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Report Summary/Argentina

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India's agriculture minister Pawar visited Argentina last week and met with his Argentine counterpart there. Both of the ministers signed MoU to increase agriculture trade between both countries. Other than this there are 14 Indian companies which have invested about one billion dollars in IT, agrochemicals, steel, pharmaceuticals and cosmetics in Argentina. Similarly United Phosphorus and Punjab Chemicals and Crop Protection Ltd have invested 100 million dollars in Argentina in the production and export of agrochemicals and seeds. Argentina is the largest exporter of Soy and sunflower oil to India and in the world. Some companies are exporting agriculture related goods to Argentina by manufacturing tractors.

Argentina is in a deal with Brazil's plane making company Embraer to develop and advance its military transportation planes. And Brazil's defense ministry said that Argentina will be able soon to upgrade its defense plane system like some other countries in the region.

Report Summary/Brazil

Political Issue

Worker Party's presidential candidate Ms. Rousseff defended her party's policy towards Iran and said Holocaust cannot be denied because it has history and it happened. She said Brazil's support with Iran doesn't mean that both are agree at every point but its just a message for the world that Brazil wants peace in the world and sanctions are not the solution because we have it consequences before us in shape of Afghanistan and Iraq.

In a recent poll by Datafolha Brazilian presidential candidate from PT has 50 percent favor of voters while her opponent Mr. Serra from PSDB has 27. Last week he had 38 percent favor by the people but this week's poll shows his popularity decreased before Ms. Dilma Rousseff who she is becoming popular day by day. Serra has said that Worker's Party is now using bad tricks against him and his family by checking his private things as he accused Worker's Party to check his personal tax payment records and of her daughter. Similarly Sensus Institute conducted a survey and concluded almost the same results and said Ms. Rousseff can win the presidential elections in the first round.

Economic Issue

Social/Humanitarian Issue

Brazil's labor ministry said it has started crackdown against the land farmers who have inhumane behavior against the servants because they have noticed many complaints against the farmers that they are treating in very bad ways and sometimes paying very low.

Food, Environment and Energy Issue

Brazil's energy ministry told that its energy company Petrobras has discovered another oil field that is called Libra deepwater oil reservoirs. It is said that Libra field may hold as much as 8 billion barrels of oil, rivaling nearby Tupi as the Americas' biggest crude discovery in three decades.

Geostrategic Issues

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Report Summary/Chile

Political Issue

Bachelet has also said that she will do her best in promoting the women rights in the world and to finish the discrimination. She said many countries are here that are giving proper

rights to the women so by following other countries can also provide them full rights as equal to men. She also said in some countries women are deprived some basic necessities and are in very inhumane conditions.

Economic Issue

Social/Humanitarian Issue

Food, Environment and Energy Issue

Geostrategic Issues

Chile's former president Michelle Bachelet has elected as the head of United Nations Women (UN Women). United Nations' Women is the newly created body to promote women's rights and gender equality. European Union has warmly welcomed the new president and the newly made forum to discuss the issues of the women in the world. EU said Bachelet's experience in politics and her wisdom will guide the newly born institution to uplift women rights.

Report Summary/Colombia

Political Issue

Southern border of Colombia is shared with Ecuador that is considered the main transit of FARC where they produce cocaine and smuggle from there. President Santos has intensified operation against the rebel groups in that region particularly and in all over the country but the rebel groups have also sharpened their operation against the police and security forces as in the last week they have killed 17 police officers and 55 in this month.

Colombian forces have captured a lawmaker and former president of Congress of Colombia who has been senator since 1998 on the criminal charges. He confessed thousands of killings and stealing millions of acres from poor farmers over two decades. Colombian forces have captured almost 37 lawmakers since 2006 on so called paramilitary scandal among them 15 are convicted of charges and suffering in prison for at least eight years.

Economic Issue

Social/Humanitarian Issue

Colombia's defense minister said that the largest rebel group Revolutionary Armed Forces of Colombia or FARC have killed 8 police officers and 4 wounded in a homemade mortar attack and 2 police are still missing. FARC attacked at police in San Miguel state where they cross San Miguel River from Ecuador and target police of Colombia. Ecuador is blamed to

provide shelter to the Colombia's FARC and ELN rebel groups and during the time of Uribe when Santos was the defense minister Colombian army attacked at the FARC meeting in the border city of Ecuador and killed FARC commander and 25 others that caused breaking of relationships with Ecuador.

Food, Environment and Energy Issue

Geostrategic Issues

US government has announced \$ 30 million for Colombia's military aid to combat drug and rebel cartels in the country and the money would go to support military aviation, ground and maritime programs as well as training for peacekeepers and equipment. But the allocation of funds for Colombia is criticized by the human rights organizations. Human rights organizations said that Colombian forces are involved in inhuman activities as killing of people as many cases have come before and the government could not take action against such cases against the military so they should not be granted funds. But it is reported that human violations cases have deceased in Colombia and Colombian government is taking this issue as serious. Colombia is granted \$6 billion aid since 2000 under Plan Colombia.

Colombia's minister of trade said though the governments of Colombia and Venezuela have restored their relations but in spite of this restoration both countries cannot maintain their relationships at the level where or as it was 10 years back. He said there has been a lack of trust between both of the countries.

Report Summary/Mexico

Political Issue

It is analyzed in an article that Mexico's situation is totally different from Colombian war in the country. A professor has criticized the statement of Secretary of State Hilary Clinton that Mexico is also turning in the position as Colombia where insurgents are increasing. He said in Colombia the rebel groups' main purpose is to control the government while in Mexico drug cartels are working for drugs that is their business so the situation is different. And also drug cartels are doing violence when the government is disturbing them. President Obama has also rejected Clinton's argument that Mexico is turning towards Colombia's position and said Mexico is a big democracy in the region and drug cartels of Mexico have no political agenda. In the meanwhile almost 70 inmates are escaped from a prison of Mexico who were kept in charges of drug trafficking, violence and other various crimes.

Mexican government is celebrating its 200th anniversary of independence from 13-15 September in which people will represent from different countries. Amir of Kuwait visited Mexico City in the anniversary of independence in Mexico and made a MoU with the government of Mexico in various sectors. Kuwait started economic relations with Mexico in 1976 when it started its diplomatic relations with Mexico. President Calderon criticized both US and Mexican forces the cause of 1847 battle with the US. He said due to that war Mexico lost

half of its territory as California, Nevada, Utah and Arizona. Mexican president has also said to the people of the country to adopt unity in the country.

Economic Issue

Social/Humanitarian Issue

More than 25 people have been killed in a day in Ciudad Juarez which has become one of the world's most dangerous cities. Until now in this year almost 2,100 people have been killed in this city and in the last year that were 2,700. There are mainly Sinaloa and Juarez cartels prevailing who are also killing each other's members and also of common people to get revenge from the government. Other than this Mexican army has also killed 22 drug related people in a northern state of Mexico.

Mexican forces have captured another kingpin of Beltran Leyva drug cartel in this week. In December another top leader was also killed of the same cartel but in this week the third top leader is captured without any resistance in a military crackdown in which 9 navy ships and a helicopter took part.

Food, Environment and Energy Issue

Geostrategic Issues

Mexican president criticized Clinton's argument that Mexico is towards Colombian way as drug cartels are struggling for political agenda. He spoke on recent 25 murders in Ciudad Juarez state that all troubles are due to our neighbor which is the biggest arm seller in the world. He said all weapons are coming from the US to the drug cartels which they are using to kill common people so it is the duty of the US government to control the smuggling of the weapons from US in to Mexico. He also said there is need to stop arm smuggling before giving aid to Mexico so that the cause of trouble could be controlled. In the meanwhile president of El Salvador visited Mexico and both presidents condemned the killing of 72 people in a massacre in a small town in the north of Mexico. Salvadorian president said Mexican government isn't responsible in this massacre in which there were 13 were Salvadorians.

Due to increasing violence in Mexico and especially against the journalists who write or tell against the drug cartels, some journalists of Mexico are demanding asylum in the US. Almost 30 journalists are killed since the war intensified against the drug cartels since 2006. They are harassed and tortured and sometime killed due to reporting against the cartels. The journalists say the government of Mexico has failed to provide the security and safety in the country so they are asking for asylum in US.

Report Summary/Venezuela

Political Issue

One of Venezuela's cement companies is nationalized that was Swiss based and it was nationalized in 2008 but still the payment was pending. Holcim Cement Company told that it is now paid \$250m and the remaining \$390m will be paid over four years as the government of Venezuela told the company.

Venezuelan government told that it has captured three suspected of Colombian paramilitary force from shared border of Colombia and Venezuela. It is said they were 30 miles inside the Venezuelan border when Venezuelan border patrol apprehended them.

It is sad president Chavez is struggling hard to get favor of his country people in 26th September elections in which he needs majority to run his government and then later the final elections will be in 2012. Some recent polls show that Chavez is getting 27 points in those polls while the opposition get favor of 24 points and some 30 points are of the people who said they have not decided yet. Chavez is very hopeful that he will be able to get two third majorities in the elections of 26th September.

Some leaders of Venezuela's Jewish community met with the president Hugo Chavez and discussed their problems with him. They requested to the president to re-establish the relationships with Israel and demanded their protection in the country and to stop media of Venezuela to campaign against them. President Chavez has increased their security in the country in their temples and centers which made Jews happy but he is always criticizing Israel due to its policies towards Palestine.

Economic Issue

Due to devaluation in Venezuela's economy and a diplomatic break up of relationships the trade between Venezuela and Colombia decreased. Colombia and Venezuela are historical trade partners and are trading with each other since years but few months back trade relations were freeze when Colombia accused Venezuela of providing shelter to FARC gorillas in its country. Colombian government told almost 500 small factories were closed during that period in Colombian border with Venezuela when relationships between both countries were tensed and similarly prices of goods in Venezuela were also increased.

Venezuela's president of Central Bank said that economy of the country will increase in this year and the inflation rate will be decreased until 28 or 29 percent. He said in next 2 to 3 years inflation rate will be brought till 10 or 12 percent and then in single digit. Since 1985 inflation rate in Venezuela could not come in single digit but the Central Bank is now claiming to bring in next 3 to 4 years.

Social/Humanitarian Issue

In a plane crash in Venezuela while landing almost 33 people escaped among 51. In the meanwhile one of the navy helicopters was collapsed which was taking media person in a area in which only the pilot was escaped but other were died.

Food, Environment and Energy Issue

Geostrategic Issues

It is said Brazil, Mexico and United States are the largest trading partner in the region now and Colombia and Venezuela have also need to find their new partners in future if they won't be dependent on each other in future. But if they remain able to sustain their relationships successful then they can get more benefit instead to increase with other countries.

Bolivian ambassador to Venezuela said that in 2011 ALBA countries (that are 6 countries of Latin America) Member States of the Bolivarian Alternative for the Peoples of Our America will start a common air line within the ALBA countries to promote tourism within the ALBA group. He also said the fares will be less than other commercial air lines in these air lines.

President Chavez demanded United States to extradite his wanted person who was involved in bombing in Spanish Embassy and Colombian consulate in Caracas. But the Diaz who is alleged of bombing from Venezuela is living in Miami and told that he has not committed this crime but Venezuelan government want him to arrest due to his sympathies with the United States. Chavez said he is sure that US government will never extradite him because he give asylum to such people in its country.

Detailed Report/Argentina

India, Argentina sign MoU on agriculture

New Delhi, Sept 13: India and Argentina have signed a Memorandum of Understanding (MoU) on Cooperation in Agriculture and Allied Sectors, said a government statement on Monday.

The MoU was signed by Agriculture Minister Sharad Pawar and Argentine Agriculture Minister Julian Andres Dominguez at Buenos Aires during Pawar's recent visit to Argentina.

The MOU provides a framework for exchange of information on best practices and technologies, cooperation in research and development and promotion of trade, investment and joint ventures.

Pawar visited Argentina last week, in response to the invitation extended by his Argentine counterpart Julian Andres Dominguez, who was in India last month.

Argentina is the largest source of import of soya oil by India. In the first seven months of this

year, India has imported soya oil worth USUSD 1.4 billion. India is also importing from Argentina sunflower oil and other agro-products. Argentina is the largest exporter of soya and sunflower oils in the world.

