brazil Sees Signs US Trying to Block Arms Sale to Venezuela**

Brazilian Foreign Minister Celso Amorim said Wednesday he saw signs that the US was trying to block the sale of Brazilian military aircraft to Venezuela, Reuters reported. "There are signs of this, I hope they are not definitive, it would in my opinion be counterproductive and even false," Amorim was quoted as telling reporters. "These planes have no offensive capability to threaten the security of the greatest power in the world." The foreign minister's comments came a day after Venezuelan President Hugo Chavez accused Washington of blocking the sale

“Hugo Chavez is president of Venezuela, not Latin America. He can have all the petrodollars he wants, but that does not allow him to destabilize the region.”

- Alejandro Toledo

region," Toledo was quoted as telling local radio, according to Peruvian daily *El Comercio*. Shortly after Toledo spoke, Venezuelan President Jose Vicente Rangel responded by saying Toledo's remarks were motivated by his immense failure to govern Peru, noting that Chavez enjoyed 70 percent approval ratings, while Toledo's were in the single digits, Venezuelan state news agency ABN reported. The latest exchange between the two governments came six days after Peru recalled its ambassador from Venezuela, accusing the country of meddling in its affairs after President Hugo Chavez praised Ollanta Humala, a left-leaning nationalist who is also running for president in Peru. Humala, leads center-right candidate Lourdes Flores Nano in some polls in the run-up to the April election. Peru is not the only Latin American country with which Venezuela has had diplomatic tensions in recent months. In November,

by Brazilian jetmaker **Embraer** and threatened to buy the aircraft from China if the deal fell through. Chavez said the US vetoed the sale because Embraer uses US technology. Amorim said yesterday that Brazil would push Washington to allow the deal to go forward. "Venezuela is a peaceful



Amorim

Photo: Agencia Brasil.

country, the question of agreeing or not with the internal politics of a country should not be a reason for you to restrict the transfer of technology," Amorim stated. But US officials have expressed concern in the past about the Chavez government's arms purchases, including the purchase last year of 100,000 Kalashnikov rifles from Russia, which is also selling military helicopters to Venezuela. Last year, Venezuela signed a \$2 billion agreement to buy ships and transport aircraft from Spain.

## Company News

### Petrobras, Partners to Invest \$18 Billion in Santos Basin Expansion

Brazilian state-run oil company **Petrobras** said Wednesday it would lead an \$18 billion effort to expand oil and gas production in the country's Santos Basin, Bloomberg News reported. The investment over the next ten years is part of an effort to increase power generation and reduce dependence on foreign natural gas. Petrobras and its partners, including the US' **ExxonMobil**, expect by 2011 to produce 30 million cubic meters (1.06 billion cubic feet) per day of gas and 100,000 barrels a day of oil from the Santos Basin, an offshore region along Brazil's southern coast. The new plan will allow Petrobras to tap Brazil's largest natural gas fields at a time when natural gas reserves are at alarming lows in the country. Brazil currently imports about half of its gas, 24 million cubic meters a day, from Bolivia, where political instability threatens supplies and new taxes has raised costs. Bolivian President-elect Evo Morales said Wednesday his government plans to seize oil and gas reserves owned by international companies, leaving other assets such as pipelines and refineries in the hands of foreign operators. Gas consumption in Brazil is expected to more than double by 2010 to over 100 million cubic meters per day, according to Reuters. Guilherme Estrella, Petrobras' exploration and production chief, said about 12 million cubic meters a day of the gas will flow to the Brazilian market by mid-2008. Petrobras is responsible for two-thirds, or \$12 billion, of the \$18 billion plan announced Wednesday, and partners such as ExxonMobil, **Royal Dutch Shell Plc.**, **BG Group Plc.**, **Amerada Hess Corp.**, and **Repsol YPF**, will finance the rest, Bloomberg News reported. Petrobras has earmarked \$56.4 billion in investment in its 2006-2010 business plan, including \$6.5 billion for natural gas and energy. Under that project, Petrobras expects to almost double oil and gas output to about 3.4 million barrels a day of oil and oil equivalent, about the same amount as Mexico produces today, according to Bloomberg News.

## Capitol Hill Watch

*A weekly look at US congressional activity on Latin America*

### Martinez Calls Government's Cuba Immigration Policy an "Utter Failure"

Sen. Mel Martinez (R-FL) blasted the US government's "wet-foot, dry-foot" policy for Cuban migrants after 15 migrants found clinging to an abandoned bridge in the Florida Keys were repatriated Monday in what Martinez and other critics said was an overly strict interpretation of the policy. "Today's refusal to allow the Cubans who had reached the Old Seven Mile bridge admittance to our country once again shows the complete and utter failure of the wet foot/dry foot policy," the Cuban-American senator said in a press release. The Coast Guard and Department of Homeland Security decided to repatriate the 15 Cubans after determining the bridge they were found under was not "dry" US territory. The bridge is no longer in use and is not connected to land because parts of the bridge are missing. Under the government's wet-foot, dry-foot policy, initiated under the Clinton administration in 1995 and continued under the Bush administration, Cuban migrants caught at sea are generally returned and those who reach land allowed to stay. But Martinez said the government went too far in this case. "Because they reached an old bridge and not a new bridge there's a judgment they didn't reach American soil? The semantics used to return these men and women who have risked so much to reach freedom and are now returned to an uncertain future are an embarrassment," Martinez stated. Cuban-American congressman Lincoln Diaz-Balart and his brother, Rep. Mario Diaz-Balart, both Florida Republicans, this week called on the Bush administration to reverse the policy.

