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Report Summary/Argentina

Political Issue

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Geo-strategic Issues

Argentinean president Fernandez de Kirchner has sent a letter to the newly elected president of UK, David Cameron in which she wished her to run government affairs appropriately and asked him to negotiate on Falkland Island dispute. Tensions between Argentina and Britain have increased over the Island from 6th May when a British oil exploration started oil exploration in the deep waters near Falkland Island. Before this in the last meeting of UNASUR the twelve countries of South America have also favored Argentina over Falkland Island issue.

In an EU-Latin American summit in Madrid, the president of Argentina asked Latin American countries to convince Britain to negotiate on Falkland Island issue and before that she has also asked UNASUR nations to help Argentina. The Britain's foreign representative for Latin America countries said negotiations cannot be done since the people of Falkland themselves do not want it and the Lisbon Treaty also clarify that Falkland Island is an overseas territory of Britain.

Argentina's government has made an agreement with the United Nations' Office of Drug and Crimes (UNODC) to collaborate with each other to fight against drug trafficking, weapon smuggling, human trafficking and money laundering in the region. UNODC will also collaborate with its other regional office to combat these crimes in the region.

On the visit of Kuwait's ambassador to Argentina the Argentine's Chief of Cabinet told him that his country wants to increase bilateral relations with Kuwait. He said Argentinean like Arab culture and they like to improve relations in political, social and cultural aspects.

European Union and Mercosur have renewed their talks on trade between both blocks in Madrid. EU's president told that EU is willing to increase trade with Mercosur countries in future and its new phase of dialogue will start in the beginning of July. Mercosur countries are exporting 20 percent of total beef production of the world.

Report Summary/Brazil

Political Issue

Economic Issue

Social/Humanitarian Issue

The provincial education minister of Amazonas state of Brazil died in a plane crash along with five other people. It is said the pilot tried to do an emergency landing but he could not control the plane which caused the death of six people.

Food, Environment and Energy Issue

Geostrategic Issues

Brazilian president went on a weeklong tour to Russia, Qatar, Iran, Portugal and Spain. In Russia he will talk to his Russian counterpart on BRIC coordination and increase bilateral trade, in Madrid he is going to attend a EU-Latin America summit where he plans to convince EU countries to increase trade with Mercosur countries and then his visit to Iran is to play a role of mediator between Islamic Republic of Iran and IAEA to resolve Iran's nuclear issue. A US official said this is the last chance for Brazil if it could convince Iran to wind up its nuclear program otherwise Washington is ready with its allies to impose new sanctions on Iran.

United States said Brazilian President Lula can play a role in winding Iran's nuclear program as it is among those 15 UNSC members but openly Brazil has favored Iran's nuclear

program. US government said UNSC's five plus one members (including Germany) are fully committed to sanctions on Iran as it is decided. On the other hand Iran has told that its program is not to create a nuclear bomb but for civilians' relief to create energy by it.

Russian president Medvedev and Brazilian president held a joint press conference in Russia in which Lula told that he is very hopeful that he will be successful in negotiations between Iran and IAEA and even if he is not successful, he will go to his home happily because he is not ignored. While Medvedev told in his press conference that he is 30 percent hopeful that President Lula will get success in his mission but Lula is his friend and he is very optimistic so he is also optimistic that the negotiations would be successful. Russia's stance is not very clear regarding sanctions on Iran in UNSC meeting but it is very clear that it has not as strict stance to impose sanctions as other five members have.

United States' Secretary of State also stated that she does not believe that president Lula will be successful in his mission. She said the solution is only sanctions on Iran which will be beneficial and bring fruits. She said we also tried to negotiate with Iran on many occasions but all efforts went ruined. President Lula said sanctions cannot be beneficial in this regard as sanctions did not work in Iraq's case so there should be an agreement rather than a disagreement. Turkish prim minister is also going to join in the talks between Iran and Brazil in Tehran.

Brazilian President Luiz Inacio Lula da Silva asked for more trade and investment with Russia during his visit to Moscow and said the two BRIC states should do more to boost each other's economies. He said trade between Russia and Brazil increased five times from 2002 to 2008 but there should be more increase now. President Lula and Medvedev signed a strategic partnership agreement by which both countries will cooperate in the field of energy, aircraft and iron ore products. A Russian gas company is also opening office in Rio de Janeiro. Other than this both countries also agreed on a short term visit as 90 days by their citizens can be done without visa but just on their valid passports.

On the arrival to Tehran, Brazilian president met the supreme leader of Iran Aytollah Khomeini. Ayatollah told Lula that he appreciate Brazil's independent decision on global affairs and boldness before colonial powers and he is willing that such independent countries and other countries which are against these colonial powers should be gather. He said he is also willing to increase trade relations with Brazil. Brazilian president also appreciated Iran's independent stance at global affairs and showed his eagerness to increase bilateral relations in every field. He also said Iran and other countries which have emerged as an important key player should form a global economic and political bloc. Turkey's prim minister also joined the meeting in Tehran which continued for two and half hours. In which Erdogan told that to produce uranium is Iran's right like other powers of the world.

China has welcomed a nuclear fuel swap plan of Iran which is announced after the talks with Brazil and Turkey which are urging negotiations over the deepening dispute even as Western powers condemned the new deal as too limited. China's foreign minister said negotiations are the better solutions but China has not satisfied with Iran's nuclear program. Iran is the exporting crude oil to China as China is the second largest oil consumer of oil after USA. Both countries are also enjoying good relationships.

Brazilian president told that its country will export food products to Iran of 1 billion Euros for next five years. Its state radio told that trade between both countries has increased more than \$2 billion in 2009-2010 years and it will increase more as \$10 billion in next five years. The head of Brazil's energy regulator also said that Brazil will help Iran in equipments and engineering and in its response Iran will provide Brazil with drills to help oil explorations in its deep water oil.

Brazil's foreign minister told media that the agreement between Brazil, Iran and Turkey is signed after the meeting of 18 hours and according to that agreement Iran will continue its nuclear program but it has to provide access to global community that it is working for energy but not for nuclear bomb. He also said that according to the conditions Iran will send 1,200 kilogram of its enriched uranium to Turkey for further processing and in exchange it will get 120 kilogram uranium needed for medical purposes but in shape of oil. The foreign minister said the agreement is not the final solution of the problem but it will permit Iran to continue its generating its nuclear energy for the peaceful purposes. And the Turkish prime minister said in a press conference after the agreement that there is no need of sanctions on Iran now as the deal between Brazil, Iran and Turkey is successful.

Brazilian president said Israel's criticism on Iran is not useful now because Iran is agree to send its uranium to the third country. He said it is the first time that Iran got agree on sending its uranium and it should be appreciated rather than criticize in it. Russian president hold a press conference with its Ukrainian counterpart in Kiev and welcomed Iran's nuclear deal. It is said Israel was not expecting such response of agreement and now Israel is fearful that the agreement will delay the sanctions on Iran.

International Court of Justice or the World Court told that Honduras has filed a case against Brazil in meddling Honduras' case by giving asylum to its ousted president Manuel Zelaya in its embassy in Honduras. Zelaya is now staying in Dominican Republic as he has taken an asylum there.

Report Summary/Chile

Political Issues

Economic Issue

Social/Humanitarian Issue

A State Department official told that the person who was arrested before the US embassy in Chile with some explosives on his hands and belongings is not found involved or attached with the incident of Time Square in New York. But the man is still detained for the investigation to know about the explosives. Saifur Rahman told he neither he knows about explosives where from that were with him nor he has association with any terrorist group but he was going to US embassy just for his visa renewal. Later Saif was freed from the custody of police on the condition that he must have to appear before authorities in a week and he cannot leave the country till the case is fully investigated.

Chilean president Pinera told that he is struggling for a electoral reform which will allow him to get opposition's support in \$8.5 billion financing package for the infrastructure development. Pinera is trying to get the favor of rightists and leftists by becoming a moderator among them in legislation. He said electoral reform will help all register voters to cast a vote in election even those who are abroad by an electronic reform. And every eligible voter will have to cast vote otherwise he will be sentenced.

Food, Environment and Energy Issue

Geo-strategic Issues

Peruvian president said the meeting between him and his Chilean counterpart was very useful in Madrid. Both of the countries invited each other in their countries and demanded to increase bilateral relations between them. The relationships between the both countries went wrong when Peru filed a case against Chilean government in the International court of justice in Hague over a dispute of 100,000 miles in Pacific Ocean. Chile was claiming that that territory was given to Chile by an agreement of 1950 which was lost by Peru in the wars of 19th century.

Report Summary/Mexico

Political Issues

Economic Issue

Social/Humanitarian Issue

Violence against the homosexual gays and lesbians increased in Mexico and people hit them in 11 different states of Mexico. Almost 70 homosexual couples found injured in this violence in spite of president Calderon's advise to treat them humbly. Also the Mexican court has allowed the homosexuals to get marry and adopt children but some people are not accepting them.

Mexican cartels once again spread terror in Coahuila state near to the US border where some armed people came into a bar and killed 8 people and 18 got injured. Other than this they have taken the life of another politician from president Calderon's conservative National Action Party. He was a candidate of mayor ship in a state of Mexico. President Calderon said in spite of losing a lot of lives of our politicians and citizens we will not stop the war but continue their crackdown. Many politicians have been found linked to drug cartels and many against and those who go against the cartels they kill them. Even last week Mexican government has extradited an ex mayor of a city who was wanted to the US government in drug smuggling case to US. Other than this ex presidential candidate of the same party is missing who is considered kidnapped by the drug cartels.

Some analysts say that president Obama has rightly recognized the cause of violence in Mexico that the drug cartels in Mexico spreading the violence on the basis of the weapon smuggling from the United States. President Obama is very much concerned about Mexico's war against drug cartels and give it the more importance and that is why he has approved \$1.3 billion plan for Mexico's drug war. But the funds are being utilized by the Mexican army which is

deployed by the Mexican president in troublesome areas especially that are near the border. The critique on the military is this they are themselves involved in violation of human rights. Human rights organizations have pointed it in their reports many times that the 70,000 military which is deployed in the bordered areas of Mexico is violating the human rights as some of them are found involved in kidnapping, raping of women, torturing and killings as many people have filed cases against the military.

Mexico's government is accused of supporting Sinola cartel by getting bribery from it. Sinola is Mexico's largest and richest drug cartel which is spread in almost all northern and north eastern states of Mexico. NPR gathered a record of last few years to know the reality behind this and found that most of the members related to the drug cartels are captured from the Gulf-Zetas cartel that are 1,100 or 40 percent of the total, as far as other the Sinaloa, Beltran-Leyva and Tijuana cartels are concerned, the government arrested their 12 percent members.

The President of Mexico told that he did not find any high official who is protecting and supporting the Sinola cartel but all are treated as equal and crackdown is continue without any kind of discrimination. But the critique came before by the report that many people claim if the government officials have not contact with this cartel then how it controlled the airports of many cities of Mexico in the last year. Sinola drug cartel is not only the largest drug cartel of Mexico but all of the Latin America and its chief is the most wanted person to the government. A professor who is the expert of drug crimes told that it is not necessary that the government of Mexico is not treating with the Sinola cartel like others but it could be the strategy of the government to counter other drug cartels by the Sinola as Sinola's largest enemy is La Familia which based in Michocan. It could also be possible that government is providing chance to the Sinola to counter La Familia.

Food, Environment and Energy Issue

Geo-strategic Issues

President Felipe Calderon is going to USA in next week and it is said the most important issue to discuss in the meeting would be the new immigration law passed by Arizona. He already says that the new law is affecting the relationships between both countries and the traders of Mexico have already asked president Calderon for the economic boycott of US as Mexico is exporting 80 percent of its goods to US. President himself has criticized the new immigration law and called it as discrimination.

It is said the main purpose of his visit revolves around immigration law but drug and violence issues would also be discussed in the meeting. Other than this NAFTA issues would also be discussed as the US government has allowed Mexican trucks to enter in US which were banned few months ago when the government received complaints against them. Another important issue to be discussed is the oil spill in the Gulf of Mexico which did not harm the Mexico as it could not come near the shores of Mexico due to favorable weather though caused tension for the government of Mexico. Both presidents of Mexico and United States are also going to discuss that if such incident happens in the future what would be the precautions for their governments to take to save the environment.

Calderon is going to address in the US Congress about these issues because the immigration bill is going to be discussed in the Congress now. The experts say Calderon has right to talk about immigration law of Arizona before the Congress but if he don't insult the Congress. President Obama himself opposes the new immigration law passed by Arizona but he wants an immigration reform.

Report Summary/Venezuela

Political Issues

Venezuela's opposition leader was sent to the prison when he accused Hugo Chavez and his government supporting Marxists rebels who they have base in Colombia and Spain. But now he has released and he told that the government has not released him for the court trial but on the pressure of public opinion. He also said that to give an opinion is not a crime which he did. The opposition leader is not allowed to leave the country since his case is completed.