During the meetings with Pawar, some Argentine companies had shown interest in growing pulses for exports to India in the future.

There are 14 Indian companies which have invested about one billion dollars in IT, agrochemicals, steel, pharmaceuticals and cosmetics in Argentina. United Phosphorus and Punjab Chemicals and Crop Protection Ltd have invested 100 million dollars in Argentina in the production and export of agrochemicals and seeds.

Agricultural machinery is emerging as a new area of trade and collaboration. Mahindra, TAFE and Sonalika from India have started exporting their tractors to India. Sonalika plans to assemble their tractors in Argentina. The Argentine company Vassali is in contact with Sonalika to assemble harvesters in India.

IFFCO is exploring the possibility of setting up a fertilizer plant in Argentina using natural gas as the raw material.

A number of Indian companies have shown interest in investment and joint ventures in agribusiness in Argentina, which has one of the most advanced and competitive agriculture sectors in the world.

Update 2-Argentina in talks with Embraer over military plane

Sao Paulo/Buenos Aires, Sept 13 (Reuters) - Argentina could soon join with other countries in the region to help develop a military transport plane built by Brazilian aircraft maker Embraer, a defense ministry spokesman said on Monday.

Brazilian daily newspaper Valor Economico reported on Monday that Brazilian and Argentine governments were working out details of the accord.

Citing an unnamed Brazilian defense official with knowledge of the situation, Valor said a letter of intent for a preliminary order would likely be signed soon, but the Argentine spokesman declined to comment on a purchase.

"I can confirm that we've been working hard to advance Argentina's participation in this plane," Jorge Bernetti, a defense ministry spokesman, told Reuters.

"Work is continuing on this and the estimation is that the deal will be concluded by the end of September or early October," he added, referring to a possible deal on Argentine involvement in the plane's construction.

The deal could be the sixth in about two months for Embraer's defense unit, after Brazil, Chile, Colombia and Portugal entered contract talks. The plane, known as KC-390 and which is expected to operate as early as 2015, has a cargo capacity of 23.6 tons.

The government of South Africa could join the KC-390 program, the source told Valor, without elaborating.

Orders for the plane rose to 52 after the Portuguese government expressed interest in buying up to six aircraft last week. Embraer (EMBR3.SA)(ERJ.N) will produce up to 180 cargo planes in the first 10 years of operation of the program, and has said potential demand could reach up to 700 units in the same period.

Embraer said in a statement on Monday it signed an agreement with the Czech Republic that could lead to the purchase of two KC-390s and would open the way for companies in the European country to help develop and design the aircraft.

The Sao Jose dos Campos, Brazil-based company derived about 13 percent of its revenue in the second quarter from the defense segment and 61 percent from commercial planes.

An Embraer spokesman did not have an immediate comment on the Valor report.

Shares of Embraer were up 0.7 percent at 11.57 reais on Monday afternoon trading in Sao Paulo. American depository receipts of the company were up 1.7 percent at \$27.37 on the New York Stock Exchange.

Detailed Report/Brazil

Chinese, Brazilian DMs hold talks on military cooperation

Chinese Defense Minister Liang Guanglie met his Brazilian counterpart Nelson Jobim here Wednesday to promote bilateral military cooperation.

Liang, also China's state councilor, said that ties between China and Brazil have kept a sound momentum, while political and trade relations have become closer, with cooperation in the fields of technology, culture and education on the rise.

The two countries have supported each other and cooperated well in dealing with international and regional affairs, and Sino-Brazil relations have become an example of "South-South Cooperation," he said.

The Brazilian government adheres to the one-China policy, which is appreciated by the Chinese government, Liang said. He also thanked Brazil for supporting the Chinese government on issues regarding Taiwan and Tibet.

Liang said in recent years, along with the development of bilateral ties between the two countries, the ties between the two armies have grown stronger. Great achievements have been made through mutual visits and personnel training, he said.

The minister said that China is willing to enhance its military ties with Brazil by expanding bilateral military exchanges and win-win cooperation.

Jobim said he agreed with Liang on bilateral military ties, adding that Brazil attaches great importance to developing military ties with China. Also, Brazil is willing to develop military exchanges and cooperation in various fields, Jobim said.

He said he hoped that the two countries will join hands to consolidate the ongoing cooperation and explore new cooperative fields, with a view to promoting their bilateral military ties.

After their meeting, Jobim awarded the Order of Merit to Liang as decreed by President Luiz Inacio Lula da Silva.

Liang arrived here Tuesday for an official goodwill visit at the invitation of Jobim. This is the last leg of Liang's tour of three Latin American countries, which also took him to Mexico and Colombia.

Serra Seeks 'Life Jacket' in Brazil Tax Scandal to Stop Rousseff Landslide

Brazilian presidential candidate Jose Serra, trying to prevent a landslide defeat in next month's election, is accusing his opponent's party of using dirty tricks to gather private tax records of his supporters and family.

Serra, speaking to reporters in Sao Paulo yesterday, said the alleged breaking of bank secrecy laws by allies of President Luiz Inacio Lula da Silva resembled the "work of a gang." He said the "crime" aimed to boost the candidacy of Lula's hand-picked successor, Dilma Rousseff, and violated the constitution.

The former governor of Sao Paulo state stepped up attacks on Rousseff after the federal police began an investigation in July into whether tax officials leaked records of several people close to Serra, including his daughter Veronica and the vice president of his Social Democracy Party. The strategy is unlikely to erase Rousseff's commanding lead, analysts said.

"The scandal is Serra's life jacket to try to get to a second round," said Andre Cesar, founder of Brasilia-based political risk firm CAC Consultoria. "But there is no evidence yet that the scandal has hurt Dilma's campaign."

The winner in the Oct. 3 vote must garner more than half of valid ballots cast to prevent a runoff against their closest rival four weeks later.

Rousseff widened her lead 2 percentage points to 50 percent, compared with 28 percent for Serra, in a Datafolha poll published Sept. 4. Green Party candidate Marina Silva had 10 percent, according to the nationwide survey of 4,314 people. The poll had a margin of error of 2 percentage points.

Tax Officials

The probe centers on whether local tax officials in Sao Paulo and Minas Gerais states, at least one of them alleged to be a member of Rousseff and Lula's Workers' Party, violated procedures and committed fraud while accessing the tax records.

Federal Tax Secretary Otacilio Cartaxo said Sept. 1 that someone forged Veronica Serra's signature to access the records of the candidate's daughter a year ago. So far, no political motive has been detected in the alleged wrongdoing, according to the tax agency's internal auditor.

"Leaks happen, and they've always happened," Finance Minister Guido Mantega, who oversees the tax agency, said Sept. 3. "We identify the source of the leaks, punish those responsible and then change the system. Unfortunately, afterwards, the lawbreakers find a way to beat the system and we have to improve the system again."

Jose Eduardo Dutra, president of the Workers' Party and head of Dilma's campaign, wasn't immediately available to comment when called by Bloomberg News today.

High Approval

Lula, who has a 79 percent approval rating after almost eight years in office, said at a campaign rally for Rousseff on Sept. 3 that Serra was resorting to "cheap tricks" to prevent defeat.

"When someone doesn't know how to swim, they fall in the water and keep kicking until they drown," Lula told supporters in Sao Paulo. "That's what is happening to our adversary."

Four days later, in a nationally televised campaign ad, he said attempts to slander his protege were a crime against Brazilian women.

Serra's campaign didn't immediately respond to an e-mail from Bloomberg News seeking comment.

Lula's record reducing poverty and stabilizing Latin America's biggest economy will overwhelm voters' concerns about possible violation of secrecy laws, said Alexandre Barros, head of Early Warning, a Brasilia-based political risk firm.

Preserving Gains

"The bulk of Dilma's voters are conservative, because they don't want changes," Barros said. "They are poor people who rose in life, who bought property and don't want to lose what they gained during Lula's government."

Under Lula, Brazil created 14 million jobs, helping to raise 19 million people out of poverty from 2003 to 2008. Unemployment fell to a record low of 6.8 percent in December. As cabinet chief, Rousseff oversaw a program to build 1 million homes and was in charge of administering a 500 billion-real (\$290 billion) infrastructure drive.

Rousseff, a former member of the Marxist underground that battled Brazil's 1964-1985 dictatorship, has said that if elected she'll continue Lula's policies to spur development without sacrificing economic stability. Under Lula, the annual inflation rate has fallen from 17.24 percent in May 2003 to 4.49 percent in the 12 months through August.

Update 1-Brazilian candidate Rousseff keeps wide lead-poll

Brasilia, Sept 10 (Reuters) - Brazil's ruling party candidate, Dilma Rousseff, held a wide lead and would win the October presidential race in a first round, an opinion poll showed on Friday.

Rousseff, a career civil servant, garnered 50 percent voter support while main opposition candidate Jose Serra received 27 percent, according to the Datafolha poll broadcast by TV Globo.

The same poll last week showed Rousseff ahead with 50 percent and 28 percent for Serra.

Rousseff, President Luiz Inacio Lula da Silva's former chief of staff, would obtain 56 percent of the valid vote, stripping out null and blank votes as occurs on election day.

The career civil servant has benefitted enormously from the support of Lula, who is the country's most popular president due to his folksy charm and a booming economy.

Lula has stepped up his campaigning for Rousseff in recent weeks, participating regularly in rallies with her.

On Friday he lashed out against Serra, a former health minister, for introducing health care projects without investing in them when he was governor of Sao Paulo.

The beginning of free TV advertisement last month gave Rousseff her biggest surge, as many voters got a closer look at the 62-year-old for the first time. As of last week she had also raised more campaign funds than all of her rivals combined. Serra, who was ahead in some polls as recently as June, has focused his campaign on Brazil's two most populous states -- Sao Paulo and Minas Gerais -- in an effort to force Rousseff into a run-off vote on Oct.31. To win in a first round she needs more than 50 percent of the valid vote.

Rousseff would continue Lula's mostly market-friendly macroeconomic policies, which have ensured economic growth in recent years.

But she also intends to heighten the role of state companies in several key industries like oil, banking and telecommunications.

Her 10-party governing coalition is expected to expand its majority in Congress. But Brazilian parties are notoriously undisciplined and could put her leadership ability to the test early on, analysts say.

Former environment minister Marina Silva received 11 percent in the Datafolha poll, up slightly from 10 percent last week.

The survey, which polled 11,660 people on Wednesday and Thursday, had a margin of error of 2 percentage points.

Brazil's Libra Discovery May Hold 8 Billion Barrels of Oil, Rivaling Tupi

Brazil's deepwater Libra field may hold as much as 8 billion barrels of oil, rivaling nearby Tupi as the Americas' biggest crude discovery in three decades, according to an official of the country's Energy Ministry.

Initial estimates for the Santos Basin field off the coast of Brazil are between 7 billion and 8 billion barrels based on seismic and drilling data, Marco Antonio Almeida, head of oil and gas at the ministry, said today in Rio de Janeiro. That would rival the 5-billion-to-8-billion barrel estimate for Tupi.

“Libra is a well identified exploration opportunity,” Magda Chambriard, a director at Brazil’s oil regulator, told reporters today in Rio de Janeiro. “There are no bidding rounds in the world” for the amount of oil that Libra may hold, she said, adding that an independent certification firm hired by the regulator placed the reserves at about 7.9 billion barrels.

Brazil may possess more than 50 billion barrels of oil reserves in the so-called pre-salt region, which runs 800 kilometers along Brazil’s coast from Espirito Santo to Santa Catarina states, according to the national oil regulator. The biggest discoveries are in Santos, where a layer of salt traps oil located as much as 3,000 meters beneath the ocean surface.

A well currently being drilled at Libra on behalf of the oil regulator, known as the ANP, should be completed within 30 days and exploration rights for the field may be auctioned as soon as mid-2011, Almeida said. The licensing round will only take place once Congress approves a bill making state-controlled oil producer Petroleo Brasileiro SA the sole operator of all new blocks in the pre-salt, Almeida said.

Developing Tupi

Petrobras, as the Rio de Janeiro-based company is known, is developing Tupi, also in the Santos Basin. The 2007 discovery was the biggest in the Americas since Mexico’s Cantarell in 1976. Chambriard said in May that Libra may be larger than the 4.5-billion Franco field, also in the pre-salt.