*Source: Office of Sen. Mel Martinez, The Miami Herald.*

### Tancredo Accuses Mexico, Central America of Trying to Weaken US Border

Rep. Tom Tancredo (R-CO) on Tuesday accused Mexico and six Central American nations of lobbying to weaken US border security after officials from the region called on the US to legalize undocumented migrants and create a guest-worker program. "If Americans didn't know before, they know now: countries from which illegal aliens come are lobbying to keep our border security weak," said Tancredo, a member of the House Immigration Reform Caucus. "Remittances that flow from Mexicans working in the US amount to more than \$16 billion per year—that's Mexico's second-largest foreign source of income behind oil. They have a direct economic interest in undermining the security of the United States," he said. Last month, the House passed an immigration bill calling for construction of 700 miles of fence along the 2,000 mile-long US-Mexico border. The bill would also make it a felony to live in the US illegally instead of a civil offense, toughen penalties against document fraud, and require employers to verify the legal status of workers. On Monday, the foreign ministers of Mexico, Nicaragua, Guatemala, El Salvador, Honduras, Belize, and Panama said migrants should not be treated like criminals regardless of their migratory status, while they vowed to fight migrant trafficking.

*Source: Office of Rep. Tom Tancredo, Associated Press.*

**Featured Q&A***Continued from page 1*

lawlessness and logistical shortcomings. Pervasive criminal and political violence has claimed the lives of hundreds of Haitians and seven peacekeepers. The suicide of the Brazilian military commander in charge of 9,000 UN troops in Haiti casts a deep shadow over the future of the mission. Today, Haiti's electoral process is seriously off-track, and the international community seems ill-equipped to prevent the country's slide towards chaos. Haitian politics are highly fragmented, with former presidents, private-sector elites, Aristide partisans, grassroots leaders, ex-army officers, coup-mongers, and criminal networks competing to fill the vacuum. The date for the first round of presidential and legislative elections has now been set for February 7, with a run-off on March 19, but it will take an extraordinary effort to organize an acceptable vote in the next few weeks. The UN and OAS managed to register 3.5 million voters, but nearly 2 million identity cards still need to be distributed. Most crucially, Haitians and their international partners need to work together to break the chokehold of violent gangs on the political process. Well-managed elections still have the possibility to represent a crucial first step in helping to break Haiti's tragic cycle, but they must be accompanied by a long-term vision for the country's future. If this opportunity is squandered, then the US and its neighbors will be grappling with the consequences for years to come."

**A** **Guest Comment: James Morrell:** "Most likely, this time the elections will be held on the appointed date. The disarray among the electoral commission, the UN, and the OAS promises to make them fairly chaotic, as does the resurgence of kidnapping and violence by the Aristide sector. This violence is aimed, according to Andy Apaid, the leader of the Group of 184, at scaring the non-Lavalas voters away from the polls and delivering the election to the Lavalas-supported candidate, Rene Preval. On the other hand, both the UN and the

police chief have complained of presidential candidates financing their campaigns with kidnapping ransoms, and it was clear that the police chief was referring to Preval, among others. He claimed to have the evidence to make arrests in the coming days. A further challenge is the acute uncertainty surrounding the UN mission after the apparent suicide of its Brazilian force commander. Rumors fly as to the circumstances, but it seems that they will ultimately come back to this force's flagrant passivity in the face of the kidnappers, many of them avowing loyalty to the ousted president. Aristide, for his part, urged them on in his year-end message, couched in the usual Haitian code words. The result of the UN force's fecklessness is that the kidnappers have lost all fear. In Cite Soleil, the UN force appears to have entered into live-and-let-live agreements with them. In protest, the private sector called a widely-observed one-day general strike, and Apaid accused the UN of shielding the kidnappers. To save the situation and forestall yet another Marine intervention, the United States needs to bear down heavily on the Latin American commanders of the UN mission, sweetening the tough talk with a loan of US special forces for the duration of the election. These commanders must be made to aggressively pursue the kidnappers with the help of the local population and police. The objection raised by the UN, namely the screen of civilians thrown up by the gunmen, must be braved and can be dealt with tactically."

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**Dina Paul Parks** served an advisor to *Haiti's interim government.*

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**Latin America Advisor**

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**Latin America Advisor** is published every business day by the Inter-American Dialogue  
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