Economic Issue

Social/Humanitarian Issue

According to the official the Venezuelan President Hugo Chavez has decreed for the expropriation of a Mexican-owned food company to set up a state agribusiness project. The owner complaints that he was not warned before issuing this decree but he was asked to continue his coordination with the governmental authorities.

Government has prompted actions against the illegal currency dealers in Venezuela. Recently the illegal currency dealers are spreading their network in Venezuela which is really troublesome situation for the government which started action against them.

Food, Environment and Energy Issue

Geo-strategic Issues

Venezuelan president Hugo Chavez has recently signed a deal with the oil companies of India, Japan, Spain and United States. In exchange the companies will invest US \$40 billion in Venezuela. This joint venture is expected to produce 50,000 barrels of oil per day in the end of 2010 and 400,000 barrels of oil per day in 2016. Last week Venezuela has also signed a deal with China's development bank and that deal will provide opportunity to the Chinese oil companies to explore oil in Orinoco oil belt and in exchange Venezuelan government has received US \$20 billion loan. Except all these the government is seeking more allies countries and international financial institutes to get more loan as US \$1 billion.

Chavez said he is going to build a trade building in Caracas for the trade with China. He said Venezuela is the fifth largest trade partner of China in Latin America. He signed some agreements with a Chinese electric company Haier and appreciated its goods. He also said he seeks more opportunity to increase trade with China.

Colombian foreign minister has criticized Venezuelan president Hugo Chavez's statement in an OAS meeting in Washington in which Chavez has criticized Colombia's

presidential candidate Santos that if he becomes the president he can push Colombia in war with Venezuela. He said it is a very bad practice to interfere in the election affairs of a country by another country and he condemns it. The Venezuelan ambassador to OAS rejected the critiques and said he respects the opinion of the people whosoever they elect their president on 3-th May. President Chavez said he has right to speak over the Colombian elections because if the presidential candidate can speak over Venezuela then he can speak too.

President Hugo Chavez boycotted the EU-LAC summit due to not calling his Honduras' de facto president Manuel Zelaya. Zelaya was his friend and only the best ally after Cuba in the region who was ousted by the military government because he was accused to change the constitution of the country. Chavez said Zelaya should be invited rather than the new president Lobo who is not a legal president.

Detailed Report/Argentina

Argentina urges PM to halt Falklands oil exploration

Buenos Aires (AFP) – Argentine President Cristina Kirchner called Friday on Britain's new Prime Minister David Cameron to halt all oil exploration in the "disputed" waters around the Falkland Islands.

"Recently, unilateral oil exploration activities have begun in the disputed area, which has been rejected by my government, and I hope it will be possible for you to stop these operations in favor of fruitful cooperation with my country," Kirchner wrote in a note released Friday.

The president sent the letter to Cameron upon his becoming Britain's new premier, wishing him success and reaffirming her government's willingness to resume negotiations on the sovereignty of the archipelago.

The disputed islands -- known in the Spanish-speaking world as the Malvinas -- remain a point of bitter contention for the two countries, and the climate heated up substantially when oil exploration began in late February.

Tensions rose further on May 6 when British firm Rock hopper announced a first discovery of crude oil in a well in waters off the Falklands.

"Argentina strenuously rejects Britain's attempt to illegally appropriate non-renewable natural resources" in the waters off the island chain, the foreign ministry said in a statement after Rock hopper's announcement.

Buenos Aires said it would take measures, in keeping with international law, to prevent Britain from gaining access to the oil.

Argentina and Britain went to war in 1982 over the remote south Atlantic archipelago, which lies some 450 kilometers (280 miles) off Argentina's coast.

Britain recaptured the islands following an Argentine military invasion, but Buenos Aires has never abandoned its claim to ownership and has vigorously protested oil exploration by the British.

Earlier this month South American leaders endorsed the Argentine position at a summit by the 12-nation Union of South American Nations (UNASUR), charging that the oil exploration was being "illegally carried out."

The statement said the oil prospecting violated a UN resolution that called on London and Buenos Aires to resolve their differences over the archipelago.

In her letter to Cameron, Kirchner stressed that the recent global financial crisis "has highlighted the importance of continuing to build an international community capable of addressing the most serious problems with renewed vision.

"It is precisely in the same spirit of collaboration that I want to express the will of the Argentine government to resume the delayed process of negotiation on the sovereignty of the islands," Kirchner wrote.

Amid the increase in exploration activity, Argentina has been monitoring sea traffic between the mainland and the Falklands to punish companies that are involved directly or indirectly in the oil industry in the archipelago.

UN to set up office in Argentina to fight drugs, crime

Argentina and the United Nations Office on Drugs and Crime (UNODC) have agreed to set up an office in Buenos Aires to coordinate anti-drug and anti-crime efforts in the region, authorities said Friday.

The office will start operating by the end of this year, according to an agreement signed by Argentine Justice Minister Julio Alak and UNODC representative Bo Mathiasen.

"Argentina ratifies the decision on moving ahead against transnational organized crime, with concrete actions and measures," Alak said.

The UNODC office will collaborate with Argentine authorities and the Common Market of the South (Mercosur) to carry out programs aimed at fighting trafficking of drugs, weapons and human beings and money laundering.

It will also work together with other offices of the UNODC in the region to fight drugs and crime.

Argentine's Chief of Cabinet urges stronger cooperation with Arab countries

Buenos Aires, May 17 (KUNA) -- Argentine Chief of Cabinet of Ministers Hannibal Fernandez admired the Arab culture and called on importance of collaboration between his country and Arab countries in political, trade and cultural domains. Fernandez was speaking in a reception held by Kuwait's Ambassador to Argentina Saud Al-Roumi, a statement by the embassy said on Monday.

Fernandez voiced content for the visit of Kuwait's Prime Minister His Highness Sheikh Nasser Mohammad Al-Ahmad Al-Sabah to Argentina, saying the visit would cement bilateral ties in many spheres, according to the statement.

Al-Roumi hoped the meeting with Fernandez would strengthen ties between Kuwait and Argentina.

EU renews talks with Mercosur in Madrid

Madrid. The European Union (EU) and Mercosur (Argentina, Paraguay, Brazil and Uruguay) on Monday renewed their talks in Madrid to reach a free trade agreement that would open up a potential market of 270 million people to the EU, Xinhua News Agency informs. "It would be the EU's most important agreement," commented Spanish Prime Minister Jose Luis

Rodriguez Zapatero, whose country holds the EU rotating presidency. "It would mean an increase of EUR 5 billion in transactions, as well as serve as a message against protectionism in the middle of an economic crisis."

Meanwhile, President of the European Council Herman Van Rompuy said that conversations would continue in the first week of July, while the Mercosur and Argentine president, Cristina Fernandez de Kirchner, highlighted the friendly nature of the talks.

"It is not a question of negotiating with clients, but one of working with companions," she said. Mercosur, which produces 20 percent of the world's beef cattle and 35 percent of soya bean, views the EU as an entry point into markets capable of giving added value. The EU meanwhile considers Mercosur one of the world's expanding marketplaces on the verge of important economic growth.

Argentina makes appeal for Falklands talks

Madrid (AFP) – Argentine President Cristina Kirchner used an EU-Latin America summit Tuesday to call for a resumption of talks between Buenos Aires and London over the disputed Falklands Islands.

"I would like to ask, on behalf of my country and the countries of Latin America... please reopen our negotiations over the sovereignty of the Malvinas," Kirchner said in a speech at the opening ceremony of the Madrid summit.

Argentina and Britain went to war in 1982 over the Falklands, a remote archipelago lying some 280 miles off Argentina's coast which are known in the Spanish-speaking world as Las Malvinas. Britain regained control of the islands but they remain a bone of contention, and Argentina was outraged when oil exploration began there in late February.

Tensions rose further on May 6 when British firm Rock hopper announced a first discovery of crude oil in a well off the islands.

Referring to the 1982 war, Kirchner said her government should not be blamed for "what happened during military dictatorships."

"We are a peaceful country," she said.

New prime minister, David Cameron, did not attend the EU-Latin America summit, where London was represented by Foreign Minister William Hague.

In apparent response to Kirchner's comments, Britain later Tuesday reiterated its principle of "self-determination" for the Falklands.

"There cannot be negotiation on sovereignty unless and until the Falkland Islanders so wish," Minister of State for Latin America Jeremy Browne said in a statement.

"The Lisbon Treaty clearly reaffirms the EU position that the Falkland Islands is an overseas Territory of the United Kingdom.

"While we disagree with Argentina over the Falkland Islands, we have a close and productive relationship on a range of other issues, including on economic issues in the G20 and on climate change, sustainable development and counter-proliferation."

Britain last week rebuffed a call by Kirchner to Cameron to halt all oil exploration in the waters around the Falklands.

Earlier this month South American leaders endorsed the Argentine position at a summit by the 12-nation Union of South American Nations (UNASUR), charging that the oil exploration was being "illegally carried out."

Detailed Report/Brazil

Brazilian president visits Middle East, Europe

Brasilia, May 12, 2010 (Xinhua via COMTEX) -- Brazilian President Luiz Inacio Lula da Silva started an official visit to the Middle East and Europe Wednesday in his latest foray into bilateral and international affairs.

The week-long tour will take him to Russia, Qatar, Iran, Portugal and Spain, and aims to show Brazil's determination to act as a mediator in the Mideast conflicts and strengthen its growing role on the international stage, according to presidential spokesman Marcelo Baumbach.

In Russia on Thursday and Friday, Lula will hold talks with his counterpart Dmitry Medvedev and Prime Minister Vladimir Putin on bilateral relations, the reform of the United Nations, the international economic crisis and coordination among the BRIC countries, namely Brazil, Russia, India and China.

Hydropower energy, conventional thermoelectric energy, bio fuels and renewable energies will highlight his visit to Doha, the first by a Brazilian head of state.

While in Tehran, Lula is expected to seek a rapprochement between the Iranian government and the international community over the Islamic Republic's nuclear issue and push for a much-discussed proposal that would allow Iran to exchange its slightly enriched uranium for fuel necessary for its nuclear program.

"Lula will keep on trying a negotiated solution with Iran that would allow the country to pursue its nuclear program for peaceful purposes, provided that it fully respects the commitments and the safeguards of the International Atomic Energy Agency," Baumbach said.

Lula will attend the Sixth European Union-Latin America and Caribbean Summit on May 18 and 19 in Madrid, and focus on urging the European bloc to resume negotiations with Mercosur, a regional bloc grouping Argentina, Brazil, Paraguay and Uruguay, before traveling to Lisbon for the Tenth Portuguese-Brazilian Summit in Lisbon.

Lula visit may be last shot on Iran engagement: U.S.

Washington (Reuters) – Brazilian President Luiz Inacio Lula da Silva's visit to Iran this weekend may be the last chance to engage Iran over its nuclear program before fresh U.N. sanctions, a senior U.S. official said on Thursday.

The official, who spoke on condition that he not be named, said President Barack Obama has not given up on seeking a diplomatic solution but Washington has concluded Tehran will not curb its nuclear ambitions without further sanctions.

The United States and some of its allies accuse Iran of seeking to use its civilian nuclear program as a cover for pursuing nuclear weapons. Iran denies this, saying its program is solely to generate electricity.

Brazil and Turkey, which hold rotating seats on the U.N. Security Council, have talked to Iran to try to revive a moribund agreement under which it would send low-enriched uranium abroad and receive higher grade uranium in return.

"I think we would view the Lula visit as perhaps the last big shot at engagement," the senior U.S. State Department official told reporters.

U.S. officials stress in public that they support Brazil and Turkey's efforts while saying in private that should these fail, they hope countries will be more disposed to imposing a fourth round of U.N. Security Council sanctions against Iran.

"It's not that we've given up on engagement. We just remain skeptical that Iran is going to move on its own absent some additional pressure," the official said.

He said that if Tehran did not change its stance following Lula's visit "countries like Brazil, Turkey and others on the council should very definitely draw conclusions from that."

Lula is due to visit Iran on Sunday and Iran's Foreign Ministry has said Turkish Prime Minister Tayyip Erdogan was also expected to be in the Iranian capital on that day.

The U.S. official said there were some signs that Iran might try to arrange a broader meeting over the weekend, though he declined to say which nations might attend.

The Obama administration has accused Tehran of trying to buy time by accepting Brazil's offer to mediate and said Washington would be undeterred in its push for new sanctions.

U.S. Secretary of State Hillary Clinton spoke by telephone with Turkish Foreign Minister Ahmet Davutoglu and argued that Iran shows no sign of ceasing uranium enrichment as required by several Security Council resolutions.

Uranium enrichment can produce fuel for nuclear reactors or, if perfected, yield fissile material for atomic bombs.