Petrobras rose 69 centavos, or 2.5 percent, to 28.21 reais as of 2:30 p.m. in Sao Paulo, after earlier gaining as much as 2.9 percent. The stock declined 23 percent this year.

Petrobras plans to raise as much as 129 billion reais (\$75 billion) in the world’s largest share sale as it seeks cash to develop the offshore fields. The offer includes about \$42.5 billion of shares the company will sell to Brazil in exchange for the right to develop 5 billion barrels of oil reserves.

About 3.1 billion barrels will come from Franco while the Iara and Florim fields will account for another 1.07 billion. Petrobras will also receive the rights to oil at Tupi Northeast and South, as well as the Guara East fields.

Brazilian officials rescue workers in slave-like conditions

(CNN) -- Brazilian officials have said they will continue to crack down on farms accused of forcing workers into slave-like conditions, the country's labor ministry said after authorities rescued nearly 150 workers.

Brazil's labor ministry announced it had coordinated with law enforcement agencies to rescue 95 workers in Campo de Goytacazes, in the state of Rio de Janeiro, and 51 workers in Cambui, in the Minas Gerais state.

In Minas Gerais, the 51 rescued strawberry pickers included adolescents between the ages of 15 and 17, ministry officials said in a statement on its website.

In Rio de Janeiro, the 95 rescued sugarcane harvesters had been denied basic sanitation, water and were carted around in dangerous modes of transport, the ministry said.

Officials added both rescue operations took place in August.

According to ministry officials, both sets of workers were toiling under inhumane conditions around the clock without breaks. The workers were exposed to high level of pesticides. Many were minors, the ministry said.

The employers of the rescued workers will be fined, the labor ministry said, though it was not immediately clear whether criminal charges would be pressed.

According to Reporter Brasil, a Brazilian anti-slavery reporting agency, recent crackdowns have exposed several high-profile sugarcane and soy landowners, resulting in the freeing of hundreds of slaves. Reporter Brasil has said that in 2010 more than 200 slaves have been freed in Rio de Janeiro alone.

At least 12.3 million people around the world are trapped in forced labor, according to the Geneva-based International Labor Organization. Brazil's large-scale agriculture, a colonial style system where a few families own huge swaths of land, makes it difficult for authorities to crack down on slavery, the ILO reports.

UK, Brazil to sign defense agreement: report

(Reuters) - Britain and Brazil are to sign a defense agreement the UK government hopes will pave the way for a multi-billion dollar contract for BAE (BAES.L) systems to supply vessels to Brazil's navy, the Financial Times said on Tuesday.

The BAE deal -- which would involve six patrol boats and five to six Type-26 frigates -- could be worth up to 2.9 billion pounds (\$4.5 billion) if the vessels were built in the UK, the newspaper said.

The FT said the six patrol boats, costing about 60-80 million pounds each, would likely be used for surveillance and deterrence at Brazil's offshore oil fields, as well as in more general maritime security and search-and-rescue operations.

The biggest prize for BAE, Europe's largest defense contractor, would be a contract to maintain and upgrade the vessels over the next two-to-three decades, the FT said.

British defense firms are facing cuts as the coalition government is reviewing its defense budget, the details of which will be announced on October 20.

Analysts believe a review of defense needs will lead to cuts of up to 15 percent in the defense budget -- which was 36.9 billion pounds for the current financial year -- with big procurement programs set to be scaled back.

Brazil's presidential hopeful defends Brazil-Iran relations

Brazil's ruling party presidential candidate Dilma Rousseff on Monday defended her country's relations with Iran.

In a visit to the Jewish Federation of the State of Sao Paulo, Rousseff explained that the government's approach with Iran represented a commitment to peace.

"Brazil has to maintain relations with several countries. In the case of Iran, what we advocate is that the best strategy is not war, is not isolation," said Rousseff, who was handpicked by President Luiz Inacio Lula da Silva.

"We have the dramatic experience in Iraq and Afghanistan that lead us to that conclusion. We are a peaceful people," she said.

Meanwhile, Rousseff stressed that Brazil's relations with Iran did not mean the two countries agreed on everything.

She said the denial of the Holocaust is unacceptable, an opinion she shared with President Lula.

"A relationship with Iran is in search of peace, not accepting or authorizing the denial of the Holocaust. It is a historical fact, it happened. The evidence is clear," Rousseff said.

In May, Lula, Iranian President Mahmoud Ahmadinejad and Turkish Prime Minister Tayyip Erdogan negotiated a uranium swap deal as a solution to the controversy over Iran's nuclear program.

Under the deal, Tehran agreed to ship the bulk of its 3.5 percent low-enriched uranium to Turkey for deposit in exchange for 120 kg of 20 percent high-enriched uranium.

Although the agreement was described by Lula as a "victory for diplomacy," it did not prevent Washington and Brussels from imposing new sanctions on Iran.

Survey: Lula's candidate could win election in first round

Brasilia - A survey published Tuesday shows that Brazilian voters could give government-backed candidate Dilma Rousseff an outright victory in the first-round presidential election on October 3.

An opinion poll by the Sensus Institute put support for Rousseff, chief of staff and endorsed successor to outgoing Brazilian President Luiz Inacio Lula da Silva, at 50.5 per cent, enough to win office without a runoff.

A distant second to the centre-left Rousseff was the 26.4 per cent of her closest rival, the centre-right candidate Jose Serra, a former Sao Paulo governor. The poll was based on 2,000 voter interviews in 136 municipalities across Brazil, with a margin of error of plus or minus 2.2 percentage points.

The previous Sensus Institute survey late last month had Rousseff at 46 per cent and Serra at 28.1 per cent.

Green Party candidate Marina Silva, a former environment minister under Lula, rose from 8.1 per cent to 8.9 per cent in the latest poll.

If no candidate exceeds the 50-per-cent threshold, the presidency would be decided in a second-round election.

Tuesday's survey found 55.5 per cent of voters would favor her in a runoff compared to 32.9 per cent for Serra.

The opinion poll was sponsored by Brazil's National Confederation of Transport.

Brazil urges closer environmental cooperation in Latin America

Brazilian Minister of Environment Izabella Teixeira on Tuesday called for closer environmental cooperation between Latin American countries to gain a stronger position in international negotiations.

"We agreed that developing countries, especially in the Southern Hemisphere, are holders of the main assets of the planet's biological diversity," the minister said during a meeting in Brasilia with Latin American representatives to share preservation experience.

"Cooperation between Latin American countries is important for the formation of a bloc with more power in international negotiations," Teixeira said to representatives of Peru, Bolivia, Colombia, Venezuela, Costa Rica, Ecuador, Brazil, Argentina, as well as France, Italy and the United States.

Luis Enrique Berizbeitia, deputy chief executive of the Andean Development Corporation (CAF), pointed out during the meeting that Brazil had successful experience in mechanisms to control deforestation that could be shared with neighbors.

Teixeira said Brazil has been working on strategic management of public policies related to economic and social actions being implemented to combat deforestation, as well as monitoring, surveillance and control.

In 2009, deforestation in Brazil amounted to 7,400 square kilometers, the lowest ever monitored in 20 years, according to the country's National Institute of Space Research (INPE).

Berizbeitia also said he hoped the meeting would result in the implementation of a regional forum to expand multilateral cooperation.

Acknowledging that renewable natural resources constitute the main asset of the Latin American continent, Berizbeitia said it was a major goal of the CAF to promote and strengthen local economies to be more competitive.

"As an institution devoted to regional integration and sustainable development, we want to serve the purpose of South-South cooperation and invest more in cooperation to make us an increasingly strong block in international discussions," he said.

India, Brazil in ethanol discussions

India has been in discussions with the world's leading ethanol producer, Brazil, about the possibility of producing the biofuel, according to a ministry press release from the Indian ministry of agriculture.

Ethanol, sugarcane and investment in agriculture were hot on the agenda when India's minister of agriculture, Sharad Pawar, visited Brazil last week.

Scandals dominate Brazil's politics

The tone of Brazil's presidential race has lurched lower and is likely to stay there as scandal accusations and increasingly bitter exchanges between the two main candidates drown out policy debate.

Trailing badly in the polls, opposition contender Jose Serra has honed in on ethics charges against front-runner Dilma Rousseff and her political party as his best bet of avoiding a humiliating knockout in the first round of voting on October 3.

Those allegations are dominating media coverage and took up most of a televised debate on Sunday night as Rousseff denied wrongdoing and accused Serra, who appears to be on the last legs of a long political career, of desperate tactics.

"He wants to win this campaign dirtily because he is unable to convince the Brazilian people," a confident Rousseff said in the debate.

Apparently coasting to victory on the coattails of massively popular President Luiz Inacio Lula da Silva, Rousseff is unlikely to be derailed by the scandals unless a "smoking gun" emerges linking her directly to any wrongdoing.

Former Sao Paulo state governor Serra accuses Rousseff and her leftist Workers' Party of having illegally accessed tax records of his daughter and opposition members in search of potentially damaging information.

A new scandal erupted last weekend when news magazine Veja published accusations a former Rousseff aide who is now Lula's chief of staff, Erenice Guerra, was involved in a kickback scheme for public works contracts run by her son's consulting firm.

The so-called tax scandal has been rumbling on for weeks as evidence of new violations emerge in the media but has yet to resonate with voters.

A new poll released on Tuesday showed Rousseff widening her lead, putting her on course to win with a crushing 58 percent of votes in the first round on October 3.

Media Deluge

"We're going to get a deluge of media coverage on this ... it does increase the odds that it goes to a second round but I still think she'll get a first-round victory," said Christopher Garman, a political analyst at Eurasia Group in Washington.

A key reason why the mudslinging over tax records is not having an impact on polls may be that only about 15 percent of Brazilians pay income tax and therefore have little understanding of the scandal, he said.

Residents in the interior of northeastern Pernambuco state were mostly clueless about the issue when questioned by a reporter from O Globo newspaper, as quoted in a story on Sunday.

"I don't know what a tax privacy code is, but I'm following it on TV," said Edmilson Felix da Silva, a 50-year-old plowman. "For me, this is just being done to hurt Dilma."

Still, the government moved to address the issue on Tuesday, saying it was tightening controls over tax office employees' access to private financial data.

Every access to personal tax data would have to be justified and people would have the option in their tax statements of protecting their information, Finance Minister Guido Mantega told a news conference in Brasilia.

Mudslinging is likely to dominate the rest of the campaign as the media digs up new details on the allegations and Serra struggles to make headway with policy arguments in the face of Lula's popularity and a briskly growing economy.

Last week Serra made a new pledge to raise the national minimum wage to 600 reais (\$350) a month, compared to the 538 reais planned by the current government, in what some analysts saw as a sign of desperation.

Even a slight increase in the minimum wage could strain Brazil's public finances, as pension payments are readjusted every time there is an increase.

Serra's hope is that the whiff of scandal will give him enough of a bounce in the polls to take the election to a runoff on October 31.

A similar scandal involving Workers' Party officials trying to buy information about the opposition was seen as one factor preventing Lula from winning in the first round in the 2006 election.

"This is a subject that is important for democracy, because if they do this in the campaign, imagine them tomorrow," Serra said during the debate.

Detailed Report/Chile

UN officials: Chile's ex-leader Bachelet favored for new UN body promoting women's equality

United Nations – United Nations (AP) — Chile's former president Michelle Bachelet is the front-runner to head the new U.N. agency to promote women's equality, several U.N. officials said.

When the General Assembly voted unanimously on July 2 to put four existing U.N. bodies dealing with the advancement of women under a single umbrella with more clout, Bachelet was immediately tipped as a possible leader.

But Bachelet, who left the presidency in March after four years with sky-high popularity ratings, initially told U.N. officials she didn't want to lead the new entity, to be known as "UN Women," because she wanted to remain active in Chilean politics, the officials said.

In recent weeks, however, she apparently changed her mind and is now at the top of Secretary-General Ban Ki-moon's list, the officials said, speaking on condition of anonymity because the talks have been private.

Asked Friday about Bachelet getting the job, U.N. associate spokesman Ari Gaitanes said: "In line with our usual practice with recruitment matters, we have no comment to make as the recruitment process is not yet complete."

