



# The Americas Report

From the Menges Hemispheric Security Project

Center for Security Policy

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Argentina



Bolivia



Brazil



Canada



Chile



Colombia



Costa Rica



Cuba



Dominican Republic



Ecuador



El Salvador



Guatemala



Haiti



Honduras



Mexico

*The Americas Report is the continuation of the work of Dr. Constantine C. Menges' original Americas Report. For almost two years that report chronicled the efforts of the Castro-Chavez axis and their allies in their efforts to undermine the new spirit of democracy and freedom in Latin America, in favor of autocratic forms of regimes throughout the Western Hemisphere. The report also monitors events in the area as they effect regional and US security in this era characterized by the emergence of terrorist groups of global reach seeking international influence. The current Americas Report and the Menges Hemispheric Security Project of which it is a part will continue to support genuine democracy, free trade and the fostering of strong inter-American relationships as well as exposing growing tyrannies in the area.*

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For any questions, comments, or those interested in receiving this report or seeking to have their email removed from our list please contact **Nicole Ferrand** at: [themengesproject@centerforsecuritypolicy.org](mailto:themengesproject@centerforsecuritypolicy.org) or [themengesproject@gmail.com](mailto:themengesproject@gmail.com).

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**Highlighted Story** - [The United States needs to stand with Colombia.](#)

By Nancy Menges.\*

**The free trade agreement between the United States and Colombia is in many ways more about the future direction of Latin America than about trade policy.** Colombia is lobbying hard for passage of this agreement because it would make the trade preferences they now have, permanent. Colombia needs this in order to attract long term foreign investment. What the Colombian Government cannot say in their lobbying efforts to US Congress members is that they need our support and financial backing in order to counter the many challenges presented by the narco-guerrilla insurgency known as The FARC (The Revolutionary Armed Forces of Colombia), and by Hugo Chavez who supports the FARC and who is constantly trying to undermine Colombian President Alvaro Uribe. **For Chavez, Colombia is the big prize and he will do everything possible to**



Nicaragua



Panama



Paraguay



Peru



The United States



Uruguay



Venezuela

bring it into his sphere of influence. Already Bolivia, Ecuador and Nicaragua are firmly in the Chavez camp with Argentina showing signs of a close affinity with the Chavistas.



Colombian President Álvaro Uribe. Source: Miami New Times.

Instead of recognizing the outstanding leadership President Uribe has provided, the message he and the Colombian people are getting is that we are punishing them by not passing the FTA. This weakens Colombia in the eyes of other Latin American leaders and proves Chavez right that America cannot be counted on as an ally. In a show of support, the Presidents of Chile, Mexico, Canada and Peru wrote to House Speaker, Nancy Pelosi and other members of Congress appealing for passage of the Colombia FTA, in the name of regional stability, but so far their request has been met with a deaf ear. **On December 20, 2007, the CEO's of nineteen major American companies wrote a letter to the House and Senate leadership urging passage of the FTA with Colombia.** In their letter they pointed out that this agreement would eliminate barriers to US farm products and manufactured goods while providing new sales opportunities for small, medium and large companies and their employees as well as American farmers and ranchers. (See Letter in Main News below).

In considering any legislation having to do with Latin America, one would be remiss to underestimate the danger that Hugo Chavez poses to regional stability as well as to the national security of the United States. Since becoming president of Venezuela in 1998, Chavez has used his country's oil wealth to influence elections in neighboring states, has used indigenous and grassroots organizations to disrupt democratic, US friendly governments and has financially supported the FARC guerillas in Colombia. In addition, Chavez has opened Latin America to Iranian influence by establishing bilateral trade, by initiating weekly flights from Iran to Caracas via Syria and by encouraging an Iranian presence in Bolivia, Ecuador and Nicaragua. Iran has a large embassy in Nicaragua and plans on building a deep water port on Nicaragua's Caribbean coast to be connected by dry canal to the Atlantic coast. These are ominous developments since different terrorist groups already operate in such places as the tri-border region between Brazil, Paraguay and Argentina and use Venezuela's Margarita Island as a training area.