State Department spokesman P.J. Crowley said if Iran did not change course after Lula's visit it should pay a price.

"At that point we believe that there should be consequences for a failure to respond," Crowley said.

US: Brazil's Lula can help pressure Iran on nuclear issue

The United States said Thursday that Brazilian President Luiz Inacio Lula da Silva can help resolve the dispute over Tehran's nuclear activities when he visits Iran this weekend, dpa reported.

Lula, whose country is currently one of 15 UN Security Council members, will lead a 300-member Brazilian delegation Saturday to Tehran for wide-ranging talks.

Lula has publicly rejected new UN sanctions on Iran. The Security Council's five permanent members - the United States, Russia, Britain, France and China - plus Germany, known as the five-plus-one, are discussing a new set of sanctions in an attempt to increase pressure for Tehran to rein in its nuclear activities, but the talks are far from over.

The US ambassador to the United Nations, Susan Rice, said that Lula's visit to Tehran will not impede the sanctions negotiations.

"In fact, the five-plus-one are working intensively and making good progress," Rice told reporters at UN headquarters in New York.

"We have always maintained a dual-track policy: pressure and opportunity for diplomatic engagement. The progress, in fact, ... could strengthen President Lula's hands as he delivers a message in Tehran that, we hope, will be one that pressure is mounting."

"Iran continues to have a choice," Rice said, "and assuming that it continues to make the wrong choice, pressure will intensify."

The five-plus-one and the International Atomic Energy Agency in Vienna are pressuring Iran to abandon its uranium enrichment program, which has attained nuclear-weapon grade levels of 20-per-cent pure uranium.

The Tehran government has denied that its ultimate intention is nuclear weapons capability, insisting that the nuclear fuel is for civilian uses.

Lula calls for more Brazil-Russia trade

"From 2002 to 2008, trade between Russia and Brazil grew five times," Reuters quoted Lula as saying in a speech to a business forum.

"But that is not enough. We need to make a quantitative new leap and define new areas for partnership in areas like energy, infrastructure and space exploration."

Lula then met President Dmitry Medvedev at the Kremlin, their second meeting in less than a month, after Medvedev attended a summit of the BRIC nations - Brazil, Russia, India and China - in April in Brasilia.

Lula is making his fourth visit to Moscow, an indication of the importance attached by both sides to developing new relationships that reflect the growing economic and political clout of the BRIC states.

Lula and Medvedev were also expected to discuss Iran during the Brazilian leader's trip.

Lula is making what Washington has termed "perhaps the last big shot" at persuading Iran to negotiate over its nuclear program before new UN sanctions.

He will travel on to Tehran after his Moscow visit, which includes a meeting this afternoon with Russia's most powerful politician, Prime Minister Vladimir Putin.

Brazil and Russia are both unenthusiastic about new sanctions against Iran until all other avenues for dialogue have been exhausted.

Brazil and Turkey, which hold rotating seats on the UN Security Council, have talked to Iran to try to revive a moribund agreement under which Tehran would send low-grade uranium abroad for processing and receive higher-grade uranium in return.

Lula and Medvedev were also to sign a strategic partnership agreement which will map out how their relations will develop, the Kremlin said.

The pact calls for increased co-operation on energy - where Russia is offering Brazil nuclear power technology and gas liquefaction technology - and in high-tech areas such as space exploration and aircraft building, officials on both sides said.

Russia's giant gas company Gazprom plans to open an office in Rio de Janeiro this year as part of these efforts, the Kremlin said.

Russia and Brazil are both major commodity nations, with Russia among the world's top energy and metals producers and Brazil strong in exports of agricultural products, iron ore, cars and machinery.

Trade between the two BRIC giants grew to \$6.8 billion in 2008 but fell back to \$4.6 billion the following year because of the global financial crisis, the Kremlin said.

Brazil: Six dead, including education minister, in plane crash

Sao Paulo - Six people died, including a provincial education minister, when their small plane crashed in the Brazilian city of Manaus shortly after taking off, state officials said.

Education Minister Cinthia Regia Gomes of the Amazonas state, 46, as well as four ministry employees and the pilot, died when the plane burst in flame after the crash just minutes after takeoff.

The plane had been headed to Maués, 280 kilometres distant.

The pilot had more than 20 years experience, according to the plane operator Cleiton Taxi Aereo. The pilot appeared to have been trying to make an emergency landing but attempted to avoid the residential neighborhoods of Zumbi. The government of the state of Amazonas ordered three days of official mourning.

Russia says Lula has poor chance of success in Iran

Moscow (Reuters) – Kremlin chief Dmitry Medvedev said on Friday the Brazilian president was unlikely to succeed in his last ditch attempt to prevent further sanctions against Iran by mediating with the Islamic Republic.

Brazil's flamboyant president, Luiz Inacio Lula da Silva, travels to Tehran this weekend in a bid to persuade Iran to revisit a stalled fuel swap deal, though world powers are now discussing further sanctions against the Islamic Republic.

"You want me to give the odds on President Lula," Medvedev quipped to a reporter who had asked at a joint news conference what the odds were that the Lula visit would be successful.

"Okay. As my friend the Brazilian president is an optimist, I shall also be an optimist. I give 30 percent," Medvedev said.

Asked about his odds of success at meetings with the Iranian leadership on a scale of one to 10, Lula replied: "I would give 9.9."

Speaking in Washington, U.S. Secretary of State Hillary Clinton said Medvedev and Lula's exchange "illustrated the hill that the Brazilians are attempting to climb."

Medvedev, echoing words from a senior U.S. official this week, said Lula's trip was probably the last chance for finding a resolution to the impasse over Iran's nuclear program.

The United States, Israel and major EU powers say Tehran's efforts are a front for a drive to develop atomic weapons and want to stop Iran from acquiring them.

Iran denies it is seeking a nuclear bomb while Russia has said there are valid doubts over the program's true aims.

"Tough Mission"

In a bid to win a diplomatic role fitting for Brazil's \$1.6 trillion economy, Lula is seeking to mediate in one of the world's most complicated international negotiations.

Brazil has a rotating seat on the U.N. Security Council and Lula opposes more sanctions against Iran, saying such measures usually hit the poor and could push Tehran into a corner.

He will press Iran's leaders to revisit a stalled proposal by the International Atomic Energy Agency under which Iran would send low-enriched uranium abroad and receive higher grade uranium in return.

"I am going to Iran with the conviction we will find an agreement," Lula said at the news conference with Medvedev. "If we don't find an agreement, I will go home happy because at least I was not negligent."

The fuel deal broke down after Iran insisted on doing the swap only on its territory and the United States has accused Iran of trying to buy time by accepting Brazilian mediation.

"He has a tough mission," Medvedev said. "I really hope that the mission of the Brazilian president ends in success. It is perhaps the last chance before taking decisions in the framework of the Security Council."

Like China, Russian leaders have been reluctant to support new punitive measures against Tehran until all other avenues are exhausted, though Medvedev and Prime Minister Vladimir Putin, Russia's most powerful politician, have always left open the option of further sanctions.

"If there is no change and if Iran cannot be convinced to cooperate then the international community will be forced to act in accordance with those approaches which are also being discussed by the Six," Medvedev said.

"I would not like that development of the situation but nevertheless I cannot rule it out," Medvedev said.

The five permanent members of the U.N. Security Council plus Germany are negotiating a draft sanctions resolution against Iran for refusing to halt its uranium enrichment.

Diplomats said the group's negotiators had moved closer to agreement on a draft and might be ready to send it to the full Security Council for consideration as early as next week. One senior diplomat, however, said this was "ambitious."

Medvedev said the positions of the six world powers were "pretty much consolidated" though he said nuances remained.

The United States is lobbying U.N. Security Council members to back sanctions including proposed measures targeting Iran's mighty energy sector. Iran has about 11 percent of the world's oil reserves and 16 percent of its natural gas.

Medvedev gave no details on what sort of sanctions Russia could support, though it has made clear it opposes an arms embargo, a ban on new investments in Iran's energy sector and other steps Moscow says would drive Tehran into a corner.

Lula also met Putin, Russia's paramount leader who most diplomats believe will make the ultimate call on whether to support sanctions. Putin made no comment on Iran.

Clinton Says Lula Faces Uphill Climb In Iran

Washington (Reuters) - Brazil's president faces an uphill climb in trying to persuade Iran to curb its nuclear ambitions, the United States said on Friday.

Comments by U.S. Secretary of State Hillary Clinton illustrate the U.S. skepticism that Brazilian President Luiz Inacio Lula da Silva will succeed during his weekend visit to Tehran.

Lula plans to press Iran's leaders to revive a stalled proposal under which Iran would send low-enriched uranium abroad and receive a higher grade uranium in return -- a plan that has gone nowhere since it was floated in October.

The United States and some of its allies accuse Iran of seeking to use its civilian nuclear program as a cover for pursuing nuclear weapons. Iran denies this, saying its program is solely to generate electricity.

Russian President Dmitry Medvedev told Lula in Moscow that he had a 30 percent chance at best. Lula, in contrast, put his own odds of success at 9.9 on a scale of one to 10.

"The interchange between President Lula and President Medvedev in Moscow today illustrated the hill that the Brazilians are attempting to climb," Clinton told reporters during a news conference with British Minister William Hague.

"I have told my counterparts in many capitals around the world that I believe that we will not get any serious response out of the Iranians until after the Security Council acts," she added, referring to U.S.-led efforts to secure a fourth U.N. Security Council sanctions resolution against Iran.

Russia backs Brazil as mediator in Iran nuke dispute

Moscow, May 14, 2010 (EFE via COMTEX) -- Brazilian President Luiz Inacio Lula da Silva won here Friday Russia's unconditional support for his mediation in the Iranian nuclear dispute.

"I hope the Brazilian president's mission is crowned with success. This could be the last chance before the sanctions we all know about are adopted by the U.N. Security Council," Russian President Dmitri Medvedev said at a joint press conference with Lula in the Kremlin.

Lula said he was "optimistic" about his trip to Tehran next Sunday, where he said he will do everything to convince his "friend," Iranian President Mahmoud Ahmadinejad, that "agreements are better than disagreements." "I'm making the trip in the knowledge that the dialogue we will undertake is very important and I will try to use all my powers of persuasion," he said about the conflict with Iran, accused by the United States and its allies of hiding a secret plan to build an atomic arsenal behind its civil nuclear program.

"I've always defended the idea that it's a mistake to think that sanctions will bring about an accord," Lula said. "We must avoid the same thing happening to Iran that happened to Iraq." Brazil has presented a proposal for resolving the crisis, according to which Iran would provide slightly enriched uranium to Turkey in exchange for nuclear material of greater purity made exclusively for civil use.

Turkish Prime Minister Recep Tayyip Erdogan will also travel Sunday to Tehran to take part in discussing the plan with Lula and Ahmadinejad.

In that regard, Medvedev said he spoke the day before by phone with U.S. President Barack Obama, whose administration suspects that Ahmadinejad is only praising Lula's mediation efforts to win time and has no intention of halting uranium enrichment in Iran.

"I told him (Obama) that we have to give the president of Brazil the opportunity to use all the arguments of the world community with the goal of getting Iran to cooperate," Medvedev said, adding that he gave Lula's mission "about a 30 percent" chance of success.

On another topic, Lula and Medvedev said they decided to create a joint work team to promote the use of their respective national currencies in bilateral trade.

Medvedev said that such a step would be "important for the economic development of Russia and Brazil and, in general, would give rise to a more balanced international financial system."

"As experience has shown us, neither the dollar nor the euro nor any other currency can seek the status of a world currency that protects all countries," the Russian leader said.

Medvedev described relations with Brazil as "strategic," while Lula gave priority to cooperation in the fields of energy, including nuclear energy, advanced technology, space, defense and agriculture.

He said he would like Russia's cooperation in exploiting the new offshore deposits of crude discovered in Brazil.

Brazil's Lula in Iran for 'last chance' nuclear talks

Tehran - Brazilian President Luiz Inacio Lula da Silva was in Iran on Sunday for a nuclear summit that major powers have said might prove to be Tehran's last chance to avoid new UN sanctions.

Ahead of his trip, Lula told reporters in Moscow he was "optimistic" and hoped to be able to persuade Iranian President Mahmoud Ahmadinejad to reach an agreement with the West.

"I must now use everything I have learned over my long political career to convince my friend Ahmadinejad to come to an agreement with the international community," he said.

Lula, who heads a 300-strong delegation, is expected to hold talks with Ahmadinejad on Sunday morning and also meet Iran's supreme leader Ali Khamenei.

But the United States and Russia have already said the chances of success are weak, while Turkey appears to have given up any hope of its strategic ally and neighbor avoiding sanctions over its controversial nuclear drive.

Brazil and Turkey, non-permanent members of the UN Security Council, have so far resisted US-led efforts to push through a fourth set of sanctions against Iran over its failure to heed repeated ultimatums to stop enrichment activity.