For many years, the United Nations has faced serious challenges in trying to promote equality for women around the world because of the lack of funding and the lack of a single high-powered spokesperson and agency to pursue action.

Many women's groups have been lobbying behind the scenes for Bachelet because of her high profile and her success in improving Chile's economy and international standing.

Other prominent women have also been mentioned as possible leaders including Radhika Coomaraswamy, the U.N. special representative for children in armed conflict; South Africa's first black ambassador to the United States Sheila Sisulu, who works for the U.N. World Food Program; and Rwanda's Foreign Minister Louise Mushikiwabo.

The highest-ranking official currently dealing with women's issues is Assistant Secretary-General Rachel Mayanja, who is Ban's special adviser.

The General Assembly resolution states that UN Women will be led by a higher-ranking undersecretary-general, to be chosen by the secretary-general before the next General Assembly session, which begins on Tuesday.

One of the U.N. Millennium Development Goals adopted by world leaders in 2000 is to promote gender equality and empower women.

According to the resolution, the "United Nations Entity for Gender Equality and the Empowerment of Women" — UN Women's official name — will work on policy issues, provide assistance to U.N. member states that seek it, and promote and monitor the U.N. system's actions to promote the advancement of women.

EU welcomes appointment of ex-Chilean President to head UN Women

Russels, Sept 15 (KUNA) -- EU High Representative Catherine Ashton has warmly welcomed the appointment by UN Secretary General Ban Ki-moon of the former Chilean President. Michelle Bachelet as the head of United Nations Women (UN Women), the newly created body to promote women's rights and gender equality.

"The EU has strongly supported the creation of UN Women in order to strengthen the capacity, accountability and the effectiveness of the United Nations in the area of gender equality," said Ashton in a statement.

Noting that Bachelet as a first female President of Chile strongly vigorously promoted gender equality during her tenure, Ashton said she is convinced that Bachelet's personal qualities, as well as her years of political experience will ensure that UN Women is provided with a strong and visionary leadership from the very earliest stages of its existence.

UN Women's first chief pledges to fight discrimination against females

United Nations, Sept 16 (APP): The newly announced head of United Nations Women (UN Women) said Thursday that she would bring all of her experience and good relations with world leaders to help fight discrimination and boost opportunities for women and girls worldwide. Michelle Bachelet, the former president of Chile, said in a radio interview that she would deploy her skills and experience "to produce all the agreements and all the synergies" within the UN system and with Member States to run the new entity, tasked with accelerating the progress of women and girls. "Even though there are some countries where women's rights are in excellent condition, in many parts of the world women have a very difficult situation", she said. "They don't have the same opportunities as men regarding the most essential human rights.

Women are discriminated against. Their rights are violated. There are still some places where women are mutilated. There are places where women can receive terrible punishments. She also noted that, of all the Millennium Development Goals (MDGs), those relating to women had shown the worst performance to date. Addressing this issue, Secretary-General Ban Ki-moon said on Wednesday that women and children would be at the very core of our final push to realize those goals during next week's UN Summit on the MDGs, to be held at UN Headquarters in New York. Ms. Bachelet said she saw cause for optimism about the new entity's prospects for success.

In establishing UN Women by a unanimous vote earlier this year, Member States were affirming the necessity of meeting the needs of the world's women. "When they voted, they were making a commitment," she said, adding they were supporting the idea that women's issues were relevant and belonged on the political agenda.

UN Women is the merger of the UN Development Fund for Women (UNIFEM), the Division for the Advancement of Women (DAW), the Office of the Special Adviser on Gender Issues, and the UN International Research and Training Institute for the Advancement of Women (UN-

INSTRAW). UN Women was established on 2 July by a unanimous vote of the General Assembly to oversee all of the world body's programs aimed at promoting women's rights and their full participation in global affairs.

One of its goals will be to support the Commission on the Status of Women and other inter-governmental bodies in devising policies. It will also aim to help Member States implement standards, provide technical and financial support to countries which request it, and forge partnerships with civil society. Within the UN, it will hold the world body accountable for its own commitments on gender equality.

In carrying out its functions, UN Women will be working with an annual budget of at least \$500 million double the current combined resources of the four agencies it comprises. In announcing her appointment, Mr. Ban said yesterday that Ms. Bachelet brings to this critical position a history of dynamic global leadership, highly honed political skills and uncommon ability to create consensus and focus among UN agencies and many partners in both the public and private sector.

“As Chile's first female president, Ms. Bachelet gave priority to women's issues throughout her tenure. Since leaving office, she has been working with UNIFEM to advocate for the needs of Haitian women following January's devastating earthquake.

Detailed Report/Colombia

Colombian rebels kill 8 police in mortar attack

Bogota, Colombia — Leftist rebels firing homemade mortars killed at least eight police officers and wounded four in a pre-dawn attack Friday on a police barracks near the country's border with Ecuador, the defense minister said.

Two police officers were missing after the attack by guerrillas of the Revolutionary Armed Forces of Colombia, or FARC, on a barracks housing 80 police in the town of San Miguel, said the minister, Rodrigo Rivera.

FARC rebels have for years used Ecuador as a refuge, crossing the San Miguel river to attack Colombian forces. It was not known whether that was the case Friday, but Rivera immediately made contact with Ecuadorean officials to discuss the possibility. A bridge spanning the river is about a mile from the attacked barracks.

The FARC and Colombia's No. 2 rebel group, the ELN, have stepped up attacks on security forces since President Juan Manuel Santos took office Aug. 7. At least 28 police officers and soldiers have been killed, 17 in the past week.

Santos was defense minister under his predecessor, Alvaro Uribe, who weakened the rebels with billions in U.S. military aid. But many analysts believe the rebels cannot be defeated by arms alone.

A cross-border raid into Ecuador by Colombia's military in March 2008 killed a top FARC commander and 25 others, prompting Ecuador to break off diplomatic relations. Ties are only now being fully restored.

Colombian rebel attacks intensify, dozens killed

Bogota (Reuters) - Left-wing guerrillas have increased their attacks against police installations in cocaine-producing areas of southern Colombia, killing eight officers on Friday and bringing this month's death toll to 55.

President Juan Manuel Santos took office last month, promising to keep up pressure on the drug-running insurgents.

But his government has gotten off to a difficult start in the provinces of Narino and Putumayo, where the Revolutionary Armed Forces of Colombia (FARC) has gone on the offensive.

The provinces bordering Ecuador are key to the cocaine smuggling operations that fund Colombia's decades-old insurgency. On Friday authorities said the rebels used missiles made from cooking gas cylinders stuffed with explosives to blast a police station near the town of San Miguel, Putumayo.

Fifty-five police, soldiers and guerrilla fighters have been killed this month as the rebels launch raids meant to show they are still a threat after an eight-year U.S.-backed security push under previous President Alvaro Uribe.

Colombians have come to expect a rise in rebel violence at times of government transitions. But the recent hit-and-run assaults are a far cry from past sieges in which whole towns were taken, bridges destroyed and dozens of people kidnapped.

Narino and Putumayo have a large police presence as part of the government's anti-narcotics effort.

"The FARC is taking advantage of this by attacking small police installations that do not have much counter-attack capacity," said Mauricio Romero, political analyst at Bogota's Javeriana University.

Top military officials were scheduled to meet in the capital on Friday to review security strategy.

Previous Colombian leader Uribe was popular for pushing the rebels out of the cities and off the highways. His policies attracted investment and sparked an oil and mining boom.

Wall Street has embraced the new government's plans for consolidating Uribe's security gains, spurring economic growth and cutting Colombia's nagging fiscal deficits.

Colombia's Santos unveils major offensive against guerrillas

Colombian President Juan Manuel Santos said Saturday he would "redouble" the military's offensive against leftist guerrillas after an attack killed 40 police and military officers.

Colombia's rebel groups have launched a string of deadly attacks in recent weeks following the inauguration of Santos, a former defense minister who has promised to keep pressure on the insurgents.

"We have decided to intensify the offensive... so that these criminals do not have time to plan their operations," Santos said in Monteria, in Cordoba department.

The Revolutionary Armed Forces of Colombia (FARC) -- Latin America's oldest and most powerful insurgency -- and the National Liberation Army (ELN) traditionally carry out more violent attacks during government transitions. Santos took power on August 7.

Eight police officers were killed in clashes with leftist rebels Friday in southwestern Colombia near the border with Ecuador in a shootout with members of the Marxist FARC who tried to take over San Miguel town in Putumayo province.

Santos has rejected a rebel offer of peace talks, calling for them to first free hostages and stop recruiting minors.

US OKs \$30 million in military aid to Colombia

Washington (AP) - Citing improvements in Colombia's human rights record, the Obama administration on Wednesday freed up more than \$30 million in assistance to the country's military to help it fight leftist insurgents and other drug-funded illegal armed groups.

The administration said Colombia's government had curbed what had been a growing number of extrajudicial killings and taken other steps to prove it is serious about protecting human rights. The finding allows the administration to send \$30.3 million to the Colombian armed forces that had been withheld over human rights concerns.

U.S. officials said the money would go to support military aviation, ground and maritime programs as well as training for peacekeepers and equipment. Some human rights groups had urged the administration not to release the funds, arguing that Colombia has yet to rein in abuses by its security forces.

But the State Department said that despite some shortcomings, particularly involving impunity for rights violators, continuing threats against human rights activists and the use of illegal wiretapping, there had been demonstrable progress.

"Though there continues to be a need for improvement, the Colombian government has taken positive steps to improve respect for human rights in the country," it said in a statement. "Firm direction by the government that extrajudicial killings will not be tolerated has led to a rapid reversal in this disturbing trend."

A State Department official added that new Colombian President Juan Manuel Santos had also engaged with labor and civil society groups to improve the situation as well as proposing "monumental legislation" to return to displaced peasants millions of stolen acres of farmland. The official was not authorized to speak on the record.

Colombian prosecutors are investigating some 1,100 soldiers in the alleged extrajudicial killing of more than 2,400 civilians, the vast majority during the 2002-2010 government of former President Alvaro Uribe.

U.S. law specifies that military aid is not to be given to any Colombian unit that is even under investigation for rights abuses. Yet the cases span 30 of Colombia's 32 provinces.

When the scandal broke in late 2008, Santos, who was then defense minister, fired 27 military officers for negligence and the commander of the army later resigned. Santos was elected president in June and took office last month.

To date, 191 members of Colombian security forces have been convicted of extra-judicial killings and nearly 300 are on trial.

Prosecutors on Wednesday charged 29 soldiers with murder in the 2005 case of two men slain and presented to authorities as leftist rebels killed in combat.

Also Wednesday, Colombia's acting chief prosecutor and defense minister announced the creation of a commission to strengthen investigations of homicides by soldiers. The country's top human rights prosecutor, Hernando Castaneda, told The Associated Press that he has 39 prosecutors dealing with such cases but needs 27 more.

Continuing killings in Colombia of peasant activists seeking to reclaim stolen land and of union organizers also remains a concern of rights groups.

Although killings of labor activists have diminished in recent years, at least 35 have been murdered so far this year, according to the National School of Labor.

Colombia has received more than \$6 billion in U.S. military and other aid since 2000 under Plan Colombia, an initiative intended to help the country deal with leftist rebels and far-right militias and the illicit drug trade.

However, many Colombian military units have over the years been accused of colluding with the far-right paramilitaries, which emerged in the 1980s in response to rebel kidnapping and extortion of ranchers.

A number of senior army officers have been prosecuted for such ties.

Colombia deems it difficult to restore trade with Venezuela

“The country (Venezuela) with which we will work in the coming years is very different from the one we have worked with in the last 10 or 15 years,” Sergio Díaz-Granados, Colombia's Minister of Trade, Industry and Tourism, said

Colombia and Venezuela will hardly restore trade to levels recorded before a diplomatic crisis caused the collapse of bilateral trade that used to be at more than USD 7 billion per year.

Although Colombia's President Juan Manuel Santos and his Venezuelan counterpart Hugo Chávez restored diplomatic relations in August and pledged to make efforts to resume bilateral trade, the two South American governments have so far focused on the payment of outstanding debts.

