

# **BUSINESS AND POLITICS IN THE MUSLIM WORLD**

## **News Monitoring Report No. 125 on Latin America**

Reference period: June 18-25, 2010

Presentation: June 30, 2010

Usman Choudry

---

### **Argentina**

#### *News Headlines*

#### **Political Issue**

- Argentine foreign minister resigns, replaced with ambassador to US
- Argentina's foreign minister resigns in anger
- Appointment of Argentine Foreign Minister stirs controversy

#### **Economic Issue**

#### **Social/Humanitarian Issue**

#### **Food, Environment and Energy Issue**

#### **Geostrategic Issues**

- Argentina to deepen ties with L American neighbors
- Armenia-Argentina collaboration to be intensified

### **Brazil**

#### **Political Issue**

- Brazilian president defends decision to raise retirement pensions
- Preservation and development not conflicting: Brazil's Green Party
- Brazil's foreign policy
- An Iranian banana skin

- Lula has little to show for his Tehran adventure
- Brazilian president says rich countries' financial system "rotten"
- Brazilian President defends national soccer World Cup team
- Bulgaria Backs Brazil for Permanent UN Security Council Seat
- Evaluating Brazil's Rise

### **Economic Issue**

### **Social/Humanitarian Issue**

- Brazilian govt launches plan to finance family farming
- Massive floods flatten Brazilian town, kill more than 3 dozen; 600 reported missing

### **Food, Environment and Energy Issue**

### **Geostrategic Issues**

- Brazilian presidential candidate meets French president in Paris

## **Chile**

### **Political Issue**

### **Economic Issue**

### **Social/Humanitarian Issue**

### **Food, Environment and Energy Issue**

### **Geostrategic Issues**

- NZ and Chile commit to energy cooperation

## **Colombia**

### **Political Issue**

- Former defense minister wins Colombian presidential election
- Hail, Colombia: Landslide election victory for anti-narco-terror, pro-U.S. candidate
- UN praises Colombia's significant progress in anti-drug campaign

### **Economic Issue**

### **Social/Humanitarian Issue**

### **Food, Environment and Energy Issue**

### **Geostrategic Issues**

- Ecuador says to respect Colombia's elections
- US is "pleased" with Colombia's new president-elect Santos
- Santos wants better ties with Venezuela

## **Mexico**

### **Political Issue**

- Mayor killed as drug violence rages in Mexico
- Roman Catholic Church warns of growing influence of drug cartels in some Mexican cities
- Mexican ruling party leader says federal police needed to secure local elections in 14 states

### **Economic Issue**

### **Social/Humanitarian Issue**

### **Food, Environment and Energy Issue**

### **Geostrategic Issues**

- Mexico Drug Gang Threatens Arizona Police

## **Venezuela**

### **Political Issue**

- Chavez shuffles Cabinet ahead of elections

### **Economic Issue**

### **Social/Humanitarian/Health Issue**

- ILO to ask Venezuela to stop harassing business sector
- Human rights and freedom of expression at stake in Venezuela
- IACHR urges Venezuela to avoid silencing critical opinions
- Ministry of Health reports 41,573 cases in 2010
- Dengue fever spreads all over Venezuela

### **Food, Environment and Energy Issue**

### **Geostrategic Issues**

- US Government worried about bench warrant against Zuloaga
- Caracas calls for unity of peoples
- Venezuela congratulate Colombian president-elect Juan Manuel Santos
- Uruguay concerned about oil debt with Venezuela
- Venezuela asks Interpol to arrest openly critical TV station's owner
- Chavez hails Cuban, Iranian assistance

## **Report Summary/Argentina**

### **Political Issue**

Argentina's foreign minister has resigned due to hidden but some personal motives. He has been minister during the time of ex. President Nestor Kirchner and before that he spent seven years in prison in the military regime. He was considered human rights activists and it is also said that Taiana's resignation is due to a clash between him and President Fernandez de Kirchner. Timerman is Taiana's successor who is a staunch of Kirchner family and the Argentinean ambassador to US.

### **Economic Issue**

### **Social/Humanitarian Issue**

### **Food, Environment and Energy Issue**

### **Geostrategic Issues**

The new foreign minister of Argentina has said the fundamental line of his administration will be to establish and strengthen relations with its neighboring countries. Relations with Brazil will be on the top and then to strengthen the trade group of South (MERCOSUR). He also said the national interests would be respected at every aspect as in the case of Falkland Island or Malvinas Island.

The prime minister of Armenia met with the ambassador of Argentina in Armenia and said the opening of Argentinean embassy will increase diplomatic and trade relations between both countries.

## **Report Summary/Brazil**

### **Political Issue**

President Lula has criticized the financial system of the rich countries and the economic system of the rich countries is rotten as the example of the recent financial crisis is here which overlapped the European economies which shows the European countries were not well equipped in this crisis so the problem is in their system. In the meantime he praised the soccer team of Brazil and said it has abilities to win the soccer world cup. Brazilian soccer team has won the world cup five times in the past and now it is considered favorite.

Brazilian presidential candidate of Workers' Party went to her tour to France where she met with the president of France and discussed the issues related to environment and several other issues of common interests. She was accused of discussed the matter of getting jet fighter planes from France of which she has refused. She will also go to Belgium, Spain and Portugal and then on Sunday she will come back.

Brazil's Green Party's candidate Marina Silva unveiled her plans and said she will more focus on environmental policy of Brazil by emphasizing on the reduction of greenhouse gas emission, reducing taxes and make tax system more transparent. She also said she is supporting Brazil's homosexuals and as far as the case of abortion is concerned, she will hold a plebiscite on

this issue and get the opinion of the people. She had been environment minister in Lula's administration and now running for Brazilian presidential elections. She is on number three in polls after Ms. Rousseff and Mr. Serra.

The economist magazine published an article on Brazil's role as mediator between Iran and IAEA. It is written that Brazil is becoming emerging power in the region and the world due to its affective economic policies under Lula's administration which is making it more independent in its decisions. As in past from 1946 Brazil has always been pro American in the UNSC but in this Iranian issues Brazil and Turkey seemed in another line and it has been closer to China and Russia which are its new allies in the world. US did not want Brazil's backing to Iran and this thing is making a fume between both countries. Some people and official from both sides wants that both countries do not indulge themselves in Iran's nuclear issue to make their relationship stronger. But it is seen that the fume over Iran's nuclear issue between Brazil and US will not affect the relations between both countries sue to mature policies from both sides. On the other hand if Lula is being criticized it s due to its good relations with Cuba, Venezuela and Iran but the officials of Brazil told they do not want discrimination but Brazil want a peaceful and friendly relations with all countries.

### **Economic Issue**

### **Social/Humanitarian Issue**

Brazilian president defended his pension policy that this 7.7 percent increase in pensions will not affect the bankruptcy. He said pension rises would lead to an increase in consumption which would also help reduce the impact on the public accounts. He said his step to increase in pensions is not to favor his presidential candidate Dilma Rousseff but to support eight million retired people of the country.

President Lula has also launched another plan for family farming that is Family Farming Harvest Plan 2010/2011. According to this plan the interest rates on the family farming will be reduced from 5.5 percent to 4.5 percent annually and it will provide US \$8.9 for this program.

A massive flood in the northeastern part of Brazil took the lives of 44 people and several hundred are still missing. It is said the almost 120,000 people would have to leave their houses in this troublesome incident. In the May of 2009 the same area was affected by flood which caused 44 casualties and hundreds missing. The Civil Defense Department has sent several planes and helicopters to rescue the people who have taken shelter in Church, schools and some other places. The president Lula has also released funds for the victims as many people have lost their homes and everything.

### **Food, Environment and Energy Issue**

### **Geostrategic Issues**

Brazilian Foreign Minister visited Bulgaria to boost economic relations with Bulgaria. He met with the prime minister and the foreign minister of Bulgaria and told in this economically

growing age of Brazil it wants to increase relations with Bulgaria. It was first ever visit of such as high official of Brazil to Bulgaria and the prime minister of Bulgaria has supported Brazil for its permanent seat in the Un Security Council.

## **Report Summary/Chile**

### **Political Issues**

### **Economic Issue**

### **Social/Humanitarian Issue**

### **Food, Environment and Energy Issue**

### **Geo-strategic Issues**

The energy minister of New Zealand and Chile met in Washington and emphasized on the importance of energy in today's world. They said both New Zealand and Chile are almost equal in energy reservoirs and both can cooperate with each other in wind energy and several other sources of energy.

## **Report Summary/Colombia**

### **Political Issues**

Juan Manuel Santos, an ex defense minister of Colombia easily defeated Bogota's Mayor Antanas Mockus in the runoff election and got the approval of 69 percent of voters. He will be inaugurated on August 7. He succeeded president Uribe who had completed his two term and he could be successful in the third time as well but the constitution of Colombia doesn't allow to be elect third time so he was supporting Juan Santos.

Local residents said what we expect from the newly elected president is to follow ex president Uribe's policies and Santos also ensured he will continue Uribe's policies especially to counter terrorist and drug smuggler groups in his country. He is considered very strict against the terrorist groups as during the time he was defense minister he encountered many leaders of terrorist groups even after the violation of the border of Ecuador which created tensions between Colombia and its neighboring countries. Santos appreciated Colombians' interest to caste the cote during the soccer world cup matches.