Iran has rejected a UN proposal to enrich abroad the uranium it says it needs for a nuclear research reactor. The West fears Iran wants highly enriched uranium to make an atomic bomb, a charge Tehran vehemently denies.

"We have received many proposals and we are considering them," Iran's atomic chief, Ali Akbar Salehi, was quoted as saying on Saturday in local media.

"There is a willingness on both sides to resolve the problem and things are moving positively," he added without elaborating.

But Foreign Minister Manouchehr Mottaki indicated that Iran was still not ready to budge from its dogged position.

"We hope that the parties (involved in the talks with Iran) will bend to the realities and choose the right path," Mottaki was quoted as saying in reports on Saturday.

Russian President Dmitry Medvedev said on Friday that the Brazilian president's talks with Iran "may be the last chance before the adoption of appropriate decisions within the framework of the Security Council."

That came after a senior US State Department official told reporters on condition of anonymity on Thursday that the Lula visit was being seen as "perhaps the last big shot at engagement."

Lula has in the past defended Iran's nuclear activities, saying Tehran has the right to atomic energy, and has repeatedly said sanctions would be counter-productive and ineffective.

The White House said President Barack Obama and Medvedev had discussed Iran by telephone this week and agreed to step up negotiations on a new sanctions package.

The two leaders noted the “good progress” and “agreed to instruct their negotiators to intensify their efforts to reach conclusion as soon as possible,” said the White House.

Russia’s agreement would leave China as the last remaining holdout among the five veto-wielding permanent members of the Security Council, bringing the prospect of sanctions much nearer.

RF-Brazil visa agreement to come into effect June 7 – FM

Moscow, May 15 (Itar-Tass) - An agreement between the governments of Russia and Brazil on visa-free short-term trips will come into effect on June 7, the Foreign Ministry reported on Saturday.

“Under the agreement, Russian and Brazilian citizens, who have valid passports, will be released from getting visas for entry, exit, transit and stay on the territory of another state for up to 90 days within each 180-day period from the first entry,” the ministry said.

The agreement was signed as part of Russian President Dmitry Medvedev’ s visit to Rio de Janeiro on November 26, 2008.

On Friday, during the talks with his Brazilian counterpart Luiz Inacio Lula da Silva, Medvedev said, “Visa-free travel regime between Russia and Brazil will be effective on June 7.”

“It is a great event. It will open new opportunities for mutual contacts,” the Russian president stressed.

Imam Khamenei in Meeting with Brazilian President Calls for Change of Unjust World Order + PIC

According to Ahlul Bayt (A) News Agency – ABNA.ir – Islamic Revolution Leader Ayatollah Imam Sayyid Ali Khamenei in a talk with Brazilian President Luiz Inacio Lula da Silva and his accompanying delegation Sunday appreciated Brazil for adopting an independent and well-thought stance regarding the international affairs, adding that sole solution to alter the current unfair global conditions lied in cooperation between independent governments.

The IR Leader said the Islamic Republic on the same account welcomes cooperation with Brazil in bilateral and international affairs.

Imam Khamenei said Brazilian diplomacy had undergone a dramatic change compared to past, adding that Brazil was a great, influential state in the Latin American affairs as well as international ones.

"Brazilian government in recent years has been adopting an independent stance which has run counter to America's position," the IR Leader added.

Ayatollah Khamenei then appreciated the call of the Brazilian president early in the meeting for a change in the current UN structure, adding that to alter the current tyrannical relations in the world, independent countries must come closer to each other and play a role in this regard. "Superpowers have defined a vertical order for the world to be headed by a superpower. The order must and can change," the IR Leader said.

The Islamic Revolution Leader then noted that world domineering powers, the US in particular, are heavily upset at expansion of relations between independent states in the world as well as their increasingly influential role in international affairs. Ayatollah Khamenei added that a clear example of the displeasure was the brawl incited by American authorities over the Brazilian visit to Iran.

"We believe that many countries which have been sidelined in the past two centuries under the policies of colonial powers can play a role in this regard," Ayatollah Khamenei said, adding however that any involvement by such countries in the world affairs would be harshly treated by Americans.

"An example of such treatment has emerged in the conduct of America towards Iran during the past thirty years," Ayatollah Khamenei said, adding however that the battle would be virtually won by the rightful and persevering party.

The IR Leader asserted that the superpowers would not cease their encroachment unless they were forced to do so adding that Iranians grew stronger by standing against America in the past thirty days.

"It is certain that God would assist those who have faith in Him and strive for His lofty goals. We have experienced this divine assistance and we believe in it," Ayatollah Khamenei said adding that "We believe in divine assistance and national will alike."

Ayatollah Khamenei also noted there were considerable potentials for Tehran and Brasilia to develop bilateral ties.

In return Brazilian President expressed satisfaction at being in Tehran pointing out promotion of economic, political, and trade cooperation with the Islamic Republic of Iran as the key aim of his visit to Iran.

He continued that things have changed in the world and the UN had to undergo changes as well.

President da Silva added that new countries such as Iran had emerged as key players in world and they could form a political and economic bloc.

"Brazil believes that the government and the nation of Iran has the right to defend their independence and move towards development," da Silva said.

Erdogan Heads to Iran for Nuclear Talks With Lula, Ahmadinejad

May 16 (Bloomberg) -- Turkish Prime Minister Recep Tayyip Erdogan unexpectedly left for Tehran today to join talks on Iran's nuclear program that may be a last opportunity to avoid tougher international sanctions on the Islamic Republic.

Brazilian President Luiz Inacio Lula da Silva earlier today met with his Iranian counterpart, Mahmoud Ahmadinejad. Neither leader mentioned nuclear talks in their statements to the press. The foreign ministers of Turkey, Brazil and Iran met for 2 1/2 hours today to discuss the nuclear issue, Turkey's state-owned Anatolia news agency reported.

"UN Security Council sanctions were a possibility because of Iran's nuclear program," Erdogan said in Izmir, according to Anatolia. "The talks have delayed that a little. God willing we'll be able to overcome these difficulties with the steps that will be taken."

Russian President Dmitry Medvedev said on May 14 that Lula's trip "may be the last chance" for a negotiated solution before the United Nations Security Council considers new sanctions. U.S. State Department spokesman Philip J. Crowley said on May 13 that if Lula fails, efforts to negotiate with Iran should end and pressure for sanctions should intensify.

The U.S. and its allies accuse Iran of seeking to develop nuclear weapons under cover of its atomic energy program. Iran rejects the claim and says its activities are solely civilian.

Turkey, which borders Iran to the west, opposes additional sanctions against the country and says diplomacy must be pursued. Turkish officials have several times stated their readiness for their country to serve as a venue for a swap of low-enriched uranium for nuclear fuel that can be used in a Tehran reactor for medical purposes.

Bomb Core

Uranium enrichment is at the center of world powers' concern with Iran's nuclear program. The material can fuel a reactor or, enriched to higher degrees, form the core of a bomb.

Ahmadinejad, speaking at the UN on May 5, said a lack of trust in the U.S. and other Western powers is the principal reason Iran is pursuing its own enrichment program and hasn't concluded a fuel swap agreement.

"If the swap is to take place in Turkey, we thought we should go," Erdogan said today, according to Anatolia.

Under a plan put forward in October, Iran would ship low-enriched uranium to Russia and France for further processing into reactor-grade fuel. Iran has earlier said it was willing to adopt the proposal, provided the exchange is simultaneous and takes place on Iranian soil. The U.S. and its allied didn't agree to the condition.

Further UN sanctions may penalize Iranian banking, shipping and insurance industries.

Business Executives

Lula, in a speech to Iranian and Brazilian business executives, said he hopes for trade and investment between the two countries to advance, especially in capital-intensive industries like oil and telecommunications. He and Ahmadinejad signed an agreement to finance up to 1 billion euros of Brazilian food exports to Iran in the next five years. Air connections between the two countries should also expand, he said.

Brazilian business executives from the oil, construction and agricultural industries accompanied Lula to Tehran. Trade with Iran has more than doubled to \$1.2 billion since Lula took office in 2003.

Iran seeks to boost trade with Brazil

Brazil will finance €1bn of food exports to Iran over the next five years to make trade between the two countries less dependent on foreign banks, Brazilian President Luiz Inacio Lula da Silva said yesterday.

Lula is in Tehran to help mediate in a standoff over Iran's nuclear program, as Brazil seeks more diplomatic clout on the world stage. It is seen as probably the last chance to avoid a new round of UN sanctions against the major oil producer.

"It does not make sense that the trade between Iranian and Brazilian companies depends on the credit and goodwill of foreign banks," Lula said in a speech to Iranian and Brazilian traders. The US is pushing for a fourth round of punitive sanctions, including measures targeting Iranian banks and shipping, over its refusal to suspend enrichment-related activity seen by the West as part of a program to develop nuclear weapons.

Iran says its nuclear program is solely to produce electricity.

Behrouz Alishiri, head of an Iranian government body promoting investment in the Islamic state, said yesterday trade between Iran and Brazil could increase nearly five-fold to some \$10bn, but he did not give a time frame.

Analysts say Western companies are increasingly wary of investing in Iran because of the nuclear dispute and that Tehran is shifting to countries from Asia and elsewhere to develop its oil and gas fields. It has also boosted ties with Latin America.

The head of Brazil's energy regulator said in Tehran on Saturday the two countries were likely to sign a memorandum which would open the way for Brazilian firms to participate in the modernization of Iran's oil sector.

Alishiri told an economic conference attended by representatives from the two countries that Iran offered high returns for foreign investors.

He suggested that Brazilian companies could buy stakes in Iranian state firms to be privatized and also take part in planned bond offerings to help finance energy sector projects.

"Attaining \$10bn in trade exchanges between Iran and Brazil is not far-fetched," Alishiri said, according to state broadcaster IRIB.

"Iran has the highest return on capital in the world, ranging (between) 25%-85% in some projects. We have no limitation in foreign investment, and welcome Brazil's investment in Iran," he said.

State radio said bilateral trade had increased to more than \$2bn in the 2009-10 year from \$500mn in 2005, and was forecast to reach some \$10bn in the next 5 years.

Haroldo Lima, the head of Brazil's energy regulator, told Reuters on Saturday that his country could help Iran with equipment and engineering. In exchange, Iran could provide Brazil with drills to help in the exploration of deep-water oil.

China welcomes Iran nuclear fuel swap deal

Iran agreed with Brazil and Turkey on Monday to send some of its uranium abroad, reviving a fuel swap plan drafted by the United Nations with the aim of keeping Tehran's nuclear activities in check.

But Iran made clear it had no intention of suspending domestic enrichment the West suspects is aimed at making bombs.

Western powers have already said the offer will not be enough to ease their worries about Iran. But Chinese Foreign Minister Yang Jiechi suggested his government was encouraged by the proposal and favors further negotiations.

"China has noted the relevant reports and expresses its welcome and appreciation for the diplomatic efforts all parties have made to positively seek an appropriate solution to the Iranian nuclear issue," the Foreign Ministry website quoted him saying (www.fmprc.gov.cn).

"China has consistently advocated safeguarding the international nuclear non-proliferation system. At the same time, China considers we should resolve the Iran nuclear issue through the channels of dialogue and negotiations."

China is among the world powers that have been discussing possible new U.N. sanctions against Iran over its disputed nuclear activities. As one of the five permanent members of the U.N. Security Council, it has the power to veto resolutions.

Yang's published comments did not touch on whether China believes the nuclear fuel swap proposal means those sanctions discussions should be delayed, and a Foreign Ministry spokesman also sidestepped a direct question.

But both stressed that Beijing prefers a negotiated solution to the dispute.

Iran is a major supplier of crude to China, the world's second-biggest consumer of oil after the United States, providing over ten percent of imports last year.

Dominated by energy shipments, bilateral trade has grown from around \$10 billion (6.9 billion pounds) in 2005 to over \$20 billion last year.

China has kept close bilateral ties with Iran and is reluctant about moving towards new sanctions, but its support is not unreserved. It has backed past U.N. Security Council resolutions criticizing Tehran's stance on nuclear issues.

Brazilian FM: agreement recognizes Iran's right for peaceful nuclear use

Brazilian Foreign Minister Celso Amorim said at Tehran on Monday that a trilateral fuel swap agreement reached in Tehran on Monday recognizes Iran's right for peaceful nuclear energy, the official IRNA news agency reported.

The agreement followed two major goals: admitting Iran's right to benefit from nuclear energy for peaceful purposes and a requirement for Iran to provide global community with guarantees in connection with its nuclear program, said Amorim according to IRNA.

Iran signed here a nuclear fuel swap agreement with Turkey and Brazil on Monday.