Basically, there is a struggle going on between Chavez and Uribe, representing two possible futures for Latin America. On the one hand, Chavez is trying to turn Venezuela into a dictatorship using Cuba as his model while Uribe has done everything to strengthen the institutions of democratic governance. Chavez's economic policies have led to the highest inflation (over 20%) of any country in South America as well

as the highest food prices and food shortages while Uribe's economic policies have brought consistent growth of about 7% annually and relatively low inflation with food prices remaining fairly stable. In other words while Venezuelans are losing their freedoms and becoming ever more impoverished, Colombians are enjoying greater prosperity and a renewed sense of stability and hope for their country's future. That is why **President Uribe has a 85% approval rating and Chavez a 37% rating.** While Chavez is extremely hostile to the United States and to our values, Uribe has been a real partner in trying to work with the US to reduce the flow of drugs out of Colombia. With US assistance through Plan Colombia, President Uribe has been able to contain and reduce the number of FARC narco-terrorists from about fourteen to sixteen thousand members several years ago to about seven to nine thousand today. **While Uribe has been successful in fighting against the guerilla insurgency, Chavez, as documented in the captured documents of the FARC, gives the FARC sanctuary inside Venezuela and provides them with weapons.**

In summary, the FTA with Colombia may be considered by policy makers as solely a trade issue or in a broader strategic framework, taking into consideration some of the factors mentioned above. **Since some members of Congress are not well informed and tend to cling to arguments that are factually untrue, the following talking points are meant as a guide to counter those assumptions.**

- Today's global economy offers tremendous opportunities for the US. In general, lowering barriers to goods and services is in America's interest. Though there are always some downsides, free trade and globalization has provided employment opportunities for people in countries with a long history of poverty and despair. Many of these **people living in poorer countries have benefited from American investments that provided opportunities for a better life.**
- The United States is Colombia's largest trading partner representing about 40% of Colombia's exports and 29% of its imports. Two-way trade between Colombia and the US amounted to almost 16 billion dollars in 2006. The US would have an opportunity to increase the export of US farm products because the 11.3% percent tariffs on imported products that now exist would be eliminated in Colombia. **A December, 2006 study by the US International Trade Commission estimated that the agreement would boost US exports to Colombia by \$1.1 billion.**
- **Economics is just one aspect of the US-Colombian relationship and perhaps not the most important. Highly important issues of national security and foreign policy are being pushed to the margins.** Enormous progress made by Colombian President, Alvaro Uribe in diminishing human rights violations and the harsh reality Colombia has faced in fighting a forty year long narco-guerilla insurgency has sometimes not been taken into consideration. President Alvaro Uribe has not only been able to rebuild a state that for years was immersed in anarchy but to do so with a low number of casualties; a phenomenon almost unseen in other cases of nation building.
- Unlike many countries in Latin America, in the seventies, that used the excuse of guerilla activity to abolish democratic institutions, Colombia has been able to

maintain a parliamentary and constitutional regime. In relation to the accusation of the killing of union leaders, it has been reported by a number of sources that **since Alvaro Uribe took office in 2002 the number of killings of union leaders has sharply declined.** Union leaders have been killed mostly by right-wing paramilitaries (even though it is estimated that one third of union activists were killed by left wing guerillas). Uribe's Colombia has been remarkably effective in minimizing violence. No "dirty war" has taken place in Colombia. The Colombian government has shown significant progress in this area as more than 30,000 individuals belonging to paramilitary groups were peacefully disarmed in a deal with the Uribe government. The fact that pockets of para-military still exist in Colombia should not downplay this significant achievement by the Colombian government.