"It is evident that the trade with Venezuela will no longer be the same as it was in the past," the Colombian Minister of Trade, Industry and Tourism told Reuters in an interview. "The country (Venezuela) with which we will work in the coming years is very different from the one we have worked with in the last 10 or 15 years," Díaz-Granados said.

Former president of Colombia's Congress jailed in parapolitics scandal

Bogota, Colombia (AP) — Colombian authorities have arrested a veteran lawmaker and former president of Congress on criminal conspiracy charges for alleged collusion with far-right militias.

Javier Caceres has been a senator since 1998. The 52-year-old Cartagena lawmaker was president of Congress until July.

Leaders of Colombia's paramilitary militias have confessed to thousands of killings and stealing millions of acres from poor farmers over two decades.

Several say Caceres was among their political allies. At least one says his gunmen compelled people to vote for Caceres.

At least 37 lawmakers have been jailed in Colombia's so-called paramilitary scandal since it broke in 2006. Fifteen have been convicted and are serving prison terms averaging eight years.

Detailed Report/Mexico

70 inmates escape from Mexican jail

At least 70 inmates have escaped from a jail in the Mexican city of Reynosa, on the border with the US state of Texas, a local government official says.

"We know that at least some 70 prisoners escaped from the Reynosa prison. We don't know how many exactly, but we can say there was no violence during the escape," an official from the Tamaulipas state government told AFP, declining to be named.

Prisoners in the jail in Reynosa, across from McAllen, Texas, were held for various crimes, including drug trafficking, the official said.

The wrong solution in Mexico

The Obama administration is right to consider boosting funding, but increased militarization to combat drug cartels is misguided. The U.S. would be wiser to address rampant corruption.

Secretary of State Hillary Rodham Clinton made a dangerous mistake Wednesday when she spoke of Mexico's drug cartels as "insurgents" and suggested reviving President Clinton's Plan Colombia to address the issue. That program set up U.S. military bases in Colombia and funneled billions of dollars in military aid to fight the country's drug-trafficking left-wing insurgency. The last thing the United States needs today is a new quagmire south of the Rio Grande.

Mexico is different from Colombia. Colombia was up against a rebel organization bent on taking over the government. In contrast, Mexican drug traffickers are businessmen who we can assume are principally concerned with increasing their profits. In the end, they prefer to use "silver," or bribes, over "lead," or bullets. Although they are quick to kill or decapitate members of rival gangs, they much prefer a pliant police officer, soldier or mayor to a dead one. This is why government officials make up such a small percentage of the dead — only about 3,000 out of 28,000, according to official statistics.

The deployment of U.S. combat troops on Mexican soil could also have the look and feel of a foreign invasion. This would not be the first time the U.S. literally crossed the line. Between 1846 and 1848, the U.S. conquered a third of Mexico's territory. In 1914, the U.S. occupied the strategic port city of Veracruz. In 1917, as the modern Mexican Constitution was being drafted, U.S. troops crossed the border in a failed pursuit of Pancho Villa.

The Mexican people are therefore much more wary than the Colombians of any sort of military relationship with the United States. This is particularly the case this year, as Mexico celebrates the bicentennial of its independence from Spain and the issue of sovereignty is in the forefront of public discussion.

Plan Colombia was highly problematic. More than \$4 billion of military aid and the construction of U.S. military bases did reduce the violence. Nevertheless, Colombian cocaine still flows freely into the U.S. market and is one of the most important sources of income for the Mexican cartels.

U.S. military support in Colombia also led to skyrocketing human rights abuses and numerous "disappeared" citizens, at a considerable cost to the country's social fabric. Nongovernmental organization and media reports have found that much of the aid was channeled to paramilitary groups and that the U.S. presence emboldened the Colombian military to act with impunity.

The Obama administration is right to consider boosting funding to Mexico. Secretary of State Clinton is also correct to push for more "political will" south of the border. Last week's decision to withhold \$26 million in aid to Mexico on human rights grounds is a breath of fresh air. Recent statements by top U.S. government officials about corruption in Mexico are also a welcome break from the past.

But increased militarization is not the solution. As Alonzo R. Pena, deputy director of U.S. Immigration and Customs Enforcement, said last week to *The Times*, "Giving the Mexican government 12 new Black Hawk helicopters to fight the drug lords has no value if corrupt officials tip off the cartels before the choppers swoop in." Mexico urgently needs to take the corruption problem head-on.

There is evidence that some progress might be taking place on this front. Last week, the government announced that it had fired 10% of the federal police force because the agents had not passed their "confidence control" exams, which include lie detector and drug tests. Another 5% are subject to investigations and also may be expelled.

In addition, the recent increase in direct attacks on public officials may be a sad indication that something is actually working in Mexico's attempt to clean up government. Nine municipal presidents, one candidate for governor and numerous police chiefs have been assassinated in recent months. Although it is always possible that these officials were killed because they favored one gang over another, at least in some cases the gangs were responding to anti-corruption efforts.

But it is simply naive to think that confidence control exams and a few honest government heroes will do the trick. Mexico needs to implement powerful institutional solutions that change the incentive equation for government officials. Specifically, it should create a new, fully independent and well-funded anti-corruption commission to work closely with civil society to oversee, investigate and catch wrongdoing by public servants. Today, Mexico has nothing even close to such an institution.

Another strategic move would be to aggressively fund and support independent investigative journalism and alternative media outlets, which have played a major role in holding government accountable. Journalism has become a high-risk profession in Mexico. Both cartels and the government have done their best to suppress the truth about corruption.

Unfortunately, neither strong anti-corruption agencies nor support for journalists have formed a part of the new focus on social programs, which months ago the Obama administration suggested as a possible focus for future funding to Mexico. Under the influence of the Calderon

government, most of the talk has been about much "softer" initiatives, such as drug education, urban renewal, scholarships and community development programs. All of this is fine, but none of it will attack the roots of the present failure to rein in the drug cartels in Mexico.

It is time to turn the corner in U.S. policy toward Mexico. Instead of sending more money down the black hole of attack helicopters, military bases or social development programs, the U.S. could make a significant contribution to peace in North America by helping to aggressively combat corruption and supporting freedom of expression.

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Obama rejects Clinton comment on Mexico

Reporting from Washington — President Obama sought to calm a diplomatic furor, disputing Secretary of State Hillary Rodham Clinton's assertion that Mexico has begun to look like Colombia at the height of its struggle against a drug-financed insurgency.

Obama's comments, in an interview published Thursday by the Los Angeles-based Spanish-language newspaper La Opinion, followed an outcry that began in Mexico after Clinton told a foreign policy group Wednesday that Mexico "is looking more and more like Colombia looked 20 years ago, where the narco-traffickers controlled certain parts of the country."

Clinton's comments were quickly challenged by aides to Mexican President Felipe Calderon. "Mexico is a great democracy, vibrant, with a growing economy," Obama told the newspaper. "And as a result, what is happening there can't be compared with what happened in Colombia 20 years ago."

U.S. officials including Arturo Valenzuela, assistant secretary of State for Western Hemisphere affairs, and Gil Kerlikowske, director of the Office of National Drug Control Policy, have scrambled to minimize the damage to relations with Mexico, a key partner in the anti-drug fight.

They said that while there are similarities between Mexico and Colombia in terms of the widespread violence, the Mexican drug cartels have no political agenda — they are not seeking to overthrow the government.

However, there is widespread, though not universal, sentiment within the U.S. government that the Mexican drug cartels need to be fought with the tough methods used in the multibillion-dollar Plan Colombia, which employed both military and aid programs.

A spokesman for Clinton said her comparison was a reference to the level of violence in Mexico.

"What the secretary was reflecting is the increased brutality being shown by the criminal elements who are challenging authority in Mexico," Philip J. Crowley, the chief State Department spokesman, told a group of foreign journalists Thursday.

Obama administration officials are struggling to balance the need to show they are serious about the escalating violence in Mexico with the sensitivities of their government counterparts there. The Calderon administration has sharply escalated the anti-drug effort with a crackdown launched four years ago, and Mexico is highly sensitive to U.S. criticism about the effort.

More than 28,000 Mexicans have been killed in the drug war since late December 2006. There has been a growing outcry from officials in U.S. border states such as California, Arizona and Texas as the carnage has edged closer.

Peter Andreas, a Brown University scholar who has written extensively about the Mexican drug issue, said some federal officials were now describing the drug activity there as a "commercial insurgency," and arguing for a strategy similar to those used to counter an insurgency.

Clinton, in her comments, said the governments in the region needed to develop the "equivalents" of Plan Colombia to gain the upper hand.

Plan Colombia has drawn criticism for its heavy use of military force, the presence of hundreds of U.S military advisors, and for human rights abuses. The program involved not only military advisors, but U.S. special forces personnel and a large number of defense contractors.

Clinton acknowledged that Plan Colombia was "controversial ... there were problems and there were mistakes. But it worked."

25 slain in Mexican city; 85 escape border prison

Ciudad Juarez: Gunmen killed 25 people in a series of drug-gang attacks in Ciudad Juarez, marking the deadliest day in more than two years for the Mexican border city. Farther east on the border, 85 inmates scaled the walls of a prison and escaped Saturday in Mexico's biggest jail break in recent memory.

Despite the violence, President Felipe Calderon hotly disputed a statement this week by US Secretary of State Hillary Clinton saying Mexico resembled Colombia two decades ago.

"These kind of comments like the ones made by Secretary of State Clinton... so careless, so lacking in seriousness, are very painful for Mexico, because they damage Mexico's image terribly," Calderon told the Spanish-language network Univision.

"I think the main thing we have in common with Colombia is that both of our countries suffer from US drug consumption," Calderon said. "We are both victims of the enormous American consumption of drugs, and now the sales of weapons." The toll in Saturday's attacks in Ciudad Juarez included 15 people killed when attackers stormed four homes in three hours, said Arturo Sandoval, a spokesman for the Attorney General's Office of Chihuahua state, where Ciudad Juarez is located.

In the worst of those attacks, gunmen burst into a house and killed two young men — then killed four others for being witnesses.

Sandoval said it was the highest single-day murder toll in the city across from El Paso, Texas, since March 2008. He did not give more details of how many died back then, or say what day.

Two graffiti message appeared in Ciudad Juarez threatening Joaquin "El Chapo" Guzman, the fugitive head of the Sinaloa drug cartel.

"You are killing our sons. You already did, and now we are going to kill your families," one sign read.

In the border city of Reynosa, across the border from McAllen, Texas, 85 inmates — 66 of whom were convicted or on trial for federal charges like weapons possession or drugs — scaled the Reynosa prison's 6-meter walls using ladders, said the Tamaulipas state public safety secretary, Jose Garza Garcia.

Garza Garcia said 44 prison guards and employees were under investigation. Two were missing.

"The guards evidently helped in the escape," he said. So far this year a total of 201 inmates have escaped from prisons in Tamaulipas.

Saturday's escape was the largest single mass prison breakout in recent years. In 2009, armed assailants believed to be working for the Zetas drug gang broke 53 inmates out of a prison in the northern state of Zacatecas while guards stood by and did nothing to stop them.

Ciudad Juarez, with a population of 1.3 million, has become one of the world's most dangerous cities amid a turf war between the Sinaloa and Juarez cartels.

Violence has continued unabated despite the deployment of thousands of soldiers to the city this year. Federal police, including a special investigative unit, later took over security in the city as part of a new strategy announced by President Felipe Calderon.

More than 2,100 people have been killed this year in Ciudad Juarez, putting the city on pace to surpass its previous high of 2,700, set last year.

Daily homicide tolls routinely reach double digits in Juarez; 24 people were killed Aug. 15.

U.S. weapons fuel drug violence, Mexico's president says

Mexico City, Mexico (CNN) -- As Mexico approaches its bicentennial, Mexico's president says his country is fighting significant security problems -- many of which are fueled by U.S. policies.

"We live next to the world's largest drug consumer, and all the world wants to sell them drugs through our door and our window. And we live next to the world's largest arms seller, which is supplying the criminals," Mexican President Felipe Calderon told CNN en Español Friday.

Speaking less than a week before his country's bicentennial, Calderon discussed a wide range of topics, including immigration policy, his favorite Mexican independence hero, his Twitter account and America's role in Mexico's drug war.