According to the agreement, the Tehran government has agreed to a draft proposal whereby Iran will send some 1,200 kg of its 3.5 percent enriched uranium over to Turkey in exchange for a total of 120 kg 20 percent uranium needed for a medical research reactor, Press TV reported.

The agreement indicates that there is still time for diplomacy and dialogue, Amorim told reporters, adding that global community and the G5+1 should raise their confidence level, the report said.

The "G5+1 countries" refers to the five permanent United Nations Security Council members -- the United States, Russia, China, France and Britain -- plus Germany.

After talks, Iran agrees to ship enriched uranium to Turkey

Sao Paulo — Brazilian and Turkish government officials said yesterday that their leaders had brokered a tentative compromise with Iran in the international standoff over Iran's nuclear program, a development that could undermine efforts in the United Nations to impose new sanctions on the Iranians.

A spokesman for the Turkish Foreign Ministry said that after 17 hours of talks in Tehran, ministers from Brazil, Iran, and Turkey had reached an agreement on the principles to revive a stalled nuclear fuel-swap deal backed by the United Nations. The spokesman, speaking on condition of anonymity, said the deal would be presented to the leaders of the countries for final touches, with a statement on the agreement expected as early as today. The exact terms, notably the amount of nuclear fuel to be swapped, were not revealed.

The Associated Press reported today that Iran has agreed to ship much of its enriched uranium to Turkey.

The Turkish prime minister, Recep Tayyip Erdogan, canceled an official visit to Azerbaijan late yesterday and instead joined officials in Tehran in what was seen as a sign of progress in the talks.

The Brazilian and Turkish leaders have been trying to revive a deal reached last October in which Iran would ship much of its stockpile of enriched uranium abroad for further processing, which would then be returned in the form of fuel rods for a medical research reactor. Erdogan suggested to reporters in Turkey before leaving for Iran that the uranium swap could take place in Turkey.

In the months since the deal was first reached, Iran rejected and then accepted it multiple times, with different conditions. Iran's unwillingness to give a straightforward answer was seen by critics as a delaying tactic.

It was unclear yesterday whether the Obama administration, which has insisted on the need for new sanctions, would accept any new iteration of the deal.

The original terms were considered attractive to the United States and its allies because Iran would have temporarily relinquished most of its uranium. Because Iran has produced more uranium since then, the deal probably would be less acceptable today.

But the blessing of Turkey and Brazil for such a swap agreement could put the Obama administration in the awkward position of appearing to take an unreasonably hard line.

Luiz Inacio Lula da Silva, Brazil's president, met three times yesterday with Iranian leaders, including President Mahmoud Ahmadinejad and Iran's supreme leader, Ayatollah Ali Khamenei.

A diplomat from the Brazilian delegation, speaking on condition of anonymity, said he was optimistic the leaders would announce a deal today that would avoid new UN sanctions.

The Brazilian delegation was scheduled to depart Tehran today for a European Union-Latin American summit in Madrid.

Da Silva was trying to leverage his friendly ties with Iran's government to help broker a compromise.

Like Brazil, Turkey also has been seeking to draw Iran back to negotiations as pressure mounts for passage of another sanctions resolution.

Iran has insisted that its nuclear work is intended only for peaceful purposes like energy production. But the UN nuclear monitoring agency has said that Iran has not cooperated fully with its investigation into whether the country's program is also intended to develop nuclear weapons.

Also yesterday, Clotilde Reiss, 24, a French academic who battled spying charges in Iran for more than 10 months, returned to France and thanked President Nicolas Sarkozy and other officials for insisting on her innocence and pressing for her release. Convicted of provoking unrest and spying, she was given a 10-year jail term that was commuted to a fine of \$300,000.

Turkish FM says "no need" for sanctions against Iran after nuclear deal

Turkish Foreign Minister Ahmed Davutoglu said here Monday the agreement between Iran, Turkey and Brazil should be taken positively and there is no need for further UN sanctions against Iran, Xinhua reported.

"There is no need for sanctions today and time is ripe for talks between Iran and the global community," the official IRNA news agency quoted Davutoglu as saying.

Iran signed here a nuclear fuel swap agreement with Turkey and Brazil on Monday.

According to the agreement, the Tehran government has agreed to a draft proposal whereby Iran will send some 1,200 kg of its 3.5 percent enriched uranium over to Turkey in exchange for a total of 120 kg 20 percent uranium needed for a medical research reactor, Press TV reported.

Davutoglu said Turkey and Brazil guarantee that Iran's low- enriched uranium will be kept in Turkey until it receives the 20 percent uranium needed for Tehran medical research reactor.

"We have guaranteed to keep Iran's enriched uranium as our asset in Turkey until Iran's needed fuel for Tehran (medical research) reactor to be delivered to Iran," he was quoted as saying.

The message of this agreement to the world is that "it is the time of diplomacy" in the world and there is "still chance for the diplomacy in the world," Davutoglu added.

Brazil rejects Israel's criticism

Madrid - THE Brazilian government rejected Israeli criticism of a deal reached between Iran, Turkey and Brazil on Monday aimed at allaying concerns over Teheran's controversial nuclear program.

Under the deal inked in Teheran, Iran will ship 1,200 kilogrammes (2,640 pounds) of low enriched uranium to Turkey and in turn will receive 120 kilogrammes of nuclear fuel for its Teheran reactor. But a senior Israeli official on Monday accused Iran of having 'manipulated' Ankara and Brasilia.

'Israel has the right to say what it wants, but it is the first time that Iran has agreed to send its nuclear fuel to a third country,' an adviser to Brazilian President Luiz Inacio Lula da Silva said. 'Brazil has helped bring the positions together, as a facilitator for dialogue,' he told AFP from Teheran, from where Lula da Silva is to travel to Madrid for an EU-Latin America summit.

The fuel swap deal was signed following three-way talks between Mr Lula da Silva, Iranian President Mahmoud Ahmadinejad and Turkish Prime Minister Recep Tayyip Erdogan.

Iran has been facing a growing threat of new UN sanctions over its controversial atomic program, and western diplomats said on Monday that the deal did not resolve the underlying problem. However the Israeli official, speaking to AFP on condition of anonymity, said the arrangement would 'radically complicate' efforts by world powers looking to rein in Iran's nuclear programme by means of sanctions.

Turkey and Brazil, which are both non-permanent members of the UN Security Council, have so far resisted US-led efforts to push through further sanctions for Iran's failure to suspend its sensitive uranium enrichment activities. -- AFP

Russia welcomes Iranian uranium swap deal

Moscow, May 17 (KUNA) -- Russian President Dmitry Medvedev welcomed Monday the agreement between Turkey, Brazil and Iran to exchange Iranian low-enriched uranium with nuclear fuel.

At a joint news conference with Ukrainian President in Kiev, Medvedev welcomed the mediation efforts by Brazil and Turkey.

The nuclear swap agreement was signed in a meeting between Iranian President Mahmoud Ahmedinejad, Brazilian President Luiz Inacio da Silva and Turkish Prime Minister Recep Tayyip Erdogan.

The agreement paves way exchanging 1,200 kilograms of low-enriched uranium with nuclear fuel on Turkey territories.

Medvedev was quoted by Russian media as saying that the international community would remain worried if Iran insisted on enriching uranium. He was referring to Iranian foreign ministry spokesman who said that Tehran would continue enriching uranium to 20 percent on its territories.

"We have to know if the agreement is enough or if it is important to explore another framework," he said.

Israel fears Iran nuclear deal will delay UN sanctions

Israel was refraining Monday from discussing Iran's agreement to ship low-grade nuclear fuel abroad, pending an official response on the matter from the Western powers.

The central concern in Israel was that the deal, brokered by Brazil and Turkey, will delay the onset of harsh United Nations sanctions over Iran's contentious nuclear program.

The Prime Minister's Office and the Foreign Ministry instructed all officials involved in the Iranian nuclear issue, as well as cabinet ministers, not to make any remarks to that effect. The PMO said Israel's response would be released over the coming days.

Diplomatic sources in Jerusalem said that Israel was waiting to see how the Western powers were dealing with issue, adding that China and Russia seemed likely to increase their opposition to sanctions in light of the deal.

China welcomed the swap plan.

"China expresses its welcome (of the fuel swap plan)", Foreign Minister Yang Jiechi said late on Monday while visiting Tunisia, Xinhua news agency said.

"China has noted the relevant reports and expresses its welcome and appreciation for the diplomatic efforts made by the parties involved to seek an appropriate solution to the Iran nuclear issue."

Despite Iran's apparent concession over its nuclear program, Britain, the United States and France seemed unlikely to halt their efforts for harsher United Nations sanctions.

Tehran agreement to send some of its uranium to Turkey was the revival of a fuel swap plan drafted by the UN with the aim of keeping its nuclear work in check.

But Iran made clear it had no intention of suspending domestic enrichment the West suspects is aimed at making bombs.

"There is no relation between the swap deal and our enrichment activities," Ali Akbar Salehi, head of Iran's Atomic Energy Organization, told Reuters.

He told Iranian television the deal was a move towards nuclear cooperation and "stopping sanctions".

Iran launched work to enrich uranium to a 20 percent level in February. Further enrichment would be needed to make weapons.

The White House said Iran must take steps to prove its nuclear program was for exclusively peaceful purposes.

"Given Iran's repeated failure to live up to its own commitments ... the United States and international community continue to have serious concerns," said White House spokesman Robert Gibbs. "I think we are making steady progress on a sanctions resolution."

A State Department spokesman said the United States would "engage Iran anywhere, anytime, provided Iran is prepared to address the international community's concerns about its nuclear program", but would continue to pursue new sanctions.

Turkish Foreign Minister Ahmet Davutoglu called the fuel swap deal a "historic turning point".

"My expectation is that after this declaration there will not be a need for sanctions," Turkish Prime Minister Tayyip Erdogan said, echoing a statement by Brazil.

The United Nations on Monday called the agreement "encouraging," but said Tehran must comply with Security Council resolutions.

"Any efforts to resolve differences on a diplomatic track in the way Turkey and Brazil have been pursuing with Iran is clearly something that is encouraging in the sense that it is important for there to be discussions," Martin Nesirky, spokesman for UN Secretary General Ban Ki-moon, told reporters.

"But ... the most important thing is that there are already in place UN Security Council resolutions which need to be complied with," he added.

The Security Council has demanded in five resolutions that Iran suspend its uranium enrichment program. Tehran, which rejects Western charges that its atomic program is aimed at producing weapons, says it will continue to enrich uranium.

Britain responded to reports of the agreement by saying work on a new UN sanctions resolution must go on. Iran's move "may just be a delaying tactic", said Foreign Secretary William Hague.

France said the deal would not resolve core concerns.

"Let us not deceive ourselves, a solution to the (fuel) question, if it happens, would do nothing to settle the problem posed by the Iranian nuclear program," French Foreign Ministry spokesman Bernard Valero said in a statement.

Russian President Dmitry Medvedev expressed similar concern. "One question is: will Iran itself enrich uranium? As far as I understand from officials of that state, such work will be continued. In this case ... those concerns that the international community had before could remain," Medvedev said.

But he said he would discuss the issue later in the day with Brazilian President Luiz Inacio Lula da Silva.

"After this, we need to decide what to do: Are those proposals sufficient or is something else needed? So I think a small pause on this problem would not do any harm," he said.

Washington has been leading a push to impose new sanctions, and especially to win the backing of permanent UN Security Council members Russia and China.

Analysts say Monday's agreement may allow Tehran to stave off a fourth round of sanctions and help the leadership reassert its authority after months of anti-government unrest that followed a disputed presidential election last June.

A European Commission spokesman said the deal might be a step in the right direction, but details needed to be seen.

Lula, Erdogan and Iranian President Mahmoud Ahmadinejad clinched the agreement after hours of talks in Tehran, Iranian state media reported. Turkey and Brazil are both non-permanent members of the UN Security Council.

Iran said it had agreed to transfer 1,200 kg (2,646 lb) of its low-enriched uranium (LEU) to Turkey within a month and in return receive, within a year, 120 kg of 20 percent-enriched uranium for use in a medical research reactor.

Iran, which says its atomic program is purely for peaceful purposes, had earlier insisted any such transfers must take place simultaneously and on its territory.

"Iran expressed its readiness to deposit its LEU within one month. On the basis of the same agreement the Vienna Group should deliver 120 kg fuel required for Tehran research reactor in no later than one year," a joint declaration said.

Iranian Foreign Ministry spokesman Ramin Mehmanparast said Iran's LEU would be under the supervision of the Vienna-based International Atomic Energy Agency in Turkey. The IAEA would be notified within a week about the swap deal, he said.

Ahmadinejad called on the five permanent Security Council members -- the United States, Russia, China, France and Britain -- and Germany to open new negotiations with his country.

"They should welcome the major event that took place in Tehran and distance themselves from the atmosphere of pressure and sanctions to create an opportunity for interaction and cooperation with Iran," he said.