An official of United Nations Office on Drugs and Crime (UNODC) praised Colombian government's role in reducing the drug related activities and coca production in Colombia. In the report of UNODC president Uribe's policies are supported and praised to control the coca production and smuggling from Colombia. Now Peru is becoming more prominent in coca production since Colombian government has controlled its coca production.

## **Economic Issue**

## **Social/Humanitarian Issue**

## **Food, Environment and Energy Issue**

## **Geo-strategic Issues**

Ecuadorian president Rafael Correa said he will respect the outcome of the presidential elections in Colombia whoever becomes the president of Colombia. He said Ecuador is enjoying friendly relations with Peru and other neighboring countries and also want friendly relations with Colombia. The government of Ecuador accused the presidential candidate Santos of bombarding on the FARC rebels in the territory of Ecuador during the time Santos was defense minister of Colombia.

US also congratulated to the newly elected president of Colombia and wished cooperation with him. Juan Santos also wished to continue good relationships with the United States and Venezuela as well. The president said he wants friendly relations with Venezuela and other neighboring countries also because we want to improve relations at the societal level as well. Santos plans to crush the terrorist groups from Colombia especially FARC which is considered the smuggling of 60 percent of Cocaine from Colombia. Before the time of president Uribe, Colombia was going to be declared as the failed state due to heavy influence of FARC in the country. The last victory of the government over FARC is that it has freed 12 hostages from the FARC in a jungle including a General of Colombian army who had been made hostage from last 12 years.

## **Report Summary/Mexico**

### **Political Issues**

Mexican drug cartels have killed the mayor of the Guadalupe Distrito Bravo which is situated near the bloodiest city of Mexico Ciudad Juarez. The mayor was actually belonging to the Ciudad Juarez and his office was in Guadalupe Distrito Bravo. Ciudad Juarez's nights have been wildly and bloody as these have taken the lives of more than 5,500 people. Now the politicians are very fearful to run the campaign for the next coming election in the country.

Roman Catholic Church of Mexico has warrens Mexican authorities about the motives of Mexican drug cartels. The Church said the drug cartels will try to influence in the elections as they may support 12 governorships among 31 and prevent people to cast votes. Mexican drug cartels are supporting some politicians and for the new elections they are going to support their candidate to get their own benefits. The drug cartels of Mexico are prevailing in many states and cities of Mexico and somewhere they even have their full control.

The president of Mexico's ruling National Action Party said he will ask the federal government to appoint federal security forces in the elections on Mexico's 14 states. Mexico's 14 states are going to hold elections on July 4, 10 states will held elections on July 4 and other 4 later. The president of PAN has accused of Mexico's Institutional Revolutionary Party to use

state police for their own benefit because the state police is mostly under the influence of PRI. This is the strongest allegation from the PAN of PRI since it came into rule. PRI of Mexico has ruled Mexico since 1929 to 2000 and it was succeeded by the PAN in 2000. PRI refused the allegations from the PAN and said PAN leaders are afraid after watching the results of polls which are obviously favoring PRI.

### **Economic Issue**

### **Social/Humanitarian Issue**

### **Food, Environment and Energy Issue**

### **Geo-strategic Issues**

Mexican drug cartels have threatened the Arizona police to not to disturb or crackdown the drugs which drug cartels are smuggling. Drug cartels sent a message to the Arizona police that it will targeted if they did not stop seizing drugs which drug cartels are smuggling to the north. Recently Arizona police has seized 400 pounds of Marijuana which was smuggling to the north by the Mexican drug cartels.

## **Report Summary/Venezuela**

### **Political Issues**

President Chavez has reshuffled his cabinet due to small miscellaneous problems and especially the last one of the seizure of private food company due to rotten food. He has changed his deputy of transportation and health as well and appointed new one. It is said he is preparing for the elections of September of this year but some say he usually does in a year and change his cabinet.

### **Economic Issue**

### **Social/Humanitarian/Health Issue**

International Labor Organization said the executive of Venezuela to stop the anti-business policies in Venezuela. ILO officials claim that the government of Venezuela is following the policies to disturb the private business and the harassment of private business owners which is not a good policy so the government should leave these policies.

The ministry of health of Venezuela has reported that 3,399 cases of dengue fever have come into the hospitals of Venezuela but the figure of total patients is far ahead of these. Dengue fever is spreading in Venezuela very quickly and it has been spread in almost all of the states of Venezuela. An official of the ministry of health said the cases have been grown as compare to the previous year.

## **Food, Environment and Energy Issue**

### **Geostrategic Issues**

The president of Venezuela has asked Interpol to arrest the owner of Venezuela's private television Globovision. The owner of Globovision and his son are charged of criticizing on the government in a news forum outside the country. Chavez said they should come in the country to face the court tribunals. The human rights organizations have raised their voiced against the Chavez's action to arrest them due to criticism on him. They called it the restrictions on the freedom of speech in the country and the violations of human rights.

The government of United States also condemned this action of president Chavez as an official from State Department said the US government is worry on the arrest warrant of the owner of Globovision and his son because it is the violation of human rights. They mocked at Chavez as he said no country is more democratic than Venezuela.

President Chavez has appreciated the assistance in the field of health and industry from its allies Cuba and Iran. He said this assistance in the field of health and industry will boost the health and industrial system of Venezuela. Regarding the Iranian collaboration, Chavez highlighted technological transfer in auto-making, materialized in the car assembly plant Venirauto, expected to produce this year 5,390 vehicles and reach 16,000 by 2011.

President Hugo Chavez congratulated to the newly elected president of Colombia Mr. Juan Manuel Santos and supported his statement that he wants friendly relations with its neighboring countries. He said both countries should not only keep their sayings in words but in practice they should implement it because he wants a good relations of both counties; people as well.

## **Detailed Report/Argentina**

### **Argentine foreign minister resigns, replaced with ambassador to US**

Buenos Aires, Argentina (AP) — Argentina named a new foreign minister on Friday, tapping its ambassador to the United States after the current minister resigned citing unspecified personal motives.

Ambassador Hector Timerman, a U.S.-educated human rights activist, will take over for Jorge Taiana.

Foreign minister since 2005, Taiana was a key figure in the governments of President Cristina Fernandez and her husband, former President Nestor Kirchner.

A sociologist and human rights activist, he was imprisoned for seven years during Argentina's military dictatorship, and coordinated a Latin American peace and justice center after the return of democracy in 1983.

Timerman also has strong human rights credentials. The son of the late journalist Jacobo Timerman, he too became a journalist, studied in U.S. exile during the dictatorship and co-founded the human rights organization Americas Watch.

Presidential Cabinet chief Anibal Fernandez announced his appointment.

### **Argentina's foreign minister resigns in anger**

Buenos Aires - Argentina's Foreign Minister Jorge Taiana Friday declared his resignation amidst strife with President Cristina Kirchner.

Taiana cited 'lack of support, unbridgeable differences and personal reasons' to explain his resignation, sources close to Taiana told the German Press Agency dpa.

Taiana took office in December 2005. His successor was named as Hector Timerman, currently the Argentine ambassador to the US.

Taiana was highly respected in diplomatic circles. The sociologist was jailed from 1975 to 1982 before and during the military dictatorship (1976-1983.)

Leading up to his resignation, there were press reports of a high decibel argument between Taiana and Kirchner, but it was not clear over what issue.

A major issue of controversy in Argentina is how close relations should be with the left-wing populist government of Venezuelan President Hugo Chavez.

### **Appointment of Argentine Foreign Minister stirs controversy**

Argentine President Cristina Fernández de Kirchner appointed as new Foreign Minister Héctor Timerman, a staunch supporter of the Kirchnerista model, for the final stretch of her mandate.

Before taking office, the new foreign minister said that he would try to prevent a former Ambassador to Venezuela from testifying in Congress in connection with the alleged payment of bribes by Argentine businessmen to government officials in order to trade with Venezuela.

Timerman, the current Argentine ambassador in the United States, will take office on Tuesday to replace Jorge Taiana, who left the Ministry of Foreign Affairs after five years in office for differences with President Fernández, AP reported.

Before taking responsibility as the new minister, Timerman has already stirred controversy by confirming that he will not allow Eduardo Sadous, the former Argentine Ambassador to Caracas, to testify before the Foreign Relations Committee of Congress to elaborate on his complaint about the alleged payment of bribes by Argentine businessmen to government officials to trade with Venezuela.

### **Argentina to deepen ties with L American neighbors**

Buenos Aires. New Argentine Foreign Minister Hector Timerman said on Sunday that the fundamental line of his administration will be to deepen the ties with Latin America, Xinhua informed.

Timerman will take charge on Tuesday, replacing Jorge Taiana.

He said that Argentina's ties with Brazil are a priority given their common positions at international forums and the integration of the Common Market of the South (Mercosur). Timerman said his mission will be to "deepen the Argentine presence in the regional aspects and the construction of the ties with Latin America."

"Argentina has the ties with the United States as it wishes to have," he said. He noted that Argentina is recognized as a leader in Latin America in the development of nuclear energy and that national interests will be defended in all aspects, including the sovereignty of the Malvinas Islands (known as Falkland Islands in Britain).