He said many of America's leaders have acknowledged a shared responsibility in drug violence. "But I think in American society, there is still not a sense of sharing responsibility, unfortunately," he said.

The 2004 end to the U.S. federal assault weapons ban gave criminals new resources, he said.

"They gained access to powerful firearms that they didn't have before," he said.

President Barack Obama and Secretary of State Hillary Clinton have repeatedly publicly acknowledged that the United States plays a role in drug violence.

"It's not only guns; it's weapons, it's arsenals of all kinds that come south," Clinton told the Council on Foreign Relations Wednesday. "So I feel a real sense of responsibility to do everything we can. And again, we're working hard to come up with approaches that will actually deliver."

Calderon, who began his six-year term in 2006 by announcing a crackdown on drug cartels, said discrepancies in U.S. drug policies can also cause problems south of the border.

"This inconsistency within their own policies causes a serious problem in Mexico, because their consumption doesn't decrease, and the violence here keeps increasing, precisely because the market is being disputed between the drug cartels, which are made up of Mexicans and Americans," he said. "Because don't come and tell me that organized crime ends at the Rio Bravo."

Calderon also urged U.S. officials to tackle comprehensive immigration reform.

"Millions and millions of people, as President Obama said, live in the shadows, and work and contribute and help American families, cleaning their yards, taking care of their children and giving them food," he said.

He said the 72 Central and South American migrants recently found killed in a Mexican border state were another reminder of the need to act.

"What really caught my attention was an editorial from an important newspaper in the United States, which concluded that, because immigration laws have not been dealt with, and because drug laws have not been refined...this has left the regulation of immigration and drugs to the mafias. And these killed migrants are a very clear expression of the consequences," he said.

But still, Calderon said he was optimistic about Mexico's future. He claimed the country had made significant headway combating poverty, and that he planned to work toward improving its economic competitiveness, education systems and national security.

"Even in this terrible moment of insecurity that we are living, I know that we are taking the firm steps that tomorrow will make Mexico secure," he said.

And the country's September 16 bicentennial festivities will continue as planned, he said, despite some critics' arguments that they should be canceled due to the risk of violence.

"What these people want is that we cancel our own lives and our own actions, to fill us with fear and paralyze us as a society and as a government," he said. "This is exactly what we must not allow."

Calderon said he was looking forward to the festivities, and pointed out that he shares a special connection with Mexican independence hero Jose Maria Morelos -- both hail from Morelia, Michoacan. He said he particularly admired Morelos as a military strategist who led Mexico's battle for independence, conquering parts of the country that were heavily fortified by Spanish troops.

In his current battle against Mexico's drug cartels, Calderon has deployed thousands of federal troops to some of the country's hardest-hit regions, including the violence-plagued border city of Juarez and his home state of Michoacan.

And as he tries to win more support for his strategies, Calderon has turned to more modern methods, such as his Felipe Calderon Twitter account.

"I'm new to this idea of Twitter, but the truth is, that it seems very interesting to me, and it allows me to do what I have always wanted to do: say things that are truly substantial in a few words," he said. "Because in the era we live in, people only listen to a few words."

Through his Twitter account Friday, he told followers he was being interviewed by CNN en Español.

Mexico, Salvador announce security cooperation plan

Mexican President Felipe Calderon and his visiting Salvadorian counterpart Mauricio Funes on Friday announced a new bilateral security cooperation mechanism, as a response to a massacre of migrants last month in Mexico.

"I want to make clear that at no time do I blame the Mexican government for this massacre," Funes, who began his visit to Mexico early on Friday, told a press conference at Los Pinos, Calderon's office residence. "We are happy to see the creation of this high-level group that will help us fight two problems: migration and poverty."

The two presidents said that the new mechanism will involve regular meetings of government security and investigative officials.

Funes said that 13 Salvadorians were among the 72 migrants massacred on Aug. 24 in San Fernando, a small town in northern Mexican state Tamaulipas. The mass murder triggered diplomatic concerns across the region and Guatemalans, Ecuadorians and one Brazilian were also among those killed.

"This massacre happened despite all the best efforts of the Mexican government," Funes said. "We are here to speak of a shared responsibility and we accept the condolences expressed by Mexico."

Funes said that Mexico and El Salvador have to view migration, organized crime and security as part of a common problem that arises from a lack of basic opportunities for citizens of their nations.

Speaking at the same press conference, Calderon thanked Funes, Salvadorian authorities and citizens for showing their willingness to cooperate with Mexico in fighting their common problems.

"Mexican authorities will not rest in their pursuit of the perpetrators of this indescribable crime seeking to make them feel the full weight of the law," Calderon added. Mexico's law enforcement officials have boosted their pursuit of immigrant smugglers since the massacre and the nation's legislators have passed a bill which allows migrants greater rights in Mexican territory, regardless of their legal status.

Calderon has said that Mexican gangster are now turning to nastier businesses, including the extortion of migrants, because the government's campaign against the drug smuggling business is

starting to have an impact. Calderon declared war against them within days of taking office in December 2006.

HH the Amir''s representative to attend Mexico''s 200 years of independence celebrations

Kuwait, Sept 12 (KUNA) -- Representing His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, His Highness the Prime Minister Sheikh Nasser Al-Mohammad Al-Ahmad Al-Jaber Al-Sabah participates in Mexico's celebrations of 200 years of independence. Sheikh Nasser will convey to Mexican President Felipe de Jesus Calderon regards of Kuwait's leadership and people on this occasion during his visit that will fall between September 13-15.

Kuwait and Mexico hold strong friendly ties that go back to 35 years, which were bolstered by the establishment of diplomatic relations between both countries in the 70s. In June 1992, His Highness the Late Amir Sheikh Jaber Al-Ahmad Al-Jaber Al-Sabah visited Mexico to express thanks and gratitude for its support of Kuwait during the Iraqi invasion in August 1990.

Sheikh Jaber affirmed to the Mexican leadership that their support had positively reflected on firmness of the international position towards the legitimacy against the barbaric policies and stemming from Kuwait's policy that believes that friendship between peoples at the times of peace are the path for all mankind for stability, exchange of expertise and welfare. Mexico had rejected the Iraqi invasion, and supported the Security Council's resolutions calling for Iraq withdrawal from the Kuwait.

Last July, Sheikh Nasser paid an official visit to Mexico, which came in response to an invitation by President Calderon, as part of his Latin American tour.

During Sheikh Nasser's visit, the Mexican president welcomed the Kuwaiti government's decision to open an embassy in his country, as this was an important channel for dialogue and communication between the two countries and would serve to enhance relations between their two peoples.

Moreover, the two sides signed a memorandum of understanding between the foreign ministries of Mexico and Kuwait, in order to establish a mechanism for deliberation over bilateral issues and others of mutual concern.

The two sides expressed their interest in benefiting from investment opportunities, the exchange of products, as well as services through hosting events that would facilitate communication between the business communities in Kuwait and Mexico.

They agreed on the importance of establishing a high-level working team that would seek investment opportunities in strategic sectors, such as energy, finance, mining, infrastructure, real estate, agriculture, industry, tourism and others.

Furthermore, the two sides highlighted the need to quickly implement the agreement for the prevention of double taxation, which was signed in Kuwait in October 2009, as well as the need to conclude talks over signing an agreement for the protection and encouragement of

investments. These would serve to boost commercial exchange and investments between Mexico and Kuwait.

Officials praised the historic relations between the two countries' governments in all fields, noting that economic and trade ties between them began in 1976, when the two governments signed an agreement on economic cooperation. Officials also noted that major challenges facing trade exchange were the absence of a regular maritime route and the lack of exhibitions to showcase Mexican products to Kuwaiti traders and consumers.

Despite the obstacles, trade exchange between Kuwait and Mexico had slightly increased, they mentioned.

Major Kuwaiti exports to Mexico include equipment needed for well digging, while Kuwait imports heavy equipment and spare parts from Mexico. Spain conquered Mexico for three centuries, and it gained its independence on September 16, 1810. Spain officially announced Mexico's independent in 1821. It became a republic on 1824.

Mexico marks anniversary of 1847 battle with US

Mexico City — President Felipe Calderon on Monday criticized both Americans and Mexicans for their roles in the 1846-1848 war that cost Mexico half its territory during a ceremony commemorating the definitive battle of the conflict.

Speaking on the 163rd anniversary of the Battle of Chapultepec, Calderon called the war an "unjust military aggression motivated by clearly imperialistic interests."

Mexico lost about half its territory to the United States in the war, including much of what later became Arizona, Nevada, Utah and California.

But Calderon also said Mexicans deserved some blame.

"We lost because of the invasion and expansionist desires of our enemy, but also because of divisions among Mexicans," the president said, noting a widely cited theory that Gen. Antonio Lopez de Santa Anna refused to send reinforcements to another general because of bad blood between the two, contributing to a key U.S. victory that allowed the invading troops to advance to Chapultepec.

"Thus, while many Mexicans fought to the death in the war with the United States, others simply watched the American troops go by without standing up to them," Calderon said.

"We only prosper when we are united," Calderon told the crowd as Mexico prepares to celebrate the bicentennial of its 1810 independence Wednesday and Thursday. "That is the great lesson of our history."

Even though Mexico lost at Chapultepec, on a hill overlooking the capital, the battle produced a symbol of national pride.

According to traditional accounts, six cadets — the "child heroes" — fought to the death rather than surrender to invading U.S. troops. One is said to have wrapped himself in a Mexican flag and leaped to his death from the battlements.

Mexico arrests suspected drug kingpin

Mexico City — Mexican marines captured Sergio Villarreal Barragan, a presumed leader of the embattled Beltran Leyva cartel and one of the country's most-wanted fugitives, in a raid Sunday in the central state of Puebla, the government said.

The alleged capo known as "El Grande" did not put up any resistance when he was arrested along with two accomplices as they left a residence in Puebla city, according to government security spokesman Alejandro Poire. The raid involved 30 Navy marines, five vehicles and a helicopter.

"This is a new and resounding blow by the federal government against crime, given the high rank and dangerousness of this person inside one of the country's most extensive criminal organizations which has now been deeply weakened," Poire said in a statement.

Villarreal's capture is the fourth major blow delivered to drug cartels by the government of President Felipe Calderon in the past year.

First came the death of Arturo Beltran Leyva, the top leader of Beltran Leyva cartel, in a raid outside Mexico City on Dec. 16, 2009. Then soldiers killed the Sinaloa cartel's No. 3 capo, Ignacio "Nacho" Coronel, on July 29. And on Aug. 30 federal police announced the capture of Edgar Valdez Villarreal, alias "La Barbie." The two men are not related.

Villarreal, "El Grande," appears on an Attorney General's Office list of Mexico's most-wanted drug traffickers, with a reward of just over \$2 million offered for his capture. He faces at least seven investigations for alleged drug trafficking and organized crime, Poire said.

He is listed as one of the top remaining leaders of the Beltran Leyva cartel following the death of Arturo, who was known as the "Boss of Bosses," and the arrest of "La Barbie," a former Beltran Leyva hitman and operative.

Poire said the Beltran Leyvas "had constituted one of the groups with the largest presence in the country," conducting operations in 32 Mexican states, including the capital.

But trouble began when Alfredo Beltran Leyva was arrested in 2008. Then the death of his brother Arturo the following year splintered the cartel, launching a brutal war for control of the gang, involving mass executions and beheadings in once-peaceful parts of central Mexico. Carlos Beltran Leyva was arrested a few days after Arturo's death.

The fight for the remains of the cartel pitted Hector Beltran Leyva and Villarreal against a faction led by "La Barbie." Hector is the last Beltran Leyva brother at large.

The Beltran Leyva brothers once formed a part of the Sinaloa cartel, but broke away following a dispute. An indication of the problems they face is that three of the four main blows dealt to drug gangs in the past year involve Beltran Leyva leaders or operatives.

More than 28,000 people have been killed in Mexico since December 2006, when Calderon launched a military offensive against the cartels soon after taking office.

In the central state of Morelos, police discovered nine bodies in clandestine graves Saturday in the same area where four more were recently found. The Public Safety Department said in a statement that all 13 victims were believed to have been killed on the orders of "La Barbie" in his battle for control of the cartel.