Western diplomats say Iran is trying to give the impression that the fuel deal is at the center of problems with the West, rather than its nuclear ambitions as a whole.

They also said removing from Iran 1,200 kg of LEU -- enough, if highly enriched, to make a nuclear weapon -- was less significant now than when it was first proposed because in the months of wrangling over the original IAEA swap deal, Iran's low-enriched uranium stockpile has almost doubled.

No more excuses left, says Iran

Tehran: Brazilian Foreign Minister Celso Amorim on Monday cautioned that the uranium swap agreement with Iran would not solve all the problems but is the "passport" to broader discussions that would create confidence in the international community and permit Iran to exercise the "legitimate right to nuclear energy for peaceful purposes, including enrichment."

Under the deal, Iran is ready to ship the low enriched uranium (LEU) stocks for safekeeping in Turkey within a month of the U.S. and its allies agreeing to the swap. The stalemate had arisen after Iran said it would only swap its LEU for higher grade material and only on its own soil. On its part, the U.S. has been insisting that Iran must immediately send 1,200 kilos of LEU to Russia and France for conversion into fuel rods for the TRR.

The path to Monday's agreement was smoothed by the arrival here of Brazil's President, Luiz Inacio Lula da Silva, and his private conversations with Iranian Supreme Leader Seyyed Ali Khamenei and President Mahmoud Ahmadinejad on Sunday. With Mr. Lula seeming to indicate Iran's amenability on the enrichment issue, Turkish Prime Minister Recep Tayyip Erdogan cancelled his scheduled visit to Azerbaijan to join the talks. "There are no more excuses left for the other side to impose further pressure," said the Iran Atomic Energy Organisation chief Ali Akbar Salehi.

For the feisty Brazilian President — whose efforts to break the deadlock over Iran's nuclear programme took centre stage at the G-15 summit — this was a vindication of his style of politics. Ahead of his departure for Iran, he was quoted as saying that he did business "eye to eye" while wondering why leaders from the U.S., France and England had never talked to Mr. Ahmadinejad.

Turkey and Brazil are non-permanent members of the UN Security Council and have been attempting to find a solution since last month through the diplomatic route.

“We welcome the efforts of countries such as Turkey and Brazil which are friends, and said we are ready and flexible. However, the other parties should show that they are sincere, fulfil our requirements and provide guarantees,” said Iranian Foreign Office spokesperson Ramil Mehmanparast.

Honduras drops case against Brazil at World Court over ousted president

Amsterdam (AP) — The U.N.'s highest court says Honduras has dropped a case accusing Brazil of meddling in its internal affairs by allowing ousted President Manuel Zelaya to stay at one of its embassies in 2009.

The International Court of Justice, widely known as the World Court, said Wednesday that Honduras asked to withdraw the case on April 30 and the request was granted May 12.

An interim administration that came to power in Honduras after a coup filed the case back October 2009 while Zelaya was holed up at the Brazilian Embassy in Tegucigalpa, Honduras. Brazil then viewed Zelaya as Honduras' lawfully elected president.

Zelaya now lives in the Dominican Republic and is trying to negotiate a reconciliation that recognizes current Honduran President Porfirio Lobo.

Detailed Report/Chile

Chile: Detainee Not Linked to Attempted Attack in Times Square, Official Says

A Pakistani man who was arrested by Chilean police on Monday after traces of explosive material were detected on his belongings during a check at the United States Embassy in Santiago is not believed to be connected to the attempted bombing in Times Square earlier this month, a State Department official said Wednesday. The man now under investigation in Santiago, Mohamed Saif ur-Rehman, 28, was put on a watch list by American intelligence services “prior to the Times Square event, so we don’t see any connection,” said Virginia Staab, a State Department spokeswoman. “We have explored that angle and law enforcement so far sees no connection between the two incidents.”

The man was still being detained Wednesday as Chilean authorities continue to investigate the incident. State Department officials have not clarified whether the watch list he had been placed on was for possible terrorist or criminal activity. The traces of explosives were discovered when the man was asked to appear at the embassy to discuss the information that led to his name being placed on the list.

Pinera plans sweeping electoral reforms in Chile

Santiago, May 14 (Reuters) - Chilean President Sebastian Pinera said on Friday he plans sweeping electoral reforms that could help him woo opposition support for capital market reforms and an \$8.4 billion financing package after a massive earthquake.

Pinera, a conservative who ended 20 years of center-left rule and took office in March, seeks to expand the number of potential voters by making electoral registration automatic. He would also allow voters to decide if they want to cast a ballot.

Chileans who are registered to vote must do so or face penalties. For years, young Chileans have held off registering, which is voluntary. That has dramatically slashed the number of young voters in recent elections.

The political overhaul could help Pinera win support among more centrist opponents in Congress to pass his package to finance rebuilding towns and infrastructure destroyed by a massive Feb. 27 quake.

"He wants to place himself between the right and the left with a moderate approach that aims to get legislative support from both the right and the left," said Patricio Navia, a political scientist at New York University and Santiago's Diego Portales University.

"This is aimed at the more centrist members of both the right and the left."

Pinera is also seeking to push through a capital market reform package to boost liquidity and ensure the solvency of the country's financial markets.

As part of the electoral overhaul, Pinera, a self-made billionaire, is proposing legislation to ensure political parties hold primaries.

A primary by the then ruling center-left Concertacion coalition, which was widely criticized as unfair, caused a split that contributed to its defeat in the presidential vote.

The Concertacion has sought to automate vote registration and make polling voluntary since the end of the 17-year military dictatorship of General Augusto Pinochet in 1990. But it faced strong resistance from right-wing parties in the legislature.

"He is making lots of wise political moves," said Marta Lagos, head of Santiago-based pollster Mori. "This sort of reform aims to better distribute power and could benefit his popularity in the immediate-term."

Pinera said the planned electoral reform sought to allow Chileans living abroad to vote in local elections.

Chile Charges, Frees Pakistani In U.S. Embassy Case

Santiago (Reuters) - A Pakistani man arrested at the U.S. Embassy in Chile after triggering an explosive detector was charged on Saturday with illegal possession of explosives, but was freed pending a probe.

The man, identified by the U.S. State Department as 28-year-old Muhammad Saif-ur-Rehman Khan, was taken into custody at the embassy on Monday and held in a maximum security prison under an anti-terror law.

He must sign in once a week with authorities and may not leave the country while the case is investigated, court officials said.

Police said traces of the explosive Tetryl were found on Khan's documents and mobile telephone. Tetryl is a compound used as a booster to help detonate explosive charges.

"He was basically (charged) for an infraction of the law on firearms and explosives," state prosecutor Xavier Armendariz told reporters after the hearing. "The investigation is open and continues."

A senior State Department official said on Tuesday that Khan, a student who had been in Chile for four months, was invited to the embassy so officials could notify him that his visa for the United States was being revoked.

The U.S. official, who spoke on condition of anonymity, said he was not aware of any link between Khan and the Pakistani-American accused of trying to bomb New York's Times Square on May 1.

Khan has denied any wrongdoing and instead criticized the United States.

"I have nothing to do with bombs. I have nothing to do with terrorists. I don't have a beard," Khan told reporters on Tuesday evening. "They (the United States) just want to cover up their shame and guilt for what they have done or are doing in Iraq and Afghanistan."

Peru, Chile seek to defrost bilateral ties

Peruvian President Alan Garcia and his Chilean counterpart Sebastian Pinera agreed on Sunday to make efforts to bring about a thaw in bilateral relations.

Peruvian Foreign Minister Jose Antonio Garcia Belaunde told a Lima radio station that the meeting between the two presidents in Madrid was "fruitful."

Foreign Ministry sources also said Pinera accepted an invitation from Garcia to visit Peru and he also invited the Peruvian president to visit Chile.

Diplomatic ties between the two nations have been frozen since January 2008, when Peru filed a suit against Chile at the International Court of Justice in the Hague over a marmite border dispute between them.

Peru demands sovereignty over an area of about 100,000 square km in the Pacific Ocean, while Chile says the maritime border was established under agreements signed in the 1950s.

Peru lost that territory as a result of the wars in the 19th Century.

Detailed Report/Mexico

Killings of Gays Increase in Mexico: Report

Mexico City — Killings of gays and lesbians have risen in Mexico despite a government tolerance campaign and a law legalizing same-sex marriage in the capital, according to a report released Thursday by a coalition of civic groups.

A review of more than 70 newspapers in 11 Mexican states found an average of nearly 30 killings a year motivated by homophobia between 1995 and 2000, compared to nearly 60 a year between 2001 and 2009, the report said.

Ricardo Bucio, president of the government's National Council for the Prevention of Discrimination, backed the report, saying it gave visibility to a lingering problem.

The government launched a radio campaign in 2005 to promote tolerance of homosexuals.

In December, the Mexico City legislature approved the first law in Latin America explicitly giving gay marriages the same status as heterosexual ones. The legislation, affecting only the capital, also allows same-sex couples to adopt children.

Mexico City's annual gay pride parade draws tens of thousands of people, and in some neighborhoods gays openly hold hands.

But violence against gays seems to have increased as more become public about their sexual orientation, said Alejandro Brito, director of Letter S, one of the groups that released the report.

Mexico City had the most homophobia-motivated killings, with 144 between 1995 and 2009, according to the report.

Despite the federal government's push to promote tolerance, President Felipe Calderon's conservative administration campaigned against the Mexico City law allowing same-sex marriage.

Mexico's Calderon to protest Arizona law to Obama

Mexico City - Mexican President Felipe Calderon will protest to U.S. President Barack Obama in Washington next week about Arizona's crackdown on illegal immigrants, Calderon told Reuters Thursday.

Calderon said a law that will come into force in Arizona in July, requiring police to check the immigration status of anyone they suspect is in the United States illegally, was already affecting relations between the two neighbors.

"It contains elements that are frankly discriminatory, terribly backward," Calderon told Reuters in an interview.

He said he would bring Mexico's protest over the law to a meeting with Obama and in front of the U.S. Congress during an official visit to Washington next week.

"The fact the law has introduced, regardless of all the nuances being used, the possibility of detaining, arresting somebody on the grounds of their physical appearance implies one of the most serious reversals that I remember," he said.

The move by Arizona, which borders Mexico, has sparked outraged protests, pushed some U.S. states to seek economic boycotts of Arizona and pushed the immigration debate in the United States into the political foreground.

There are an estimated 10.8 million illegal immigrants, mostly from Latin America, in the United States.

Mexico, which sends 80 percent of its exports to the United States and has millions of citizens working there legally or illegally, has condemned the legislation, issued a warning for Mexicans living or traveling there, and asked its consulates in Arizona to offer Mexicans legal protection.

Asked if the law could affect bilateral relations, Calderon said: "It is affecting it, sadly, it is affecting it."

Obama has denounced the law as misguided, and the storm over it has boosted a drive by the president and Senate Democrats to overhaul federal immigration laws, something Mexico has been pushing for years, to better immigrant rights.

"It's a very sensitive issue on both sides of the border but I know President Obama's will (to do something) and we are both doing, and will do, more to avoid this really affecting relations," Calderon said.

Mexican Mayoral Candidate Killed In Drug-Plagued Region

Mexico City — Gunmen killed a candidate for mayor from President Felipe Calderon's conservative National Action Party on Thursday, and the party's leader said the victim and other candidates had received threats.

PAN leader Cesar Nava said candidate Jose Mario Guajardo had been "asked via threats to abandon his candidacy," and said his party would ask federal authorities to provide protection for some candidates.

"Like him, we have other candidates ... who we now know have also been threatened," Nava said.

Calderon's office said in a press statement that his administration "condemns the cowardly assassination" and "repeats its commitment to continue combating organized crime."

Both Calderon's statement and the 9 mm shell casings found at the scene – a caliber favored by Mexico's drug gunmen – suggested the possibility of cartel involvement in the killing of Guajardo, his son and an employee.

Calderon's office did not comment on any plans to provide protection for candidates.

Guajardo was gunned down in the northern border state of Tamaulipas, where his party says politicians are too scared to run for office because of death threats and rampant drug gang violence.

Guajardo, who was running for mayor of Valle Hermoso – a town about 30 miles (50 kilometers) south of Brownsville, Texas – was shot in the offices of his agricultural supplies company.

The Tamaulipas state government confirmed his killing in a brief statement, but did not provide any information on the motive in the killing. His son, Mario Guajardo Adame, and employee Fernando Trevino also were killed.

Mexico's drug gangs have also been known to demand protection payments from businessmen, often shooting them or burning their businesses if they refuse to pay.

Leaders of National Action had warned recently of trouble recruiting candidates for three mayorships and two other local posts in Tamaulipas because many politicians are too scared to run in the July 4 elections.

Nine other states are also holding elections that day for governors, mayors and other local posts.