Former Foreign Minister Jorge Taiana resigned on Friday. He presented his "indeclinable" resignation in a letter to President Cristina Fernandez for "personal reasons."

Taiana became foreign minister on Dec. 1, 2005 under then President Nestor Kirchner.

### **Armenia-Argentina collaboration to be intensified**

PanArmenian.Net - RA Prime Minister Tigran Sargsyan met with Argentinean Ambassador to Armenia Miguel Angel Cuneo.

At the meeting, the Prime Minister gave high assessment to bilateral economic collaboration.

The Ambassador, in turn, stated that the opening of Argentinean Embassy in Armenia will promote intensification of ties between the countries.

Parties emphasized the necessity of contact activation between representatives of business circles. RA Prime Minister stressed the importance of organizing RA-Argentina business forum, which will allow for exploration of investment possibilities in Armenia.

## **Detailed Report/Brazil**

### **Brazilian president defends decision to raise retirement pensions**

Brazilian President Luiz Inacio Lula da Silva on Wednesday defended his decision to grant a 7.7 percent increase in retirement pensions, saying the measure "will not cause the country to go bankrupt."

The government will work to maintain a positive balance in the public accounts and make the necessary adjustments and budget cuts to absorb the impact of the increase, Lula said.

He said the pension rises would lead to an increase in consumption, which would also help reduce the impact on the public accounts.

"The beneficiaries' consumption in the following months will recover part of this money in taxes, which will help the Brazilian economy get more dynamic," he said.

Lula denied that the new measure had electoral motives and was aimed at favoring his party's presidential candidate, Dilma Rousseff.

"I do not know why that would help Dilma ... But the eight million retired will certainly be helped," he said.

### **Brazilian presidential candidate meets French president in Paris**

Brazil's former Chief of Staff and current presidential candidate Dilma Rousseff had a brief meeting with French President Nicolas Sarkozy on Wednesday, news reaching here from Paris reported.

The meeting is part of Rousseff's first international tour as an official presidential candidate of the Worker's Party.

Rousseff and Sarkozy talked about environment, issues of common interests and the two countries' strategic partnership, local media cited the Brazilian candidate as saying.

"We spoke of France's interest in Brazil and Brazil's interest in France, since the trade between the two countries is very large," she said.

Rousseff denied that she had discussed with Sarkozy the matter of the Rafale fighter jets.

Since the beginning of this year, Brazil is postponing to purchase 36 fighter jets for its Air Force. France is participating in the bidding process with the Rafale model, and its rivals are the U.S., with the F/A-18 Super Hornet, and Sweden, with the Gripen NG.

After France, Rousseff will head to Belgium, Spain, and Portugal. She is expected to return to Brazil on Sunday.

According to the latest polls, the former Chief of Staff has 37 percent of voting intentions and is tied with former Sao Paulo state governor Jose Serra, from the Brazilian Social Democracy Party (PSDB).

### **Preservation and development not conflicting: Brazil's Green Party**

Brazil's Green Party presidential candidate Senator Marina Silva on Wednesday urged political leaders to abandon the old-fashioned idea that preservation and economic development are contradictory concepts.

Brazil needs to find new answers to the current environmental problems, and the upcoming election offers an opportunity to address such issues as global warming and greenhouse gas emissions reductions, said Silva, who was environment minister during 2003-2008.

On the legalization of abortion, Silva said she would call for a plebiscite and let the people decide.

She also said she is opposed to the decriminalization of drugs and gay marriage, but supports civil unions of homosexuals.

She promised not to raise taxes and said she would make the tax collection process more transparent.

Silva currently ranks third in opinion polls in the run-up to the October elections, with 9 percent of support. The two main candidates, Dilma Rousseff and Jose Serra, are running neck-and-neck with 37 percent each. Silva may hold the balance of power in the election.

## **Brazil's foreign policy**

### **An Iranian banana skin**

#### **Lula has little to show for his Tehran adventure**

Although Brazil has been a member of the UN Security Council on ten separate occasions since 1946, it had never before voted against a resolution backed by a majority of the council's members. But on June 9th Brazil and Turkey both opposed further sanctions against Iran. In doing so it was out of step not just with its old allies, the United States and the European powers, but also with its new ones, Russia and China, all of which are worried by Iran's nuclear program. Why has the government of Luiz Inácio Lula da Silva stuck its neck out so far for Iran?

The short answer is that Lula, a former trade-union leader, fancies himself as the man who can talk Iran into obeying the world's nuclear rules, and thinks sanctions will bring that effort to nought. Last month he flew to Tehran for talks with Iran's president, Mahmoud Ahmadinejad, and Turkey's prime minister, Recep Tayyip Erdogan. The three countries signed an agreement under which Iran would send to Turkey 1,200kg of its low-enriched (under 5%) uranium stocks; in return it would receive within a year more highly enriched (to 20%) fuel rods for its ageing medical-research reactor. Iran's leaders also agreed to tell the International Atomic Energy Agency (IAEA) in writing of this plan. "We thought this was a gesture by them, a first demonstration of trust," says Marco Aurélio Garcia, Lula's foreign-policy adviser.

But to American and European officials, some of whom have negotiated with Iran for years, it looked as if Lula and his advisers had naively walked into Mr Ahmadinejad's time-wasting trap. The terms of the deal were superficially similar to one reached under IAEA auspices last October (which Iran walked away from). But now Iran has nearly twice as much low-enriched uranium. And whereas the October deal would have robbed Iran of the excuse to enrich to 20% itself (a lot closer to the 90% needed for a bomb), it has since rushed to do just that. No sooner had Lula left Tehran than Iran's nuclear chief said that enrichment to both the lower and the higher levels would continue. So America pushed forward with sanctions.

America and Brazil are now fuming at each other. Brazilian officials claim that the Tehran deal was in line with what Barack Obama had suggested to Lula in April, in a letter that they leaked to the local press. The Americans retort that this was just one of many communications with Brazil over the issue and has been plucked out of context. Worse than the Tehran deal itself was the leak and Brazil's rejection of a Turkish proposal that both countries should have joined Lebanon in abstaining rather than voting against the resolution, according to a senior American official.

Under Lula, Brazil's foreign policy has become more assertive. The government has recruited some 300 extra diplomats (and plans to add a similar number over the next four years). It has

strengthened its ties with other emerging powers such as China, India, Russia and South Africa. Brazil now has more diplomatic missions in Africa than Britain has. Lula's government has claimed leadership in Latin America more forcefully than its predecessors. And it has played a more active role on global issues such as trade, climate change and regulating the international financial system.

Much of this new assertiveness flows naturally from Brazil's growing power, which stems from stability, a robust democracy, faster economic growth and successful social policies. It has generally been welcomed by the United States and Europe. But in the past couple of years Lula has taken up some more controversial stances. He has offered uncritical backing to Venezuela's Hugo Chávez and Cuba's Castro brothers. And he has struck up a friendship with Mr Ahmadinejad. All this goes down well at home with his Workers' Party. His opponents detect a streak of anachronistic anti-Americanism.

The attempt to negotiate with Iran is part of "assuming our responsibility to promote peace and security" in the world, says Antonio Patriota, a senior diplomat. But it has given ammunition to the domestic critics of Lula's foreign policy, who include some prominent retired diplomats (and, they say, many serving ones). "The Iranian adventure is incomprehensible, especially since there are various conflicts closer to us in which we haven't tried, or haven't managed, to mediate," wrote Sérgio Amaral, a former ambassador, in *O Estado*, a São Paulo newspaper. He worries that Lula has gained nothing and succeeded only in drawing attention to Brazil's refusal to accept enhanced outside inspection of its own peaceful nuclear program (it says this would force it to divulge technological secrets, and that it allows Argentina to inspect its facilities freely under a bilateral agreement).

Lula's adventure in Tehran smacks of the overconfidence of a politician who basks in an approval rating of over 70% and who sees the Iraq war and the financial crisis as having irreparably damaged American power and credibility. But the United States is still Brazil's second-largest trading partner. Although some American and Brazilian officials are keen to prevent ill-will over Iran from spoiling co-operation in other areas, it nevertheless may do so. The United States Congress may be even less willing to support the elimination of a tariff on Brazil's sugar-based ethanol, for example.

Lula wants the UN reformed to reflect today's world, with Brazil gaining a permanent seat on the Security Council. But by choosing to apply his views on how the world should be run to an issue of pressing concern to America and Europe, and in which Brazil has no obvious national interest, Lula may only have lessened the chances that he will get his way.

### **Brazilian govt. launches plan to finance family farming**

Brazilian President Luiz Inacio Lula da Silva launched on Thursday a program to provide 8.9 billion U.S. dollars as finance resources for family farming.

The plan, known as the Family Farming Harvest Plan 2010/2011, reduces interest rates on crop costing from 5.5 to 4.5 percent annually, and for investment from 5 to 4 percent per year in operations to family farming, the president said in a speech.

He also said for the first time small farmers will be allowed to make climate insurance in their investment, paying additionally 2 percent of the value of the loan fees.

Lula stressed the need to support the growth of family farming and the preservation of Brazilian forests. He said it is necessary to discuss ways to remunerate families living in places where forests should be preserved, so that they will have income without affecting the environment.