- **Colombia is still our best Latin American ally against the highly dangerous rule of Hugo Chavez.** President Uribe has become a major target of US archenemy, Hugo Chavez, because Colombia is a vibrant democracy with a successful economy (growing at about 7% annually) and presents a distinct alternative to Chavez's ever more dictatorial tendencies and failing economy.
- It is important that continuity be secured in Colombia. Without America's support, it will be more difficult for President Uribe to fight against the forces that threaten Colombia's progress and stability. Therefore, **it is crucial that the US show support for this great and brave ally and ratify, without hesitation, the free trade agreement.**
- Just 4.5% of Colombia's 20 million workers are in unions. This is a decline from a decade ago when membership stood at 6%. The reason there are fewer union members now is due to the radicalized political agenda of the leadership of the large unions.
- It is important to point out that **we cannot compare the labor unions in the United States with the ones in Colombia.** A great portion of unionists in the Andean Nation operate outside the law and are violent in nature. Often, terrorists, left-wing agitators, para-militaries and even 'chavistas' infiltrate these organizations for personal gain. What the mainstream media in the US doesn't say is that the majority of these unions behave like gangs and engage in violent disputes over particular territories or businesses.
- **From about 200 assassinations of unionists a year in 2001 and 2002, the number fell by half in 2003 and has continued to fall since then.** The AFL-CIO claims 38 unionists were assassinated in 2007, while the Colombian Ministry of Social Protection counts 25. Even if we accept the higher AFL-CIO figure, that would mark a plunge of more than 80% in assassinations of trade unionists during President Uribe's time in office; the decrease would be nearly 90 percent if the Ministry of Social Protection figure is accepted. Either number represents remarkable and welcome progress under President Uribe.

- **The government established a protection program for vulnerable groups of society. Currently 1,504 union members have enrolled in the program, more than any other group of civil society.** Working with the International Labor Organization, Colombia has created a special unit under its Attorney General to investigate priority cases of violence against trade unionists.
- **Left-leaning groups in Colombia have colluded with labor interests in the United States to convince the Democratic leadership in Congress that this FTA should be defeated on humanitarian grounds.** The popular perception is that a trade agreement with Colombia would result in Colombian goods coming into the country, displacing American products and workers. Wrong! Most Colombian products, \$9.2 billion in 2007, already pay no tariffs to enter America under the Andean Trade Preferences Act, enacted in 1991 and renewed again this year with Senator Clinton's support. Yet American products, valued at \$8.6 billion in 2007, pay substantial tariffs to enter Colombia. What FTA with Colombia would do is lift these tariffs. American exporters and workers would be the main beneficiaries of the trade agreement, which would put U.S. and Colombian exports on a level playing field.
- At the insistence of the chairman of the House Ways and Means Committee, Rep. Charles Rangel, the pact was rewritten. In fact, **the Colombian government is working together with the United Nations International Labor Organization to enhance its labor laws** and their implementation and has taken steps to protect union members and end impunity in cases of violence against them. Colombia has incorporated obligations to enforce the UN's International Labor Organization's five "fundamental labor rights": freedom of association, the right to collective bargaining, the elimination of compulsory labor, the abolition of child labor, and the elimination of discrimination in employment and occupation. In addition, Colombia raised its minimum wage and adopted provisions for overtime pay.
- **The Free Trade Agreement is widely popular among many labor union members in Colombia.** The labor leaders opposing the FTA represent workers unaffected by trade and their arguments are clearly based on the fear that the potential success of the FTA will bring popularity to their political opponents in the Colombian government, even with a president who has an 85 percent approval rating, and simply because they dislike the United States. These leftist labor unions oppose every open market economic policy and often are involved in drug trafficking. The real story in Colombia is not the current level of violence but its dramatic fall in a relatively short period since President Uribe came to power in 2002.

**As a point of interest, we are reprinting comments made by influential American leaders who stand in opposition to FTA with Colombia.** It is hoped that they will reconsider their positions and pass this most important agreement.