Violence has swept Tamaulipas recently amid a fierce turf battle between the Gulf cartel and its former ally, the Zetas gang. Federal troops, deployed to the state under Calderon's nationwide offensive against cartels, have come under systematic attack, and civilians have increasingly been caught in the crossfire.

Jose Julian Sacramento, the National Action candidate for Tamaulipas governor, said recently that several candidates had been threatened. He said he and party leaders were discussing the possibility of letting candidates run without campaigning.

"We've been left without candidates because of the fear of organized crime," Sacramento told the Mexican newspaper El Universal.

At a news conference, Garza, the state party leader, declined to comment on the possible motive for Guajardo's killing.

"Authorities must tell us what is happening. We want them to investigate and give us an answer," he said.

Mexico has long struggled to keep organized crime from infiltrating politics. Twelve mayors in the Pacific coast state of Michoacan were arrested last year for allegedly protecting a drug cartel, though most have been let go for lack of evidence. Last week, an ex-governor of eastern Quintana Roo state was extradited to the U.S. on drug trafficking charges.

Calderon stepped up the battle against Mexico's brutal drug cartels after taking office in December 2006, deploying thousands of troops and federal police across the country. Drug gang violence has surged since then, claiming more than 22,700 lives.

Top Mexican politician missing

A former Mexican presidential candidate who has remained a power broker in the ruling party is missing amid signs of violence, the federal Attorney General's Office has said.

Prosecutors said that the car of Diego Fernandez de Cevallos was found near his ranch in the central state of Queretaro. It said some of his belongings were found inside as well as unspecified "signs of violence."

The Mexican newspaper El Universal reported that federal sources said Fernandez de Cevallos had been kidnapped, but a federal prosecutor's spokeswoman said she could not confirm that information.

Fernandez de Cevallos, 69, was the 1994 presidential candidate of the National Action Party that now governs Mexico and he has continued to be an influential figure, as well as one of Mexico's most successful attorneys.

The bearded, cigar-chomping candidate jumped out of obscurity during Mexico's first televised debate by presidential candidates in 1994, striking a chord with the middle class with his calls to topple a party that had held power since 1929.

He finished second to Ernesto Zedillo that year, but his party finally won the presidency six years later when Vicente Fox was elected.

Fernandez de Cevallos served as a senator and congressman while also winning some of the country's largest court judgements, often in suits against government agencies.

8 Killed, 18 Wounded in Massacre at Mexican Bar

A band of armed men shot and killed eight people in a bar in northern Mexico and wounded 18 others in the latest outbreak of violence in the country, officials said Saturday.

A band of armed men shot and killed eight people in a bar in northern Mexico and wounded 18 others in the latest outbreak of violence in the country, officials said Saturday.

Authorities said the victims at the bar in Torreon, in the northern state of Coahuila near the U.S. border, ranged in age from 15 to 33.

A local official said four gunmen arrived in a van and "opened fire first on security personnel and then inside the bar."

More than 22,700 people have died in spiraling drug violence in Mexico since President Felipe Calderon launched a military crackdown on organized crime, according to official figures.

Mexican president Felipe Calderón to visit at a tense time

Washington - Mexican President Felipe Calderón's trip to the U.S. Capitol this week comes as Congress is struggling to pass comprehensive immigration reform and the Mexican people are angry at what they see as a harsh new law targeting their countrymen in Arizona.

It also comes amid growing concern by U.S. officials about the violent Mexican drug cartels that smuggle narcotics and people into the United States and weapons and cash into Mexico.

The U.S. already has pledged \$1.4 billion to help Mexico fight its drug cartels, and experts say Calderón is likely to ask for more. Calderón launched the war on drugs soon after taking office in late 2006, and the battle has grown increasingly bloody and dangerous. An estimated 20,000 people have died in drug-related violence since then.

While Calderón will undoubtedly emphasize the strong friendship between countries, he also must appeal to his constituents by repeating his condemnation of the Arizona law, which makes it a crime to be in the state illegally. Calderón, whose government issued a travel advisory in the wake of the law, will ask Congress to pass immigration legislation to prevent other states from adopting measures similar to Arizona's, experts say.

"I think we're in a different world than we were before the Arizona law," said Mark Jones, chairman of the political-science department at Rice University in Houston. "Prior to that, President Calderón had done pretty much all he could to stay out of U.S. immigration policy. He was listening to President (Barack) Obama's assurances that he was working on reform and that it would be counterproductive for the Mexican president to weigh in on that."

"But this law has really outraged Mexicans, and President Calderón can't go to Washington without President Obama at least assuring him he will do everything possible to get reform legislation through this year," Jones said.

Early reports were that Calderón's speech Thursday to a joint session of Congress would focus on fighting cartels and opportunities for Mexico and the U.S. to work together on renewable-energy projects, said Alberto Diaz-Cayeros, director of the Center for U.S.-Mexican Studies at the University of California-San Diego.

Now, Calderón reportedly is rewriting the speech to take on the Arizona law, he said.

Still, experts say, Calderón will be careful not to insult Congress, which he knows would do more harm than good in advancing his agenda.

"I have no doubt that he will bring (the Arizona law) up," said Carlos Velez-Ibanez, chairman of the Department of Transborder Chicano and Latino Studies at Arizona State University. "If he doesn't address it specifically, he will do it in a circular manner by bringing up the importance of civil rights and treating people with dignity."

Calderón and his wife are scheduled to arrive in Washington on Wednesday morning and leave Thursday evening. It will be his third meeting in Washington with a U.S. president - he met with George W. Bush twice - since taking office. He also has met with Bush and Obama in Mexico. The drug war has always been part of the conversations.

Obama, who supports comprehensive immigration reform and opposes Arizona's law, is expected to boost Calderón's message.

A framework for reform unveiled by Democratic Senate leaders and praised by Obama would beef up border security while also offering a path to citizenship for the estimated 11 million illegal immigrants already in the United States. It is unlikely to pass this year because of opposition from Republicans and some conservative Democrats, but it is important to Calderón for Obama to make it a high priority, Jones said.

For Obama, the meeting is a chance to strengthen the bonds between the two countries while also showing Latino voters in the U.S. that he cares about immigration reform, said Diaz-Cayeros. Obama was elected in 2008 with overwhelming support from Latino voters.

"This may be an international visit, but for Obama, Mexico is about domestic politics," Diaz-Cayeros said.

Time to speak up on Military Abuse in Mexico

When President Felipe Calderón of Mexico is received at the White House as part of his official state visit this week, he can expect President Barack Obama to reaffirm the United States' full support for Mexico's struggle against its violent drug cartels. So far, that has meant more

than \$1.3 billion in aid, much of it to the Mexican military. What it hasn't included -- and should -- is pressure to uphold the human rights requirements to which both governments have agreed.

The Mexican army's human rights record is very troubling. Soldiers deployed in counternarcotics operations have engaged in grave abuses, such as killings, torture, rape, and beatings. And if the abuses themselves aren't worrisome enough for the Obama administration, their impact on the efficacy of the drug war should be. Each time that civilians are abused, Mexican soldiers contribute to the climate of violence and lawlessness in which the cartels thrive. Worse, the force's abuses have cost it public trust and cooperation, both of which are vital to effective counternarcotics operations.

Understanding this, the United States and Mexico included human rights requirements in the Merida Initiative, a comprehensive plan begun in 2007 to confront organized crime. But rather than cracking down, the Calderón government has largely ignored the requirements and pretended its human rights problems don't exist. Meeting Obama last year, Calderón publicly challenged human rights advocates to point to "any case, just one case, where the proper authority has not acted in a correct way."

In fact, Mexico's own National Human Rights Commission has done a comprehensive job of providing just those sorts of examples. Since Calderón came to power in 2006, the commission has issued reports on more than 50 cases involving egregious army abuses, including killings, rape, and torture. In one of those cases from 2007, for example, soldiers raided several communities in Michoacan, arbitrarily detaining 36 people, most of them at a military base where they were tortured to obtain information about alleged ties to drug traffickers. Four of the victims, underage girls, were also raped. The commission has reported receiving nearly 4,000 additional complaints of military misconduct.

In addition to these widespread abuses, Mexico has failed to meet the requirements stipulated in the agreement. For example, Merida requires Mexico to eradicate torture by, among other things, ensuring that the torturers are brought to justice. Yet in its 2009 report on the Merida requirements, the State Department noted continuing abuses and said, "We are not aware that any official has ever been convicted of torture." Nor have steps been taken to ensure that Mexican soldiers implicated in abuses be tried in civilian courts. To date, these trials are prosecuted in military courts, which lack the independence needed to ensure accountability.

The Obama administration has recognized the Mexican military's ongoing human rights problems but has done little to press for a better result. Despite the State Department's finding that Mexico had not met the requirements of the Merida pact, the portion of the aid package tied to human rights improvements (a mere 15 percent of the total), the United States released the funds anyway. Mexico received not only the additional funds, but also a powerful signal that Obama was unwilling to enforce the human rights requirements if it meant embarrassing an important ally.

Obama has rightly recognized the United States' shared responsibility for confronting Mexico's cartels, as the bulk of the money and weaponry flowing to these powerful criminal organizations comes from north of the border. But by failing to uphold Merida's human rights conditions, the Obama administration is shirking an important part of this responsibility. And it's missing an

opportunity to help Mexico wage a more effective campaign against its drug gangs -- which, after all, was the point of this whole endeavor.

Factbox: Immigration, Drug War Key to U.S.-Mexico Relations

Mexico's President Felipe Calderon meets with U.S. President Barack Obama this week to discuss bilateral problems like surging drug violence along their shared border and a clampdown on illegal immigration in Arizona.

President Felipe Calderon will be received at the White House with a state dinner on Wednesday and will address a joint session of Congress on Thursday.

Here are the issues likely to come up during the visit:

Arizona Law

Around 12 million illegal immigrants live in the United States, most of them from Mexico and Central America, and a tough new state law in Arizona has brought the issue to the forefront of public debate. The law, which comes into force in July, requires state and local police to determine if people are in the country illegally, previously a function carried out by federal immigration police and some local forces.

Critics say the law is unconstitutional and a mandate for racial profiling. But a majority of Americans back the border state's crackdown, while just 25 percent support Obama's softer immigration policy which includes legalizing millions of unauthorized migrants, a recent survey showed. Obama has said he wants to begin work on immigration reform this year, although the issue has been overshadowed by healthcare and financial regulation.

Drugs War

Mexican drug gangs are killing rivals in record numbers, mostly in the U.S.-Mexico border region, and major army operations appear unable to stop the violence. Nearly 23,000 people have been killed in drug violence since Calderon took office in December 2006 and launched an army offensive.

Obama backs Calderon's drug strategy, following through on a \$1.4 billion U.S. aid package known as the Merida Initiative pledged by former President George W. Bush in 2007. Obama has promised to step up efforts to curb U.S. drug consumption as well as the southbound flow of guns and cash into Mexico. But human rights groups have raised concerns that Calderon's army-backed approach is putting civilians at risk as claims of human rights abuses by soldiers have jumped in recent years.

Trade, Cross-Border Trucking

Washington agreed under the North American Free Trade Agreement, or NAFTA, to allow Mexican trucks to haul goods on U.S. roads. But a spending bill passed by Congress and signed

by Obama eliminated funding for a pilot program launched by the George W. Bush administration on safety concerns.

Mexico slapped retaliatory tariffs on \$2.4 billion of U.S. products in March and accused U.S. lawmakers of bowing to protectionist pressures from union leaders. U.S. business groups say producers and farmers are suffering lost sales. U.S. Transportation Secretary Ray LaHood said this month the government will "soon" announce a plan to reopen the border to Mexican trucks, but gave no further details.

Gulf Oil Spill

Crude oil has been gushing unchecked from a ruptured well controlled by energy giant BP Plc about a mile under the ocean's surface in the Gulf of Mexico, threatening an ecological and economic calamity along the U.S. coastline.

Reports of huge oil plumes in the Gulf -- including one as large as 10 miles long, three miles wide and 300 feet thick -- underscored the spill's environmental impact as the crisis drags on. Mexico's navy says the oil has not yet hit Mexican shores because of favorable ocean currents, but noted that once currents change in the next few months the risk of contamination would rise.

Mexico's Senate president Carlos Navarrete said Calderon and Obama would discuss the spill and how Mexico can protect its waters from the billowing oil.

Mexico Seems To Favor Sinaloa Cartel in Drug War

Mexican President Felipe Calderon is in Washington on Wednesday for an official state visit. His battle against the violent drug cartels is high on the agenda.

Calderon has deployed 45,000 federal troops and police to combat the drug gangs. Yet in the midst of this crackdown, the Sinaloa cartel — the largest, oldest and richest in Mexico — appears to be flourishing.

An NPR News investigation has found strong evidence of collusion between elements of the Mexican army and the Sinaloa cartel in the violent border city of Juarez.