Moreover, the president announced an increase from 22,000 to 44,000 dollars in funding limit that may be granted by the National Institute of Colonization and Agrarian Reform (INCRA) for the purchase of land.

### **Brazilian president says rich countries' financial system "rotten"**

Brazilian President Luiz Inacio Lula da Silva said Friday that the rich countries' financial system is "a bit rotten", Xinhua reported.

In the inauguration ceremony of a steel company in Rio, Lula criticized Europe's poor efficiency in taking necessary measures to solve the Greek debt crisis.

"If Europe had solved Greece's problem sooner, it would not have got to Portugal, Spain and Italy," Lula said.

According to Lula, if the European countries had taken actions earlier, the escalation of the European financial crisis could have been avoided.

Lula also criticized the United States, which, he said, could have avoided the breakdown of the Lehman Brothers bank in 2008.

The Brazilian president complained of the fact that many countries did not follow the resolutions made at the G-20 meeting, especially the injection of financial resources into the International Monetary Fund by rich countries.

### **Brazilian President defends national soccer World Cup team**

Brazil's President Luiz Inacio Lula da Silva reaffirmed on Friday his belief that the country's soccer squad can win the South Africa FIFA World Cup.

During the inauguration of a steelmaker in Rio, the President said that in the past, Brazil had many great squads which did not manage to win the Cup, while sometimes, the teams no one believed in were the ones to win the tournament.

"The Brazilian team of 2006 had so many stars that you could not even see the sky. So what? They lost," he said, recalling the team's defeat to France in the quarter-finals.

"The 1982 and 1986 teams were considered the best in the world and lost as well. And the 1994 one, which no one believed in, won the Cup."

The President also commented on the performance of some of the other teams in the Cup, pondering that winning one match does not mean a country is going so well.

"Everybody was betting on Germany, which beat Australia in the first match, but Germany lost to Serbia today," he said.

The President also provoked Brazil's greatest rival, Argentina, which is the only team to win the first two matches so far in the World Cup on the African continent for the first time.

"Argentina is wonderful... until it plays against Brazil," he said.

### **Massive floods flatten Brazilian town, kill more than 3 dozen; 600 reported missing**

Rio de Janeiro (AP) — Torrential waters flattened a small town as floods raged through two states in northeastern Brazil and the death toll was expected to surpass 44 as rescuers searched Wednesday for hundreds of people reported missing.

Mayor Ana Lopes said the entire town of Branquinha, population 12,000, will have to be rebuilt in a different location. Television footage showed a train station washed away, its tracks ripped from the earth. Cars lay overturned and strewn along a riverbank. Dazed people wandered about streets littered with couches, chairs and mountains of mud.

A humble Roman Catholic Church with a rose-colored facade was one of the few buildings to survive — but it was surrounded by the rubble of nearby homes.

Storms last week dumped a month's worth of rain on parts of neighboring Alagoas and Pernambuco states, near the point where Brazil juts farthest east into the Atlantic.

The Civil Defense Department said in a statement that 29 deaths had been reported so far in Alagoas, while 15 were reported dead in Pernambuco.

At least 120,000 people were driven from their homes by the rains, but many found shelter in schools, churches or with family members.

In May 2009, flooding in the same areas killed at least 44 people and displaced 380,000.

Lopes said Wednesday that she would ask the federal government for help in obtaining land farther away from the Mundau river, which left its banks and sent powerful torrents of water through Branquinha. She also held out hopes for finding most of the 600 people reported missing, mostly from her town and another nearby.

"We hope that the people who are missing are found as quickly as possible, but it is still possible to believe that more people have been killed," she was quoted as saying by G1, the news portal for Globo television.

Rains lifted early Wednesday, allowing rescuers to more easily reach the affected areas, but showers returned by afternoon. Officials said the areas prone to flooding had been evacuated to avoid more deaths.

The Civil Defense department of Alagoas said 200 soldiers were using planes, boats, helicopters and trucks to reach the hardest-hit areas. Tons of food, medical supplies and blankets arrived in the state capital and were being distributed. Heavy machinery was used to remove destroyed homes, while search dogs scoured areas where survivors or more bodies might be found.

A fire department spokeswoman in Maceio, the capital of Alagoas, said there were no reports yet of survivors found, but also nothing to indicate the missing were dead. She spoke on condition of anonymity, per department rules.

On Tuesday, Civil Defense officials said they believed most of the missing were safe — just unable to notify relatives of their status because there was no electricity and phones were knocked out.

Roads were erased by flooding and bridges torn in pieces, hampering search and rescue efforts and making aid delivery more difficult. The federal Transportation Ministry announced emergency funds of \$40 million to begin immediate repairs.

The administration of President Luiz Inacio Lula da Silva announced it was sending \$56 million in food, medicine and other aid, and air force planes had already delivered about 10 tons of supplies to some of the worst-hit areas, officials said.

In the city of Palmares, in Pernambuco, residents complained of no support.

"I lost everything. I and my four sons don't have a home. The little one, 4 years old, broke his arm in a current when he was thrown against a wall," Ana Claudia da Silva, washing mud from her clothes in a public plaza, was quoted as telling the newspaper O Globo newspaper. "All I have today is this umbrella, a bucket and dirty clothes."

Mechanic Ronaldo Claudino, who took six families into his home, told the newspaper that the only effort at support he saw in Palmares were two tanker trucks carrying fresh water, but they did not stop for thirsty citizens in his neighborhood.

"We don't have anything to eat, to drink. We don't even have money," he said. "And, if we had it, there would not be anything to buy."

### **Bulgaria Backs Brazil for Permanent UN Security Council Seat**

Bulgaria supports Brazil in its quest for reform in the UN granting the latter a permanent seat on the Security Council, Brazilian Foreign Minister Celso Amorim announced after meeting Bulgarian state leaders.

Amorim is in Sofia Wednesday on the first ever visit of a Brazilian Foreign Minister to Bulgaria; he is also the highest ranking Brazilian state official to ever visit Bulgaria.

Brazil's Foreign Minister was received by the Bulgarian Prime Minister Boyko Borisov, Parliament Chair Tsetska Tsacheva, and his Bulgarian counterpart Nikolay Mladenov.

After the meetings Amorim said Tsacheva had declared Bulgaria's support for a permanent Brazilian seat on the UN Security Council. Foreign Minister Mladenov elaborated that Bulgaria

supported in principal the reform of the UN, which would entail making Brazil a permanent Security Council member, but that the issue was still being discussed with the EU, and the final outcome of these talks would be crucial for the Bulgarian position on reforming the global organization.

Another major topic of Amorim's talks was the Iranian nuclear program and the recently signed agreement among Brazil, Iran, and Turkey allowing Iran to continue its nuclear research ahead of the adoption of sanctions against Iran at the UN Security Council.

According to the Bulgarian Foreign Minister, much of his conversation with his Brazilian counterpart was focused on seeking specific ideas for business cooperation and exchange.

Mladenov believes that innovations, education, and energy projects harbor the greatest potential for Bulgarian-Brazilian cooperation.

"We are going to consider the opportunities for Bulgarian firms to bid in public procurement tenders in Brazil. Given that Brazil's economy is growing at 7% per year, it would be stupid on our part to disregard the opportunities this country presents not just for our producers and manufacturers but also for our engineers in fields such as railroad transportation," the Bulgarian Foreign Minister said.

His Brazilian counterpart added tourism and sports to the sectors where mutually beneficial cooperation could be developed. Amorim stressed the fact that Brazil will host the FIFA World Cup in 2014, and the Summer Olympics in 2016.

"In volleyball our national teams are almost equal but in track and field and wrestling we've got a lot to learn so our connections with Bulgaria can help us win more medals," Amorim stated.

## **Evaluating Brazil's Rise**

Brazilian Foreign Minister Celso Amorim launched a barrage of criticism against the U.N. Security Council (UNSC) on Monday, asserting that the Council "no longer reflects the political reality" of today, but rather that of 64 years ago. Amorim also criticized the UNSC for neutralizing a Brazilian-Turkish nuclear fuel swap proposal with Iran with a fresh sanctions resolution, the details of which Amorim claims were not available to the non-permanent Council members in a reflection of how the UNSC has "zero transparency at the technical level." Amorim's critique of the UNSC came a day after he announced that Brazil would no longer play an active role in mediating the Iranian nuclear disputes since "we got our fingers burned by doing things that everybody said were helpful and in the end we found that some people could not take 'yes' for an answer."

As far as Amorim is concerned, all Brazil is asking for is a little respect from the world powers. In the eyes of Amorim and his countrymen, Brazil is already well on its way to global power status and shouldn't have to fight to be taken seriously by its peers in the international community. Even if some like the United States are uneasy about having another power rise in the Americas, there is growing consensus in the world that Brazil will be a country to be reckoned with in the years to come. What countries like Brazil, Turkey and India have difficulty internalizing, however, is that there are no shortcuts to geopolitical stardom. For Brazil to gain

the respect that it seeks from the Western industrial states, it has to match its rhetoric with action in the three pillars of geopolitics: economic, political and military might.