On Sunday, the military announced that it filed charges against four troops for the Sept. 5 shooting deaths of a man and his 15-year-old son along the highway linking the northern city of Monterrey to Laredo, Texas.

Authorities have said soldiers opened fire on the family vehicle when it failed to stop at a checkpoint, though relatives who were also in the car say they were shot at after they passed a military convoy.

The mother and wife of the two victims was also wounded in the shooting.

A captain, a corporal and two infantrymen are in custody in military prison and have been charged with homicide, the Defense Department said in a statement.

Mexico's military was already under scrutiny for this year's killings of two brothers, ages 5 and 9, on a highway in Tamaulipas, a state bordering Nuevo Leon.

The National Human Rights Commission has accused soldiers of shooting the children and altering the scene to try to pin the deaths on drug cartel gunmen.

The army denies the allegations and says the boys were killed in the crossfire of a shootout between soldiers and suspected traffickers.

The scandal renewed demands from activists that civilian authorities, not the army, investigate human rights cases involving the military.

More recently, soldiers killed a U.S. citizen Aug. 22 outside the Pacific coast resort city of Acapulco.

In a statement to police, an army lieutenant claimed that Joseph Proctor, who had lived Mexico for several years, shot first at the military convoy on a highway between Acapulco and Zihuatanejo.

The Defense Department says it is investigating the claim, which Proctor's father, William Proctor, says he found hard to believe.

Cameraman wants U.S. asylum from thugs

A Mexican television cameraman whose kidnappers tortured him and demanded customized national TV coverage plans to seek asylum in the United States arguing his government can no longer protect him and other journalists against gangsters who kidnap, kill and increasingly seek to control the country's news.

After covering a demonstration at a Coahuila prison in July, Alejandro Hernandez Pacheco was kidnapped by unidentified thugs who held a pistol to his head and forced him to demand that his employer, media giant Televisa, broadcast four videos they wanted Mexicans to see.

Hernandez, now hiding in the U.S., will announce his plans Tuesday in El Paso, his lawyer Carlos Spector told the Houston Chronicle on Monday.

Mexico has become one of the most dangerous countries in the world for journalists, particularly along its battle-scarred northern border where kidnapping and threats have become increasingly common. At least three other Mexican reporters previously sought asylum in the United States and in Canada since 2008.

Many more have been silenced.

More than 30 journalists and media workers have been murdered or have vanished in Mexico since December 2006, the Committee to Protect Journalists reported this month. "In certain parts of the country, investigative journalism is becoming extinct and even daily reporting on crime is becoming impossible," said CPJ's Carlos Lauria.

Yet many believe the audacious and well-publicized demands of Hernandez' kidnappers signaled an appalling new era in an ongoing campaign of violence against the Mexican media.

"It really represents a historical escalation when the cartels are now attacking the national media — reporters have been kidnapped and held hostage from a national chain," Spector said. "They had controlled (reporters) locally and they felt empowered that if they could control local media, the next logical step was to control the national media."

In all, four broadcast journalists who worked for the huge multinational media company Televisa and another company called Multimedios were hijacked after they reported on a protest at a prison in Torreon, Coahuila. The prison director had just been arrested and accused of releasing prisoners at night to carry out organized crime hits.

Hernandez filmed the demonstration for a nationally televised program called Punto de Partida. Afterward, he and the others were car-jacked and held captive by unidentified men. The captives were then forced to demand videos be aired in exchange for their lives.

Multimedios aired them; Televisa refused - instead showing nothing during several minutes of Punto de Partida's regular air time. Eventually, all four captives got released or escaped. Hernandez ran for his life when kidnappers thought rescuers were closing in.

The kidnappers remain at large.

Hours after the rescue, Mexican government officials presented the freed journalists at a Mexico City press conference and linked their attackers to Sinaloa cartel boss Joaquin "Chapo" (Shorty) Guzman Loera — an action that Hernandez' lawyer said endangered Hernandez' life and prompted him to flee to the states.

Each year, about 3,000 Mexican citizens file for asylum with U.S. immigration courts, though many later withdraw or abandon those efforts, statistics show.

Still, in the last four years, the number of Mexicans granted asylum after pro-actively seeking U.S. government protection and proving they faced real threats has more than doubled from 84 as of September 2006 to 192 through September 2009, annual statistics by the U.S. Department of Homeland Security show.

Many Mexican asylum-seekers had family members who were killed in recent drug-related violence or faced threats as members of the Mexican government or police forces, according to information released Monday by the U.S. Citizenship and Immigration Services.

Previous U.S. asylum applications filed by two journalists who fled from Chihuahua in 2008, however, remain pending, according to Spector, the El Paso-based lawyer who also has been helping them. One hearing isn't scheduled until 2011.

Meanwhile, another former border reporter for the national Mexican daily Reforma sought and was granted asylum in Canada. The former specialist in organized crime coverage and human rights award winner is now working as a janitor.

At least, he said, his wife and children are safe.

"They had suffered too much," said Luis Horacio Nájera. "They didn't have social life, we couldn't go to parks or restaurants... I didn't feel comfortable in public places because I knew that things were dangerous."

Mexican army kills 22 suspected gangsters in clash

Mexican government troops killed 22 suspected gangsters in a clash earlier this week at the northern city of Mier, the Defence Ministry said Thursday.

A group of soldiers were on patrol around a ranch called El Canaleno when they were attacked by suspected gangsters. The troops fired back, killing 22 of the gangsters. One soldier was injured.

The soldiers also seized seven cars, 18 rifles, four pistols, 99 cartridges, 1,540 rounds of ammunition, 55 grenades and military-style uniforms.

On Thursday, local authorities reported that 11 gunmen were killed in a clash with government troops near Cerralvo, a small town not far from Mexico's northeast resort of Monterrey. Six people had died in a similar incident there in March.

There have been several clashes between government troops and gangsters in northern Mexico over the last few weeks.

Mexican president reiterates call for unity

Mexican President Felipe Calderon reiterated call for unity Thursday, a day after Mexico's massive celebrations of its 200 years of independence.

"Through unity, we Mexicans have overcome challenges and setbacks." Calderon told the audience in Mexico City.

Calderon did not make any substantive policy statements, announce any new statistics or make any new promises.

The audience included the president of the Supreme Court, the president of Mexico's lower legislative house, the president of the nation's upper house and the president of the National Human Rights Commission.

In his speech, Calderon called on Mexicans to fight for freedom, saying that it was this ideal that motivated the 1810 independence movement to overthrow Spanish rule in the territory then known as New Spain.

"That is why, 200 years later on Sept. 16, we evoke the ideal of 1810 as the founding moment of the great nation. As Miguel Hidalgo said, the goal is to rid ourselves of this yoke and become independent," he said.

Hidalgo was the Catholic priest that started the nation's independence movement by ringing a bell in Dolores Hidalgo in the central Mexican state of Guanajuato and shouting "Viva Mexico" which became the nation's rallying cry in the long independence war.

Calderon said that he considered freedom and unity to be the founding stones of Mexico's republic and the reason the independence movement succeeded.

"In 1821, the union of rival groups, that of Guerrero and that of Iturbide, resulted in the dreamed of achieving independence," Calderon said.

Vicente Guerrero and Agustin Iturbide each led armies seeking independence for the new nation, but had sharply different political ideals

"Beyond their individual visions, the dream of freedom and the sentiment of unity realized itself," Calderon said.

Detailed Report/Venezuela

At least 33 survive after plane crashes in Venezuela

A Venezuelan airliner carrying 51 people crashed Monday shortly after taking off from Ciudad Guayana, in the eastern part of the country, killing 14 and leaving four others missing, a government official said.

Early reports said there were 47 aboard the Conviasa twin-engine turboprop. But AFP quoted Francisco Rangel Gomez, governor of Bolivar state, where the accident occurred, as saying, "A total of 33 people are being cared for at different clinics. We have 14 bodies that are being identified and we are searching for four people."

The plane was on a domestic flight from Ciudad Guayana to the Caribbean resort city of Isla Margarita and went down about six miles after takeoff, according to the newspaper El Universal.

Gomez earlier told reporters the plane's crew had been in contact with a control tower before the accident, which he said was apparently caused by "loss of control" of the aircraft, AFP reported. Civil protection official Jose Garcia said local hospitals had been put on alert and a special burns unit was on stand-by.

According to Reuters, the flight came down on property belonging to government steel maker Sidor.

Venezuela compensates Holcim \$650m for nationalization

Cement maker Holcim has said the Venezuelan government is to compensate it \$650m for nationalising its business in the country.

The Swiss firm has received an initial payment of \$250m and the remaining \$390m will be paid over four years.

Holcim's subsidiary was nationalised in 2008 and it has been fighting for compensation since then.

Cement firms Lafarge SA of France and Mexico's Cemex SAB also saw their Venezuelan assets taken over in 2009.

Lafarge SA has also reached a compensation deal with Venezuela worth \$250m.

Hugo Chavez's government has nationalised many industries in the country including steel works, oil services and banking.

Venezuela nabs 3 Colombian paramilitary suspects

Caracas, Venezuela — Venezuelan intelligence agents have apprehended three suspected members of a Colombian paramilitary group, including a police officer from a town near the countries' shared border, and seized a weapons cache, President Hugo Chavez's government announced Sunday.

The suspects were nabbed last week during a sting operation in Rubio, a quaint town located about 30 miles (50 kilometers) from Venezuela's border with Colombia, according to a government statement. They are being questioned by prosecutors.

The suspects — Luis Arfilio Salcedo Fernandez, a state police officer, Rivera Ardila Enadir, the officer's wife, and Albarracin Romero Enadir — are alleged members of a Colombian paramilitary group known as "The Black Eagles," which operates in several states along the border, the statement said. The group is involved in extortion, kidnappings and drug smuggling, among other illegal activities.

Agents from the Sebin intelligence agency seized two assault rifles, a submachine gun, a revolver, a 12-gauge shotgun and a tear gas canister along with ammunition for the firearms, according to Sunday's statement.

Authorities are trying to identify others members of the group.

Can Venezuela and Colombia end rift?

On the campaign trail, Colombian President Juan Manuel Santos was fond of saying that when heads of state fight, it's the people who suffer.

That's certainly been the case in Colombia and Venezuela.

Locked in an almost two-year trade squabble that has sapped cross-border commerce by 70 percent, both nations have been hammered.

In Colombia, exporters have been forced to scramble to find new markets since Venezuela imposed the virtual boycott. In one Colombian border town alone, some 500 small manufactures have closed, trade groups said. The woes come at a time when the nation is already struggling with one of the region's highest unemployment rates.

In Venezuela, the trade war has forced the country to look further afield for basic goods, sparking food shortages, price spikes and overloading an already stressed port system. The crammed ports were partially responsible for the scandal that erupted in May when tons of food was found rotting on the docks. The decomposing food has made an easy target for the opposition as the country heads into parliamentary elections Sept. 26.

"This is not just about the economic impact, it's also had a tremendous political impact," said Jesus Gorrin, an analyst with the ODH consulting group in Caracas. "I think the governments recognize this and they are trying to make changes."

It didn't have to be this way. The Andean nations have traditionally been each other's top trade partners after the United States.

But a series of political squabbles came to a head in 2008 when Colombia attacked a rebel camp inside Ecuador. Venezuela's firebrand President Hugo Chávez accused Colombia of threatening regional security and began imposing a series of regulatory hurdles that amounted to an informal boycott along the 1,274-mile common border.

The nations are working to fix the rift.

Shortly after Santos' Aug. 7 inauguration, the two men met and Chávez pledged to restore ties.

But analysts say it will take more than political will to get trade moving -- and some of it may be gone for good.

Perhaps the biggest obstacle is that Venezuela owes about 250 Colombian exporters \$786 million, according to Colombia's Ministry of Trade, Industry and Tourism.

Venezuela's foreign currency regulator, CADIVI, which must release the funds, said it has already agreed to pay \$58 million to airline companies. The two nations have established a commission to resolve the rest of the debt.

But until Venezuela pays what it owes, exporters are unlikely to resume trade, said Javier Diaz, the executive director of Colombia's National Association for International Trade.

“Venezuela is always our preferred partner,” he said. “But right now, with the debts it has and the economic situation in Venezuela, it's not exactly the most attractive market.”