Dozens of interviews with current and former law enforcement agents, organized crime experts, elected representatives, and victims of violence suggest that the Sinaloans depend on bribes to top government officials to help their leader, Joaquin "El Chapo" Guzman, elude capture, expand his empire and keep his operatives out of jail.

"I work in the police and because of this I know the government is protecting Chapo Guzman. It's hitting all the cartels but Chapo," said Luis Arturo Perez Torres, 25, until recently a federal police officer stationed in a suburb of Mexico City.

Guzman is the world's most wanted drug lord. His home base is the Pacific coastal state of Sinaloa, known as Mexico's "Sicily." It's the premier narco-state, with a long coastline for smuggling cocaine from South America, and rugged mountains to hide cannabis crops.

Manuel Clouthier, a congressman from Sinaloa state and a member of Calderon's political party, is deeply frustrated by his country's drug war. He says drug-related murders average 200 a month in his state.

'We Should Be Tearing It Out By the Roots'

"The Calderon government has been fighting organized crime in many parts of the republic, but has not touched Sinaloa," said Clouthier. "I know this. I'm Sinaloan. My family lives in Sinaloa. It is like we're trimming the branches of a tree, when we should be tearing it out by the roots."

Asked if the government is going soft on the country's biggest drug cartel, Clouthier responds, choosing his words carefully. "I believe that much of the problem of not combating a certain cartel in a certain state has much to do with corruption and lack of will," he said.

On Tuesday, reporters asked a senior White House official, in light of Washington's large package of security aid to Mexico, if Calderon's government is protecting Chapo Guzman. The U.S. is giving \$1.3 billion in military and judicial aid to Mexico for its drug war, as Mexican drug cartels are major suppliers to the illicit U.S. narcotics trade.

The Obama administration official said the president has a long-term commitment to Calderon's struggle against the cartels. He mentioned that Mexico has arrested and extradited important cartel figures in recent months.

Arrests of Cartel Members

The Mexican federal attorney general's office reported arrests and other enforcement actions on more than 2,600 members of major drug cartels since December 2006. Among six major cartels, the largest number of defendants came from the Gulf-Zeta cartel.

Source: NPR analysis of Mexican government news releases

Credit: Robert Benincasa and Stephanie d'Otreppe/NPR

NPR Analysis of Arrest Data

In an effort to find out whether federal forces are favoring the Sinaloa cartel, NPR analyzed thousands of news releases on the federal attorney general's website announcing arrests for organized crime, weapons and drug offenses. The information surveyed spanned from the day Calderon assumed the presidency in December 2006 until last week.

Understanding the Data

NPR took news releases from the Mexican federal attorney general's office (Procuraduria General de la Republica) about criminal action the office has taken since December 2006 against figures from six major drug cartels. We created a computer database of the defendants listed in the releases to get a picture of enforcement patterns.

What We Found

After analyzing data on more than 2,600 criminal defendants, we found that the Gulf-Zetas cartel (which recently split into two independent groups) represented more than 40 percent of the individuals arrested — more than 1,100. The rest were spread among the other cartels. The Sinaloa, Beltran-Leyva and Tijuana cartels each accounted for about 12 percent of the arrests.

NPR also looked at releases for arrests in the Ciudad Juarez area starting in March 2008, when the Mexican army arrived in Juarez as part of the country's drug war. Since then, the Mexican government has announced criminal action against only 16 Sinaloa cartel affiliates arrested in Chihuahua state, including Juarez. In contrast, there were 88 arrests associated with the Juarez cartel listed in the government releases. There are four individuals who were associated with both cartels, according to separate news releases.

NPR also analyzed cases that involved charges of cartel bribes of public officials (see chart below). Municipal officials were involved in most of the cases. The data suggest that bribes by the Sinaloa cartel focused on federal and military officials. Out of 19 cases, 14 of them involved federal and military officials. The Juarez cartel was charged with bribing 10 officials, and nine of them were municipal.

NPR created a database and screened the information for every person the government arrested, prosecuted or sentenced who was associated with one of the seven major drug cartels.

The analysis showed that the Mexican government crackdown has not hit the Sinaloans as hard as it has other cartels.

Nationwide, 44 percent of all cartel defendants are with the Zetas and Gulf cartels. Only 12 percent of the defendants are with the Sinaloa cartel. The numbers contradict the Mexican government, which claims it has arrested twice the percentage of Sinaloa gang members.

U.S. Rep. Michael McCaul (R-TX), a former federal prosecutor who sits on the Homeland Security Committee, was asked to review the NPR analysis.

"I think you've identified an issue of concern," he said. "And that is, why is the Sinaloa doing so much better than the others and why is the Sinaloa cartel been the one that has escaped a lot of the prosecutions compared to the other cartel numbers?"

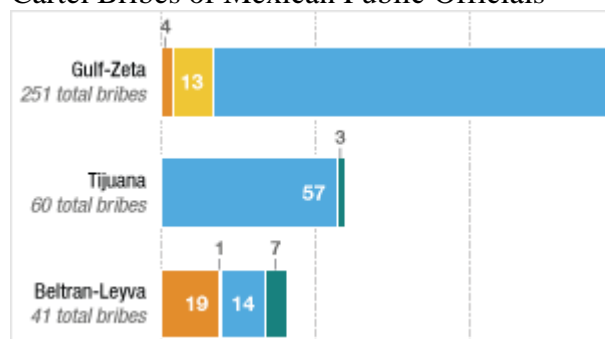
In response to NPR's findings, the Mexican Interior Secretariat on Tuesday said all drug cartels are being "attacked proportional to their size." A spokesman re-released figures the agency put

out three months ago: 72,000 persons have been arrested for drug crimes; of those, 24 percent are members of the Sinaloa cartel, and 27 percent are Gulf cartel and Los Zetas.

A veteran Mexican crime journalist says this figure may include every drug arrest, including street-corner dealers. NPR only counted federal arrest records of named cartel associates.

Calderon Denies Selectively Fighting the Cartels

Cartel Bribes of Mexican Public Officials



Graph: Reported Cartel Bribes

The growing criticism in Mexico that Calderon is selectively fighting the cartels prompted him to speak out at a press conference in February.

"These accusations are totally unfounded, false. In most cases, it reflects a misunderstanding of the facts, the result of other interests, I want to be clear," he said.

The Mexican president went on to name several Sinaloa crime bosses the government has arrested — the biggest being Vicente "El Mayito" Zambada, son of El Mayo Zambada, a close ally of Guzman's.

NPR's analysis is supported by a Mexican law professor and organized crime expert, Edgardo Buscaglia. He teaches at ITAM, a Mexico City university, and at Columbia University in New York. Buscaglia has done his own analysis of cartel arrests.

"If you look at the main organized crime group in Mexico, that is, the Sinaloan confederation, it has been left relatively untouched," he said.

Senior U.S. officials, who declined to speak on the record for this report, say they believe Calderon is sincere about rooting out corruption in his government and taking down all the drug mafias.

'Extraordinarily Brazen' Drug Cartels

A senior DEA official, speaking on background, said certain cartels are so "extraordinarily brazen, they've demanded the government's attention first."

Los Zetas, for instance, are involved in everything from drugs to extortion to stealing gasoline. La Familia Michoacana beheads its rivals, and has even threatened the president. They are more of a public threat than the Sinaloans — who U.S. law enforcement sources say stick to narcotics and money laundering and try to stay out of the spotlight.

A senior State Department official, also speaking off the record, concurred. "When you have limited capability, there's no doubt that you set priorities and do triage, and that's what we're seeing," she said.

A former U.S. counterintelligence agent who analyzes drug mafia activity in Mexico agreed that Calderon's government may be playing favorites with the Sinaloans, but if that's true it could be a standard law enforcement strategy to attack organized crime syndicates.

"The FBI has the long history of that in breaking the back of Italian crime groups here in the U.S. If you need intel to go after these organizations, you have to go to individuals who are involved in this to begin with. You're not going to get this info from choirboys," said Fred Burton, now an analyst with the Austin-based global intelligence firm Stratfor.

Sinaloa Cartel Excels At Bribing Officials

But does the Sinaloa cartel's reputation for well-placed bribes help keep its members out of jail?

"A cartel cannot flourish at their level without civil and military protection at the highest levels," said Jorge Carrasco, who covers organized crime for the respected Mexican newsmagazine Proceso. The magazine recently put Guzman on the cover with the headline, "The Untouchable."

The Sinaloans are widely regarded as the most sophisticated cartel in transportation, intelligence gathering and bribery.

A few examples:

— Last year, Proceso reported on how a Sinaloan faction controlled several airports around the country through a network of corrupt federal agents. The faction even had its own hangar at the international airport in Mexico City.

— Last week, the Mexican newspaper Reforma described how the Sinaloans had thoroughly infiltrated the federal police. The drug gang knew where the cops were being sent next and how many buses would carry them. The newspaper added that a navy investigation uncovered that the Sinaloans controlled eight seaports for cocaine smuggling from South America.

— A 2007 army intelligence report obtained by The Wall Street Journal and shared with NPR describes how Guzman would visit his marijuana ranch in Sinaloa "in caravans of six vehicles, with the protection of the Mexican army."

— Jose Gomez Llanos is on the U.S. Treasury's list of foreign narcotics kingpins. He is suspected of being a money launderer for Guzman. He is currently the top federal prosecutor in the state of Tamaulipas.

— A 2008 corruption scandal implicated the chief of the nation's organized crime unit, Noe Ramirez Mandujano. He was accused of taking \$450,000 to tip off the Beltran-Leyva cartel, at the time a powerful member of Guzman's so-called Sinaloa federation. Mafia analysts note that federal law enforcement in December 2009 killed and captured two of the Beltran-Leyva brothers, Arturo and Carlos, respectively, which has weakened their crime syndicate to Guzman's advantage.

U.S. Concern about Mexican Corruption

"Has the Sinaloa infiltrated the Mexican government? Absolutely. Has the Sinaloa infiltrated the Mexican military? Absolutely. Calderon has a very difficult job trying to root out corruption within his own ranks," said McCaul, the Texas congressman. He added that he believes the Mexican president has been quick to rid his administration of corrupt officials.

A senior U.S. government official involved in counterdrug policy in Latin America, who asked that his name not be used, acknowledged that corrupt officials in Calderon's government are a real concern.

"We have to gauge intelligence sharing [with Mexican law enforcement] against how high the cartels have penetrated. Do we endanger our sources? Right now there's great pushback from our intelligence community for greater intelligence sharing," he said.

NPR's analysis found 400 public officials — from local cops to army officers — who have been arrested for working for the drug mafias in the past 3 1/2 years. The pattern is clear: All the cartels infiltrate local and state agencies; but the Sinaloans and their former ally, the Beltran-Leyva organization, were more likely to pay off the military and senior federal officials compared with other cartels, according to the arrest data.

"The Sinaloa has been clearly the winner of all that competition among organized crime groups. And as a result of that, they have gained more economic power, they have been able to corrupt with more frequency and corrupt with more scope. Now you see that Sinaloa is the most powerful criminal group, not just in Mexico, but all over Latin America," said Buscaglia, the law professor and organized crime expert.

How Vast Is The Government's Role?

Buscaglia stops short of saying he thinks it is Calderon's policy to "protect" Guzman, or that the government wants to "help" the drug baron defeat other cartels as a way to restore balance in the underworld and ultimately reduce violence.

Howard Campbell, an anthropologist at the University of Texas, El Paso who studies drug trafficking in Mexico, agrees.

"This isn't to say that the president of Mexico has deliberately made a deal with Chapo Guzman," Campbell said. "But people below him may have, and the outcome may be about the same."

Anabel Hernandez is an award-winning investigative reporter who has spent five years researching a book on Guzman. In an interview, she said she is convinced that two successive administrations of the National Action Party have favored the 53-year-old drug lord, ever since he bribed his way out of a maximum-security Mexican federal prison in a laundry truck in 2001.

"When the Sinaloa cartel began to be protected by all the apparatus of the government after 2001, it felt the power for the first time in history to occupy plazas that for dozens of years belonged to other cartels. So you saw them take on the Gulf cartel in Nuevo Laredo [in 2005], and now the Juarez cartel in Juarez," she said.

Hernandez concluded: "My hypothesis, after five years of investigation, is that Joaquin Guzman Loera is the best example of corruption in Mexico."

Forbes magazine recently named Guzman as the second-most-wanted fugitive in the world, after Osama bin Laden. They are both protected by mountains, native cunning and legions of informers.

A former senior DEA official with experience in Mexico, who asked to not be named, said in an interview that Guzman has effectively penetrated every civilian and military force in Mexico.

The former agent said he knows of a Mexican general who once tried to catch the elusive drug lord.

"The general was up against enormous obstacles," he said. "Every time he got close, his own men would tip off Chapo."

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