Despite not having been dealt the most suitable geography for internal development, Brazil scores strongest in economics. For a country to be considered a true geopolitical success story, it must have both inland transportation systems and maritime transport options to internally develop the country and drive down the cost of doing business. Brazil may have the second-longest river in the world, but the Amazon is no Mississippi when it comes to navigability. Cutting through jungle is not exactly conducive to business development.

Without a functional inland water system, Brazil has had to rely on artificial transportation systems, such as roadways, railways and airlines, to develop and connect its rural interior with the cosmopolitan coast. And to take advantage of its huge Atlantic coastline, Brazil has to build up ports to support its maritime trade with the outside world. Such infrastructure takes a lot of time and money to build, but after years of economic tumult, Brazil has found itself in a stable enough position to make the necessary investment to feed its industrial base and avoid falling into a resource-extractive economic pit like many of its South American neighbors.

While Brazil's economic foundation is standing strong, the real icing on Brazil's \$1.58 trillion economy can be found off the Brazilian coast, where some \$70 billion to \$110 billion of crude oil reserves are sitting in a pre-salt layer beneath the ocean floor. Brazil, a country that has already achieved self-sufficiency in energy, is putting the bulk of its effort these days into readying itself for the challenge of extracting this hard-to-reach oil, realizing that within the next decade the country has a realistic chance of adding another trillion dollars worth of geopolitical clout to its bank account. In short, Brasilia's economic future is blindingly bright.

“For Brazil to gain the respect that it seeks from the Western industrial states, it has to match its rhetoric with action in the three pillars of geopolitics: economic, political and military might.”

Brazil doesn't score as well on the political scale, but is showing progress. Brazil is by far the heavyweight on the South American continent, but has lived a largely insular life thanks in large part to its dense Amazonian shroud and an array of internal issues that has kept Brasilia's hands tied for decades. Consequently, Brazil doesn't have much ability to influence the behavior of its neighbors beyond the buffer states of Uruguay, Paraguay and Bolivia, that Brazil uses to keep a lid on Argentina, a country that — fortunately for Brazil — has economically self-destructed enough for Brasilia to not have to worry about a credible threat emanating from the southern pampas any time soon.

Internally, Brazil suffers from severe socio-economic inequalities — a legacy inherited from the country's colonial past when the Portuguese created a tiny land-owning elite that relied heavily on the African slave trade for labor to compete with the Spanish powerhouses of Mexico and Peru. This socio-economic divide manifests itself in a number of ugly ways, from deep corruption to violent crime. It can also be seen in the stark difference in political culture between the country's socialist-leaning north and capitalist-leaning south. Whereas the north needs the state to survive, the south largely views the state as a hindrance to its growth. Nonetheless, the debate over whether or not Brazil should be ruled by a democratic regime ended a quarter of a

century ago. Even in preparing legislation to manage Brazil's future energy wealth, the country is exhibiting notable signs of political maturity. Brasilia will have to maneuver its way through a web of domestic constraints before it can develop an attention span to deal with issues abroad (and these internal impediments really cannot be underestimated), but the country's political trajectory is heading in the right direction.

When it comes to military prowess, Brazil gets the weakest score. Despite having 10 neighbors, Brazil's surrounding geography provides the country with enough insulation to keep the country sheltered from most external threats. And with Argentina currently out of the game, Brazil has simply lacked the urgency to build up its military might. But as Brazil is realizing its own economic and political potential, it is also realizing the need to modernize its military. Whereas Brazil's economic tumult in the 1980s and 1990s led the state to slash funding for the military, Brasilia is now looking to build up the country's military-industrial complex to enhance Brazil's military posture and at the same time create another industrial sector to fuel Brazil's economic growth.

But the country is also struggling to come up with the right guiding imperatives to focus its modernization efforts. For example, the navy appears more focused on building nuclear-powered submarines — a long-range offensive tool — rather than the more conventional submarines and surface combatants that will actually have utility in defending its offshore oil wealth, not to mention the replenishment capability to deploy its ships further afield should Brazil develop the capability to engage in peacekeeping missions far from home.

At the same time, Brazil has also revealed strategic thinking in its long-term military-industrial development. For example, in trying to cut its dependency on foreign military suppliers, Brazil has made technology transfer and indigenous assembly key considerations in its search for a new combat fighter jet. Still, Brazil is realizing that if it hopes to use its military as a foreign policy tool one day, it will need to build up the muscle to match its rhetoric. That vision is going to take decades to become a reality.

Though Brazilian strengths vary widely in the political, economic and military domains, there is no question that the country has immense geopolitical potential and is showing definitive signs of realizing that potential. But for Brazil to graduate from regional hegemon to global player and command the respect of its global peers, it's going to need to demonstrate the ability to project real power beyond its borders. Speeches can be made anywhere, any time, but real Brazilian power — that is, words backed up with action — will not come fast, cheap or easy.

## **Detailed Report/Chile**

### **NZ and Chile commit to energy cooperation**

Minister of Energy and Resources Gerry Brownlee and Chilean Minister of Energy Dr Ricardo Raineri Bernain met in Wellington today and affirmed the growing importance of the energy relationship between New Zealand and Chile.

“The Trans Pacific Strategic Economic Partnership Agreement (P4) has provided a strong framework on which to build linkages between New Zealand and Chile in the energy sector,” Mr Brownlee said.

Dr Raineri arrived in New Zealand immediately following the 9th APEC Energy Ministerial meeting in Japan. Both Ministers agreed that APEC provided a valuable framework for energy cooperation.

“New Zealand and Chile are geographically similar, with common potential for the development of renewable energies,” Mr Brownlee said.

Sectors of mutual interest include geothermal energy, wind energy, biomass, biofuels, and marine energy.

“We have agreed to build on existing agreements and arrangements to promote strengthened energy linkages, including between relevant government agencies, research and science institutes, universities and businesses,” Mr Brownlee said.

## **Detailed Report/Colombia**

### **Ecuador says to respect Colombia's elections**

Ecuadorian President Rafael Correa said on Friday that the country will respect the outcome of the presidential elections in Colombia scheduled for June 20.

Ecuador will "respect the outcome and the sovereign choice of the Colombian people," Correa said, adding "We will be happy if the second round is carried out peacefully and harmoniously like the first one."

Correa said the winner of the elections is "the representative of a sovereign state and we will try to maintain the best ties with the winner, like with all the other countries in the world."

Referring to presidential candidate Juan Manuel Santos, who won the first round of elections but fell short of the votes needed for an outright victory, Correa said if Santos wins the elections and he also respects Ecuador, there will also be good ties between the two countries "like the ones we have with Peru and other friendly countries."

Ecuador accused Santos of having ordered a bombing raid in 2008 against a camp of the Revolutionary Armed Forces of Colombia (FARC) established in Ecuadorian territory. He was then Colombia's defense minister.

After the raid, Quito broke off ties with Bogota on the grounds that the attack violated Ecuador's territorial sovereignty, and a judge from the Ecuadorian province of Sucumbios, which borders Colombia, ordered Santos be notified by the Ecuadorian embassy in Colombia about the imprisonment warrant against him.

## **Former defense minister wins Colombian presidential election**

Reporting from Bogota, Colombia — Juan Manuel Santos, a former defense minister and scion of a publishing family, swept to victory Sunday in Colombia's presidential election with a pledge to continue his predecessor's get-tough policies against crime and insurgency.

Santos, 58, easily bested his challenger, former Bogota Mayor Antanas Mockus. With 99% of votes counted, Santos had garnered 69% of the votes in the runoff election to his challenger's 27%. He will be inaugurated on Aug. 7.

Santos, who also outpolled Mockus in last month's first-round election, had been heavily favored to win after he had gained the backing of several major political factions, including third-place finisher German Vargas Lleras. To top it off, the Colombian military recently rescued four armed forces hostages long held by leftist guerrillas, an event seen as boosting Santos' bid.

Meanwhile, Mockus, also 58, fared poorly in the final presidential debate and failed to forge an alliance with the Democratic Pole, Colombia's largest opposition party.

"Security is still an issue here and Santos was able to sell himself as the clearest representative of [current President Alvaro] Uribe and his legacy," said Marcela Prieto, director of the Political Science Institute of Colombia. "Mockus was not able to elevate his campaign appeal as he had to do. He made mistake after mistake."

Santos is expected to continue Uribe's good relations with the United States, which regards Colombia's current leader as its chief Latin American ally and which over the last decade has delivered more than \$6 billion in military and development aid to help the country fight drugs and terrorism.

In a victory speech at an indoor sports arena here, Santos said his win was an affirmation of Uribe's "democratic security" policies, extended an invitation to Mockus to work together and expressed thanks for his 9 million votes. "Despite torrential rains throughout the country, and [World Cup] soccer matches, we received a quantity of votes never seen in the history of the nation," Santos told supporters.

The victory culminates lifelong presidential ambitions for Santos, who previously had served in ministerial positions under three presidents but never stood for election. After Uribe in February finally was barred from running for a third term by a court decision, Santos quickly emerged as the leader of the Uribista coalition of parties. His great uncle Eduardo also served as president and founded the newspaper *El Tiempo*, the country's most important.

Colombia's usually low voter turnout, exacerbated by poor Sunday morning weather in the capital, Bogota, and two key televised World Cup soccer matches, didn't help Mockus to pull off a surprise.