The debt issue aside, Venezuela is not the healthiest of trade partners. It's the only nation in South or Central America to see its economy shrink this year. And devaluation in January has sapped purchasing power.

To complicate matters, as oil production and oil prices have faltered, the government is struggling to pull in enough dollars to finance its imports.

The lack of hard currency is helping drive inflation, which is running at around 30 percent this year, and derailing parts of the economy.

Mobile phone company Movistar, for example, announced Aug. 27 that it had cut its roaming agreement with 13 countries because CADIVI would not provide the foreign currency it needed to pay its interconnection fees.

CADIVI needs to be reformed or dismantled for trade to flow again, said Ricardo Tribin of the Colombian American Chamber of Commerce.

“Venezuela has become a bad credit risk, just like it has become a bad oil producer and a bad neighbor,” he said in Miami. “We have to hope all of that changes.”

As in all wars, there are winners. China and Brazil have become the No. 2 and No. 3 exporters to Venezuela, relegating Colombia to 4th place. While the United States, Brazil and Mexico are among the big players that have increased their market share in Venezuela at Colombia's expense, some of Venezuela's smaller political allies have also seen exports soar. Topping that list are Nicaragua and Cuba, which saw exports rise 761 percent and 624 percent respectively during the first half of 2010 versus the same period in 2008, according to trade data firm, Datamyne.

Colombia has also been forced to find new markets, and boost the proportion of exports destined to the United States, China and Europe.

Few think these trends are permanent. Colombia's and Venezuela's proximity, their economic needs and their historical ties make them natural partners and reliant on each other, said David Lewis, the vice president at Washington, D.C.-based Manchester Trade, a consulting group that works in the region.

“Venezuela is stuck with Colombia and Colombia is stuck with Venezuela and they are going to have to work something out,” he said. If they don't, “in the long run they are both screwed.”

Venezuela's military helicopter crashes into Navy boat

Tareck El Aissami, the Minister of the Interior and Justice, said that the pilot of the helicopter was rescued alive; the co-pilot and the chief engineer are missing. According to the minister, there are five injured who have been taken to the Luis Ortega Hospital, in Porlamar, state of Nueva Esparta, northeastern Venezuela

Air Fatality

Venezuelan Minister of the Interior and Justice Tareck El Aissami confirmed that a 212 Army helicopter, with registration number AV-0308, crashed at 06:30 a.m. on Tuesday against a Navy oceanographic research vessel that was in front of Valdez Beach, off Margarita Island.

"The helicopter, which was carrying medical staff to take care of people rescued in one of the three boats that were missing at sea last Saturday, collided with the bow of the oceanographic vessel that was beginning a docking maneuver in the area of Valdez Beach," Minister El Aissami said.

There are five injured so far, "among them, the helicopter pilot, Navy Lieutenant, Erick Martínez Sandoval, who has underwent surgery at the Military Hospital," El Aissami said. The co-pilot and the chief engineer have not yet been rescued. According to the minister, there are five injured who have been taken to the Luis Ortega Hospital, in Porlamar, state of Nueva Esparta, northeastern Venezuela.

Both the vessel and the helicopter were participating in the rescue mission of the boat "Mi Negocio," which was missing at sea since last Saturday, September 11, with 10 people on board.

Central Bank expects to slow down annual inflation rate

Nelson Merentes, the president of the Central Bank of Venezuela (BCV), said that the economy will grow steadily.

The government takes up again the goal of seeking single digit inflation and sustainable growth. Nelson Merentes, President of the Central Bank of Venezuela, said that in the fourth quarter of 2010 the Venezuelan economy will recover, while the increase in the consumer price index will slow gradually over the next three years.

"We will end the year with an inflation rate below 30 percent, (and more specifically) between 28 percent and 29 percent. We are preparing to take inflation down a few steps and to reduce inflation rate by 9 to 10 points in 2011."

Merentes added that the most important goal is "to reach an inflation rate close to 10 percent in 2012 or 2013 and then get a single digit inflation rate."

Since 1985, Venezuelan authorities have failed to reach single-digit inflation. The president of the BCV said that at present "inflation is concentrated in food items and non-alcoholic beverages."

"Within this group, there are 20 products that have a greater weight on inflation. We are going to work in coordination with the monetary and exchange policies, the production, distribution and trade sectors and with appropriate imports," Merentes said.

A failed policy

The promise to achieve single digit inflation is not new to the government presided over by Hugo Chávez. In 2006, Rodrigo Cabezas, who was then the President of the Committee on Finance, National Assembly, supported the currency conversion project. He said that in addition to put

strong bolívar bills and coins in circulation, the financial authorities would implement a policy able to "meet the goal of reaching a three-percent inflation rate in 2008."

Merentes himself has a poor record as far as economic projections are concerned. When he was Finance Minister in 2006, he said that inflation rate "would be below 10 percent." He forecasted that the inflation rate would reach 20 percent that year.

In fact, Venezuela's inflation rate has been far above official projections. In 2008, when Cabezas said that the inflation rate should have ended the year at 3 percent it amounted to 31.9 percent and in the last twelve months, the cumulative inflation stands at 29.7 percent, the highest in Latin America.

The International Monetary Fund forecasts that Venezuela's inflation rate in 2011 will amount to 33.1 percent and the economic growth will barely reach 0.4 percent.

Alba countries to create airline to increase tourism in the region

The project would be ready in 2011; it would offer low fares

Member States of the Bolivarian Alternative for the Peoples of Our America (Alba), a Latin American integration project, are planning to set up an airline to promote tourism among the members of the group, reported on Monday Jorge Alvarado, the Bolivian Ambassador to Venezuela.

The diplomat said that several studies are well in advance and the airline could start operations in 2011.

The project aims to promote tourism with lower fares (40-50 percent less than prices charged by commercial airlines), he said. State-run airlines will provide the basis for the creation of Alba airlines, AP reported.

Alvarado did not mention the sources of finance, but he said that one of the options would be a loan from the Bank of Alba.

Chavez says Venezuela should ask US to extradite man convicted in bombings

Caracas, Venezuela (AP) — Venezuelan President Hugo Chavez said Wednesday that his country should ask the United States to extradite a man convicted in 2003 bombings who fled to Miami and is seeking asylum.

Chavez called Raul Diaz a terrorist in a televised Cabinet meeting, saying Venezuela is obliged to request his extradition even though he doubts the U.S. would turn him over.

Diaz maintains he is innocent and had no part in the 2003 bombings of the Spanish Embassy and Colombian consulate in Caracas, which injured four people.

Diaz told The Associated Press on Monday that he was able to escape because under the terms given him by a court, he was allowed to leave a prison during the day as long as he returned at night. He said he fled by boat to Trinidad, and flew to Miami on Sept. 5.

Before fleeing, the 36-year-old had served six years of a nine-year prison sentence. He was convicted of damaging property, public intimidation, causing light injuries and conspiracy.

Diaz has called the case against him an example of rights violations under Chavez.

"It was proven that he placed some bombs there at some embassies," Chavez said, insisting his "extradition must be requested."

Chavez suggested that the U.S. government, with which he has tattered relations, is unlikely to oblige.

"We know they aren't going to send him here. ... They protect them," Chavez said.

He added that in the United States, "coup-plotters and terrorists come and go."

Chavez also cited the case of Cuban militant Luis Posada Carriles, who lives in the United States and is wanted in Venezuela for allegedly plotting the 1976 bombing of the Cuban plane that killed 73 people. Posada denies the accusations.

Chavez aims to keep control of Venezuela's parliament

With critical parliamentary elections in Venezuela less than two weeks away, analysts say President Hugo Chavez's aggressive campaigning is breathing new life into his party — and clouding the opposition's hopes of eking out a win.

Speaking at the Americas Conference in Coral Gables on Wednesday, Luis Vicente Leon of the Venezuelan polling firm Datanalisis said an August survey shows Chavez's Unified Socialist Party, or PSUV, with a narrow lead over opponents.

According to the poll, 27 percent of the electorate plan to vote for Chavez's allies, 24 percent would vote for opposition candidates and 30 percent remain undecided.

Once the undecided are sorted by party leaning, however, Chavez's allies might expect to win 52 percent of the vote versus the opposition's 48 percent, Leon said.

The PSUV's lead is within the margin of error, but it's clear that the Sept. 26 vote will be hard fought, despite earlier suggestions that the opposition might take the popular vote.

Despite the neck-and-neck race, recent changes to the way voting districts are measured mean that Chavez is likely to hold onto the two-thirds majority in parliament he needs to have his initiatives rubber-stamped, Leon said.

Still, "it would be a great victory for the opposition -- even if Chavez maintained control of the parliament -- for them to win more votes," he said. "In particular for the message that would send looking toward the 2012 presidential elections."

The parliamentary race comes as the South American nation of 27 million faces serious problems, including the region's highest inflation, a shrinking economy and a crime wave that makes Caracas one of the most dangerous cities in the world.

Venezuelan president forecasts victory over coming legislative elections

Venezuelan President Hugo Chavez forecast on Thursday the victory of the ruling party at the coming legislative elections to be hosted on Sept. 26.

During a political event hosted in Teresa Carreno Theatre in Caracas, Chavez said he is convinced of winning most of the two thirds of the National Assembly (AN).

Chavez also referred to the some comments published by U.S. daily "New Herlad," which said that Chavez's "aggressive campaign obscures the hopes of the opposition."

Answering this, Chavez said "we are going to demolish them! This victory on coming Sunday 26 will be the prelude of what will happen two years later in December 2012" when Venezuela will have general elections.

On Sept. 26, Venezuela will vote to choose 165 deputies to the AN for the new five-year term, to start on Jan. 5, 2011.

President Chavez discusses anti-Semitism concerns with Jewish leaders in Venezuela

Caracas, Venezuela – Caracas, Venezuela (AP) — Leaders of Venezuela's Jewish community met with President Hugo Chavez on Thursday to discuss their concerns about possible anti-Semitism in state media and to ask the socialist leader to re-establish diplomatic relations with Israel.

The Venezuelan Confederation of Israelite Associations said its representatives gave the president a dossier containing numerous examples of anti-Semitic messages that have appeared "almost daily, and for several years, in state media and government-friendly media."

Salomon Cohen, president of the confederation, said he was satisfied with the meeting at the presidential palace in Caracas and told journalists that Chavez promised the group that he would study everything they gave him.

"We reviewed the negative consequences that hateful expressions can lead to and how they can affect the security and integrity of the institutions and individuals that make up the community of Venezuelan Jews," the organization said in a statement following the meeting.

It did not publicly release its examples of alleged anti-Semitism in state media, but has previously raised concerns about cartoons and commentary in government-friendly newspapers and websites.

Chavez's government recently decided to step up security at synagogues and Jewish community centers this month during Jewish new year celebrations, according to representatives of the local Jewish community.

Cohen thanked the government for boosting security at the temples and centers.

Several incidents have ignited concerns of anti-Semitism in Venezuela.

In January 2009, a Caracas synagogue was ransacked and vandalized, and authorities later arrested 11 people, including eight police officers, suspected of participating. Chavez condemned the attack, and investigators have said they believe the intruders wanted to steal cash they believed was kept inside.

The following month, unidentified attackers lobbed a small explosive at a Jewish community center in the capital, damaging its doors but not hurting anyone.

The association's communique said the Jewish delegation urged Chavez to intervene to "put a stop to these anti-Jewish expressions" and asked the president to re-establish diplomatic ties between Venezuela and Israel.

Chavez — a close ally of Iranian President Mahmoud Ahmadinejad — has been strongly critical of Israel and its policies toward Palestinians. He severed ties with Israel in January 2009 to protest its military offensive in the Gaza Strip.

Foreign Minister Nicolas Maduro told reporters that "all the political issues related to Israel's government will be examined."

Chavez did not speak with journalists following Thursday's meeting, but he called the gathering "extraordinary" in a message posted on his Twitter account, saying he and Jewish leaders wrapped up the meeting "hugging and praying for peace."

Last week, the self-proclaimed socialist said some of his political opponents have wrongly attempted to portray him as "anti-Jewish," which he said is false.

Venezuela's Jewish community numbers nearly 15,000.

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