"I came to vote to vote for Santos and assure that what Uribe has done won't be lost," said Alejandro Zambrano, 33, before voting in a convention center in central Bogota.

Criticized in the past for overt machinations and for having changed parties, Santos gained national visibility as Uribe's defense minister. In that post he oversaw the continued

improvement of the armed forces, which have seized the battlefield initiative in the decades-long battle against the leftist Revolutionary Armed Forces of Colombia, or FARC.

Santos also helped direct the spectacular rescue of 15 hostages, including three U.S. defense contractors and a presidential candidate, from rebel clutches in July 2008.

But he also directed the armed forces' daring incursion into Ecuadorean territory to kill FARC leader Raul Reyes in March 2008, a breach of sovereignty that escalated tensions with Colombia's neighbors. And he had to overcome a scandal that occurred while he was defense minister in which scores of civilians were killed by troops who then claimed them as rebel casualties.

Although Santos, who studied at the University of Kansas and Harvard University, enters office with a solid majority in both congressional houses, he faces a difficult array of issues. The pension and health insurance systems are both headed for insolvency, analysts warn, while the poverty and unemployment rates remain among the highest in Latin America. Santos must also "reestablish good relations with our neighbors," said Prieto, the institute director.

Though Mockus' expressed willingness to raise taxes may have hurt him with voters, many observers expect that Santos eventually will have to institute tax increases to stem the red ink.

### **US is "pleased" with Colombia's new president-elect Santos**

Washington - The United States on Monday congratulated Colombia's new president-elect Juan Manuel Santos and said it was 'pleased' with the election of the conservative who is expected to continue the policies of outgoing President Alvaro Uribe.

PJ Crowley, spokesman for the US State Department, praised the 'spirited debate' before Sunday's runoff and Colombia's 'longstanding commitment to democratic principles.' Crowley dismissed the suggestion that Santos' intention to improve relationships with neighboring Venezuela could drive a wedge between close US-Colombia ties. Venezuela has been critical of Bogota's close relationship with Washington.

'We wish him luck with that,' Crowley said.

Santos, a former defense minister who led the Uribe government's military hard line against the Marxist rebels who have waged a five-decade civil war, won 69 per cent of the run-off vote against Antanas Mockus, a former Bogota mayor who had finished a distant second in the first-round vote.

It was the biggest election victory for a president in Colombia's democratic history.

### **Hail, Colombia: Landslide election victory for anti-narco-terror, pro-U.S. candidate**

A free and fair presidential election in Colombia has produced a landslide endorsement of strong ties with the U.S. and of maintaining the war on narco-terrorists.

By giving former Defense Minister Juan Manuel Santos 69% of the vote, Colombians showed as dramatically as could be that they want no part of the looniness of Hugo Chavez of Venezuela, Rafael Correa of Ecuador and Luiz Inacio Lula da Silva of Brazil.

Now it's up to the White House and Congress to leave no doubt that they welcome Santos into the fold as the democratically chosen leader of a pro-Western, pro-free speech, pro-growth nation in a tough neighborhood.

How tough? Ecuador has indicted Santos **in absentia** as the architect of a 2008 commando raid that dismantled the mountain headquarters of FARC, a terrorist organization that had been staging attacks inside Colombia with the backing of drug money and the support of Chavez.

FARC is believed responsible for 60% of Colombia's cocaine trade and had brought the country to the brink of becoming a failed state before current President Alvaro Uribe fought back with Santos at his side.

The latest victory came last week, when Colombian commandos descended on a FARC jungle hideout and freed four hostages, one a brigadier general, who had been in captivity for 12 years.

Uribe earned the gratitude of his countrymen by taming violence and upping the standard of living. He might easily have won a third term, but the courts ruled such a move unconstitutional.

He agreed to step down, handing his successor a stronger democratic tradition, one quite unlike the strongman government of Chavez, and one that shuns dalliances with Fidel Castro and Mahmoud Ahmadinejad of Iran.

Santos is in America's camp. President Obama and Democratic congressional leaders must treat him accordingly as a signal to Chavez, Correa and Lula of solidarity with a like-minded ally. The place to start would be to okay a free-trade pact that has long been in the best interests of both Colombia and the U.S.

### **UN praises Colombia's significant progress in anti-drug campaign**

Colombia gained significant achievements in reducing coca cultivation, and the drug control policy adopted by the government has paid off, a United Nations Office on Drugs and Crime (UNODC) official said on Tuesday.

According to a Tuesday report of UNODC, cultivation of coca, the main raw material to produce cocaine, declined by 16 percent to 68,000 hectares last year from 81,000 in 2008. Peru is likely to overtake Colombia as the world's biggest coca producer soon.

UNODC representative Aldo Lale-Demoz said the reductions of coca cultivation and cocaine production were attributed to the Colombian government's drug control policies, matched by manual eradication and education campaigns.

"It is clear that the coca harvest in Colombia has become more difficult and risky for the

organized crime," Lale-Demoz said, hailing Colombia's fight against drug as an example that deserves the world's recognition.

Colombian Interior Minister Fabio Valencia praised the work of public forces as a fundamental element in the coca eradication process.

Due to land mines, 222 soldiers had been wounded and 22 others had lost their organs during eradication operations of illegal crops, Colombian National Police Chief General Oscar Naranjo said, adding that some peasants also joined the program of manual eradication.

"This reduction is the result of sacrifice and heroism after six years of implementing the manual eradication program by the government with the participation of 61 farmers affected by drug trafficking," he said.

Valencia also urged neighboring countries to join and work together in fighting against drugs, saying that Colombia now is targeting reduction of drug consumption.

### **Santos wants better ties with Venezuela**

Colombian President-elect Juan Manuel Santos says he wants to improve relations with Venezuela. He's also expressed his willingness to maintain a strong alliance with the United States and restart the country's faltering economy.

Santos has a strong mandate to work on relations with Venezuela after winning a landslide victory on Sunday.

Juan Manuel Santos, Colombian President-elect, said, "We have the best intentions and willingness for the government of Venezuela to feel tranquil and to trust that we want these relations to normalize for the good of our people."

Santos also hopes Colombia can continue its partnership with the US, which has been a strong ally in the fight against drug trafficking.

"With the United States, we will continue collaborating in the fight against drug trafficking for Colombia, and we have said many times that this is not simply a problem of public health, it is a problem of national security. We have to continue combating drug trafficking." Santos said.

Meanwhile, Santos says he is not looking to sell state assets to private companies to deal with the country's faltering economy.

The public in Colombia expects much from the new government.

“What do we expect from the new president? We expect continuity from president Uribe and that he does the best for the country,” said a local resident.

Juan Manuel Santos won 69 percent of the vote in the presidential runoff election.

## **Detailed Report/Mexico**

### **Mexico Drug Gang Threatens Arizona Police**

Police in an Arizona border city are on heightened alert after receiving a warning from a Mexican drug cartel that officers may be targeted if they carry out off-duty drug busts, authorities said on Tuesday.

Nogales Police Chief Jeff Kirkham said the department received the threat through an informant after two off-duty policemen seized 400 pounds (182 kg) of marijuana while horseback riding outside the city in early June.

"The warning was ... that the officers, if they are off duty, are to look the other way and ignore any drug trafficking loads that are coming across the border, otherwise they will be targeted," Kirkham told Reuters.

Arizona straddles a major corridor for Mexican smugglers who haul illegal immigrants and drugs north to the United States in an illicit trade worth billions of dollars a year.

Cartel turf wars and attacks on police have killed more than 25,000 people across Mexico since President Felipe Calderon launched a military crackdown on drug gangs in late 2006.

### **Mayor killed as drug violence rages in Mexico**

Ciudad Juarez - Gunmen killed the mayor of a Mexican town near the United States border that is located in the no-man's land of the country's violent drug war, police said on Sunday.

Two weeks ahead of state and local elections, armed men on Saturday shot Jesus Manuel Lara, mayor of Guadalupe Distrito Bravo, which is near the border city of Ciudad Juarez, federal police spokesperson Jose Ramon Salinas told Reuters.

Lara was killed at his home in Ciudad Juarez, local media reported.

Ciudad Juarez, a manufacturing city once known for its wild night life, has become the bloodiest front in President Felipe Calderon's war against drug smugglers.

More than 5 500 people have been killed in the city since 2008 as the powerful Juarez cartel fights the Sinaloa alliance for control of trafficking routes.

Calderon has staked his political future on reining in the drug killings and has sent 8 000 soldiers and federal police to the Ciudad Juarez area alone to try to defeat the cartels.

But the area outside the city's manufacturing zone, including Guadalupe Distrito Bravo, is rapidly becoming a no-man's land. Despite an army presence, people are abandoning towns, while politicians have been too scared to campaign for the upcoming elections.

Last year, at least two other municipal officials were killed in Guadalupe Distrito Bravo. – Reuters

### **Roman Catholic Church warns of growing influence of drug cartels in some Mexican cities**

Mexico City (AP) — Mexico's Roman Catholic Church says drug cartels now control parts of some cities and warns that the gangs may be trying to influence this year's state elections.

The Archdiocese of Mexico says in an editorial that organized crime groups may try "to impose candidates" in the July 4 elections that will decide 12 of Mexico's 31 governorships. I

It says cartels may also try to impede voters from going to the polls.

The editorial posted Sunday on the archdiocese's website says drug gangs are intimidating governments in some states and "control entire neighborhoods in some cities."

More than 22,700 people have died in drug-related violence since Mexico launched an anti-drug offensive in late 2006.

### **Mexican ruling party leader says federal police needed to secure local elections in 14 states**

Mexico City (AP) — The leader of President Felipe Calderon's conservative party said Saturday he wants federal police to patrol 14 Mexican states that are holding local elections this year.

National Action Party leader Cesar Nava charged that state governors from the old ruling Institutional Revolutionary Party are planning to use local police in favor of their candidates.

"Recent history shows us that some PRI governors are preparing to use police to make it easier to round up voters for their party and impede the free movement of our supporters," Nava said at a gathering of his party's leadership in Mexico City.

He said such acts suggest "the lack of conditions for free and genuinely democratic elections."

Nava said he will ask the federal Interior Department — which oversees domestic security — to consider the dispatch of federal forces to the states with elections scheduled. Local police usually provide security for local elections.

Nava's comments were some of the harshest criticism yet aimed at the old ruling party, known as the PRI. It still holds a majority of Mexican governorships, and other parties have accused the PRI of using vote-buying and other questionable tactics.

PRI leaders have denied the allegations, saying their rivals are frightened by polls showing the PRI leading most state races.

The PRI held Mexico's presidency without interruption from 1929 to 2000, when it lost the presidential election to the PAN.

The power of the governors of Mexico's 31 states has grown since the PAN partly dismantled the far-reaching, centralized authority of the presidency that had been built up under the long reign of the PRI.

Ten states are holding elections for governors, mayors and other local posts July 4, and four other states will hold votes for governors or other posts later in the year.

Nava also condemned a series of attacks with small incendiary devices on the offices of PRI, PAN and the third main party, the Democratic Revolution Party, in the northern state of Sinaloa last week. The offices in each case were only slightly damaged and no injuries were reported.

Nava called them "cowardly acts of vandalism" and said some people "are trying to destabilize the pre-electoral climate and spread fear among the population."

### **Detailed Report/Venezuela**

#### **ILO to ask Venezuela to stop harassing business sector**

The International Labor Organization (ILO) believes that the Executive branch of government has an anti-business policy and attacks the Venezuelan business leaders.

The International Labor Organization (ILO) agreed to call for "urgent" action from the general director of the institution to "request the Venezuelan government to stop harassment" against Venezuela's private business chamber Fedecámaras and its leaders.

"With the support of all employers' delegations, the international business community explicitly acknowledges Fedecámaras and rejects the anti-business policy as well as the harassment against the representatives of the private business community who dare to complain about the anti-business policy implemented by the Venezuelan government," the ILO said in a statement.

According to the text, the employers' group of the ILO governing body met on Thursday morning in Geneva and after assessing the situation of the Venezuelan business community, it decided to ask the ILO authorities to express "the serious concern of the businessmen participating in the Conference."

## **Venezuela asks Interpol to arrest openly critical TV station's owner**

(CNN) -- Venezuela has asked Interpol to arrest the owner of the only TV station still openly critical of leftist President Hugo Chavez, the government announced Friday.

Guillermo Zuloaga, president of Globovision, is accused of illegally storing vehicles with the intent to sell them for a profit, the Venezuelan government said when it issued an arrest warrant last week. His son, also named Guillermo, also is wanted.

Zuloaga and his son have said that he is being persecuted for political purposes and that the charges are trumped up.

He is reported to have left the country, and Venezuela asked the international police agency to arrest him and his son.

"This is a gentleman who has committed a crime, and he should have to answer to Venezuelan justice," Justice Minister Tareck El Aissami said Friday. "We have already started the process. We have generated an Interpol alert for the capture of this fugitive, wherever he is. He and his son are sought by a Venezuelan justice tribunal."

The charges against Zuloaga originated in May 2009, when 24 vehicles were found on one of his properties in Caracas. According to the government, they were being kept there in violation of existing law.

Zuloaga, who owns car dealerships, has said the vehicles were stored at his house as part of his business.

Zuloaga was previously detained in March, when he was accused of criticizing the government during a public forum outside the country.

International human rights groups have criticized the legal action against Zuloaga and other Chavez critics, calling such actions an attempt to silence them.

## **Human rights and freedom of expression at stake in Venezuela**

### **IACHR urges Venezuela to avoid silencing critical opinions**

Paulo Sergio Pinheiro, the Commissioner for Venezuelan Issues at the Inter American Commission on Human Rights (IACHR), and Catalina Botero Marino, the OAS Special Rapporteur on Freedom of Expression, sent on June 14 a letter to the Venezuelan Minister of Foreign Affairs, Nicolás Maduro Moros, to express their concern over the deterioration of freedom of expression in Venezuela and to request information on several events occurred in Venezuela in the past week.

They referred to the criminal conviction against Francisco "Pancho" Pérez, a Venezuelan journalist, for having published several corruption-related complaints; to the bench warrant

against Guillermo Zuloaga, the CEO of private TV news network Globovisión, a few days after the Venezuelan President Hugo Chávez criticized the Judiciary for the fact that the owner of the anti-government network was still free; and to the attack against private media group Cadena Capriles.

In the letter, the Commissioner and the Rapporteur urged the Venezuelan government to avoid the use of direct or indirect mechanisms to silence critical opinions or the complaints made against government officials, no matter how disturbing or offensive they may be.

Both human rights officials expressed their concern over the criminal conviction against journalist Francisco Pérez, and recalled that the Inter-American Court of Human Rights and the Inter American Commission on Human Rights (IACHR) have expressed in several opportunities their position against the existence of contempt laws and the use of criminal laws to punish opinions or reports critical of public officials.

The letter highlights that "the obvious disproportion of the conviction imposed on the journalist for publishing a complaint of public interest shows that freedom of expression is seriously vulnerable in Venezuela."

## **US Government worried about bench warrant against Zuloaga**

The Government of the United States claimed to be "seriously worried" about a bench warrant in Venezuela against Guillermo Zuloaga, the owner of private TV news channel Globovisión.

"We are seriously concerned about a warrant issued for the arrest of Guillermo Zuloaga in Venezuela," US Department of State spokesman Philip Crowley told reporters, AFP quoted. "This is the last example of the Venezuelan government continued onslaught on freedom of expression," he added.

A court issued on June 11 an order for the arrest of Zuloaga and his son for the crime of usury related to the alleged irregular storage of vehicles belonging to concessionaries property of the family.

Globovisión, a channel critic of the government of President Hugo Chávez, faces quite a few administrative charges and has been threatened to shutdown on several occasions. Crowley said that his government does not intend to bring this particular case to the Organization of American States (OAS).

He noted, though, that Washington has proposed the possibility "that the OAS plays a more active role in reporting situations that, as far as we are concerned, run counter to the Inter-American Democratic Charter."

### **Chavez hails Cuban, Iranian assistance**

Venezuela: Venezuelan President Hugo Chavez appreciated Sunday the support received from Cuba and Iran to develop health and industrial sectors.

In his customary Sunday column Chavez' Lines, the Venezuelan President said that 8,581 students of Integral Community Medicine will start to work in hospitals countrywide.

"There is a sowing season and a harvest season, as established in the Bible. Harvest time has come after five years of work with the fraternal support of revolutionary Cuba," wrote Chavez.

According to him, the future physicians constitute a fundamental boost in the consolidation of the National Public Health System.

A real transformation is underway, leading not only to a quantitative advance in medical practice, but also to a qualitative change, as these future doctors have the highest sense of solidarity and commitment, he added.

Regarding the Iranian collaboration, Chavez highlighted technological transfer in auto-making, materialized in the car assembly plant Venirauto, expected to produce this year 5,390 vehicles and reach 16,000 by 2011.

## **Ministry of Health reports 41,573 cases in 2010**

### **Dengue fever spreads all over Venezuela**

The 22nd Epidemiological Bulletin issued by the Ministry of Health, which has not been released yet, shows new figures and reports that in the 22nd week, from May 30 to June 5, there were 3,399 patients with dengue fever. According to the members of the Network of Scientific Medical Societies, who prepared the 135th Epidemiological Alert, this is the largest increase in 2010.

Dengue epidemic in Venezuela seems to be out of control. In 2010, and until June 541,573 cases have been reported nationwide, more than double compared to 2009. Dengue epidemic has been declared in all the Venezuelan states.

The 22nd Epidemiological Bulletin issued by the Ministry of Health, which has not been released yet, shows new figures and reports that in the 22nd week, from May 30 to June 5, there were 3,399 patients affected with dengue fever. According to doctors José Félix Oletta and Ana Carvajal, who are members of the Network of Scientific Medical Societies, this is the largest increase in 2010.

The bulletin prepared by the Ministry of Health reports that 277 out of the 3,999 cases are likely hemorrhagic dengue fever.

### **Caracas calls for unity of peoples**

### **Venezuela congratulate Colombian president-elect Juan Manuel Santos**

The government of President Hugo Chávez joined several countries' authorities in congratulating the candidate of the ruling Social National Unity Party after his victory in Colombian presidential elections.

The Venezuelan government congratulated the brotherly people of Colombia for the presidential election held on Sunday, June 20.

"The Bolivarian government congratulates Juan Manuel Santos for his victory, and wishes him success as a result of his new responsibility," said the government of President Hugo Chávez in a statement issued by the Ministry of Foreign Affairs.

The Venezuelan government will be very attentive not only to the statements issued by the spokespersons of the new administration but to the facts that will shape the type of relationships that can be established with sincerity and respect with the elected government.

## **Chavez shuffles Cabinet ahead of elections**

Caracas, Venezuela (AP) -- President Hugo Chavez shuffled his Cabinet on Wednesday as his government grapples with numerous domestic ills and his governing party prepares for crucial congressional elections.

Nine top ranking officials were appointed. Most of the outgoing Cabinet members have been selected as ruling party candidates for September's vote and are some of the socialist leader's closest collaborators, including Diosdado Cabello, Erika Faria, Hector Navarro and Luis Reyes.

Francisco Garces Da Silva, formerly the director of Venezuela's seismological agency, will replace Cabello as the minister of transportation and communication, while Isis Ochoa replaces Faria as the minister of communes and social protection.

Eugenia Sader, a deputy health minister and military officer, takes over from Reyes as the chief of the Health Ministry, and Jennifer Gil replaces Navarro as education minister. Mauricio Rodriguez will take over as information minister, replacing Tania Diaz.

Chavez generally overhauls his Cabinet once a year, usually moving close political allies from one ministry to another while handpicking others from the military or state institutions.

The president made the latest changes as his government struggles with a scandal involving decomposition of more than 22,000 tons (20,000 metric tons) of food inside a port and attempts to remedy numerous domestic problems, including soaring inflation, a severe housing shortage and rampant violent crime.

On Wednesday, Chavez put his vice president in charge of a state-run food distribution and sales company that has been at the center of the rotten food scandal. The company was previously managed by Venezuela's state oil company.

Critics of Chavez, including leaders of Venezuela's Roman Catholic Church, have said the decomposed food is an example of government mismanagement.

Opposition leaders contend the oil company's president, Rafael Ramirez, should face criminal charges for the rotten food, but government officials blame the problem on private businesses that they say were responsible for importing and storing the food.

The president's party is gearing up the Sept. 26 elections. Chavez has called the vote one of the most important of his political career, warning supporters that an opposition victory could allow opponents to derail his drive toward socialism.

## **Uruguay concerned about oil debt with Venezuela**

The government of President José Mujica has voiced concern over Uruguay's level of indebtedness with Venezuela for oil purchases surpassing USD 500 million, but the oil workers union advocates the deal because the debt is cheap.

The oil agreement dates back to 2005, when it was signed by former Uruguayan President Tabaré Vázquez and his Venezuelan counterpart Hugo Chávez and was renewed last April by President José Mujica when he visited Caracas.

Economy Minister Fernando Lorenzo said in a report submitted to Congress late March that Uruguay's debt with Venezuela amounted to USD 524 million. According to the report, the gross external debt of Uruguay is above USD 21 billion.

According to reports from the Uruguayan president's office, which have not been denied, Mujica said on Monday that he is concerned about the level of indebtedness. Juan Gómez, the head of state-run oil company Ancap, told journalists that, together with the Ministry of Economy, they would try to "to find another more appropriate option."

## **News Sources**

### **Argentina**

[http://english.eluniversal.com/2010/06/21/en\\_pol\\_art\\_appointment-of-argen\\_21A4064291.shtml?](http://english.eluniversal.com/2010/06/21/en_pol_art_appointment-of-argen_21A4064291.shtml?)

<http://www.foxnews.com/world/2010/06/18/argentine-foreign-minister-jorge-taiana-resigns-replaced-ambassador-timerman/?>

<http://www.focus-fen.net/?id=n223328>

[http://www.monstersandcritics.com/news/americas/news/article\\_1564556.php/Argentina-s-foreign-minister-resigns-in-anger?](http://www.monstersandcritics.com/news/americas/news/article_1564556.php/Argentina-s-foreign-minister-resigns-in-anger?)

<http://www.panarmenian.net/eng/economy/news/50418/?>

### **Names of consulted News Agencies/Argentina**

El Universal (English)

Fox News

Monster and Critics News

Pan American Net

## **News Sources**

### **Brazil**

<http://www.courant.com/news/nation-world/sns-ap-lt-brazil-flooding,0,3917678.story?>

<http://english.people.com.cn/90001/90777/90852/7028475.html?>

<http://english.people.com.cn/90001/90777/90852/7028474.html?>

<http://english.people.com.cn/90001/90777/90852/7028511.html?>

<http://english.people.com.cn/90001/90778/90858/90864/7029789.html?>

<http://english.people.com.cn/90001/90777/90852/7030797.html?>

[http://www.economist.com/node/16377307?story\\_id=16377307](http://www.economist.com/node/16377307?story_id=16377307)

<http://en.trend.az/regions/world/ocountries/1707207.html?>

[http://www.novinite.com/view\\_news.php?id=117448](http://www.novinite.com/view_news.php?id=117448)

STRATFOR.com

### **Names of consulted News Agencies/Brazil**

Courant News

Economist Magazine

People (English)

STRATFOR

## **News Sources**

### **Chile**

<http://www.scoop.co.nz/stories/PA1006/S00333.htm?>

### **Names of consulted News Agencies/Chile**

Scoop News New Zealand

## **News Sources**

### **Colombia**

<http://english.people.com.cn/90001/90777/90852/7030900.html?>

<http://english.people.com.cn/90001/90777/90852/7036720.html>

<http://english.people.com.cn/90001/90777/90852/7036181.html?>

<http://www.latimes.com/news/nationworld/world/la-fg-colombia-election-20100621,0,7746024.story?>

[http://www.monstersandcritics.com/news/americas/news/article\\_1565161.php/US-is-pleased-with-Colombia-s-new-president-elect-Santos?](http://www.monstersandcritics.com/news/americas/news/article_1565161.php/US-is-pleased-with-Colombia-s-new-president-elect-Santos?)

[http://www.nydailynews.com/opinions/2010/06/23/2010-06-23\\_hail\\_colombia.html?](http://www.nydailynews.com/opinions/2010/06/23/2010-06-23_hail_colombia.html?)

### **Names of consulted News Agencies/Colombia**

LA America Times

Mosnter and Critics News

NY Daily Times

People (English)

## **News Sources**

### **Mexico**

<http://www.foxnews.com/world/2010/06/20/roman-catholic-church-warns-growing-influence-drug-cartels-mexican-cities/>

[http://www.iol.co.za/index.php?set\\_id=1&click\\_id=3&art\\_id=nw20100620221748303C314967](http://www.iol.co.za/index.php?set_id=1&click_id=3&art_id=nw20100620221748303C314967)

[http://www.postchronicle.com/news/breakingnews/article\\_212308713.shtml?ref=rss](http://www.postchronicle.com/news/breakingnews/article_212308713.shtml?ref=rss)

<http://www.sun-sentinel.com/news/nationworld/sns-ap-lt-mexico-elections,0,3253177.story?>

### **Names of consulted News Agencies/Mexico**

Fox News

Post Chronicle News

Sun-sentinel News

## **News Sources**

### **Venezuela**

<http://www.dailynews.lk/2010/06/22/wld11.asp?>

[http://english.eluniversal.com/2010/06/17/en\\_eco\\_esp\\_ilo-to-ask-venezuela\\_17A4041613.shtml?](http://english.eluniversal.com/2010/06/17/en_eco_esp_ilo-to-ask-venezuela_17A4041613.shtml?)

<http://edition.cnn.com/2010/WORLD/americas/06/18/venezuela.interpol.warrant/index.html?>

[http://english.eluniversal.com/2010/06/22/en\\_pol\\_art\\_dengue-fever-spreads\\_22A4069731.shtml?](http://english.eluniversal.com/2010/06/22/en_pol_art_dengue-fever-spreads_22A4069731.shtml?)

[http://english.eluniversal.com/2010/06/21/en\\_pol\\_art\\_venezuela-congratula\\_21A4063293.shtml?](http://english.eluniversal.com/2010/06/21/en_pol_art_venezuela-congratula_21A4063293.shtml?)

[http://english.eluniversal.com/2010/06/23/en\\_eco\\_esp\\_uruguay-concerned-ab\\_23A4075773.shtml?](http://english.eluniversal.com/2010/06/23/en_eco_esp_uruguay-concerned-ab_23A4075773.shtml?)

[http://hosted.ap.org/dynamic/stories/L/LT\\_VENEZUELA\\_CABINET\\_CHANGES?SITE=AP&SECTION=HOME&TEMPLATE=DEFAULT&CTIME=2010-06-23-19-20-46](http://hosted.ap.org/dynamic/stories/L/LT_VENEZUELA_CABINET_CHANGES?SITE=AP&SECTION=HOME&TEMPLATE=DEFAULT&CTIME=2010-06-23-19-20-46)

### **Names of consulted News Agencies/Venezuela**

CNN News

Daily News

El Universal (English)

Associated Press