Sen. **Barack Obama** said Bush is “absolutely wrong” to support the deal, adding that the Colombian government was suspected of “potentially having supported violence against unions, against labor, against opposition.”<sup>1</sup>

Sen. **Hillary Clinton** said “We’ve got to have new trade policies before we have new trade deals. That includes no trade deal with Colombia while violence against trade unionists continues in that country.”<sup>2</sup>

The AFL-CIO also opposes it. **From AFL-CIO President John Sweeney:** President Bush’s decision to send the U.S.-Colombia Free Trade Agreement (FTA) to Congress over the strong objections of the leadership of both the House and the Senate “shows an outrageous disregard for basic human and workers’ rights,” AFL-CIO President John Sweeney says. “Workers in Colombia are terrorized every day for standing up for their economic freedom, and union supporters are routinely murdered. Our government should not reward the Colombian government for such callous indifference to the rights and lives of Colombian workers. The AFL-CIO stands in solidarity with our brothers and sisters in Colombia in opposition to violence against trade unionists. We stand for the rights of workers in both Colombia and the United States to organize and bargain collectively without fear of firing, retribution or bodily harm. The AFL-CIO is strongly opposed to the Colombia FTA and will mobilize with all of our might to defeat it.”<sup>3</sup>

In a June 29, 2007, statement, **House Speaker Nancy Pelosi** and other Democratic leaders announced their opposition to the Colombia FTA. “There is widespread concern in Congress about the level of violence in Colombia, the impunity, the lack of investigations and prosecutions, and the role of the paramilitary,” they explained. “We believe there must first be concrete evidence of sustained results on the ground in Colombia, and Members of Congress will continue working with all interested parties to help achieve this end before consideration of any FTA. Consequently, we cannot support the Colombia FTA at this time.”<sup>4</sup>

House Speaker Nancy Pelosi says not enough progress has been made: “We’re concerned about the violence against labor organizers, workers’ organizers, in Colombia and we want to see progress made in that direction.”<sup>5</sup>

**Former U.S. Vice President Al Gore** cancelled his appearance at an April 20, 2007 environmental forum in Miami, which Uribe was scheduled to attend. “I have been informed that he [Gore] will not attend the forum because he can’t [meet] with the Colombian president following the debate against the Uribe family and the president,” Uribe

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<sup>1</sup> Bush challenges Congress on free trade pact. April 7, 2008. CNN.

<sup>2</sup> Ibid.

<sup>3</sup> Bush Plan to Push Colombia Deal: ‘Outrageous Disregard for Human Rights’. Apr 7, 2008. AFL-CIO web page.

<sup>4</sup> A U.S.-Colombia Free Trade Agreement: Strengthening Democracy and Progress in Latin America. February 7, 2008. Free Trade Bulletin.

<sup>5</sup> Setting the Record Straight: Critics of Colombia Trade Agreement Ignore Facts. April 11, 2008. The White House.

told his countrymen in an April 19 televised press conference, during which he vigorously defended his family's honor.<sup>6</sup>

*\* **Nancy Menges** the co-founder of the Menges Hemispheric Security Project, is in charge of the weekly edition of CSP's Americas Report. Fluent in Spanish, she holds a degree in International Relations from the University of Wisconsin-Madison and has studied at the University of the Americas in Mexico City. Her postgraduate degree has been earned from the University of Maryland.*

*\*\*Below is an open letter to House Speaker Nancy Pelosi signed by 19 CEO's of American Corporations in support of the Free Trade Agreement with Colombia.*

**New Feature – From the Menges Hemispheric Security Project, we look forward to hearing from you at our blog: <http://themengesproject.blogspot.com/>**  
**Regards,**  
**The Staff of “The Americas Report.”**

**News Stories** –The following are a summary of several news stories found in different media outlets. To access the information, we have provided the hyperlink below each news story.

**[CEO Letter to Congress on Colombia FTA – Latin Business Chronicle.](#)**

**We urge Congress to strengthen American engagement and solidify American ties by approving the U.S.-Colombia Trade Promotion Agreement (TPA) as expeditiously as possible. The U.S.-Colombia TPA:** Will eliminate barriers to U.S. farm products, manufactured goods and services in the world's second largest Spanish-speaking country; will provide new sales opportunities for small, medium and large companies and their employees, as well as American farmers and ranchers; will promote sustainable and legitimate economic opportunities for the people of Colombia. Congress' vote on the U.S.-Colombia TPA will shape the next decade of America's engagement with our hemisphere; **Approval will strengthen ties with one of America's strongest allies in Latin America;** Approval of the U.S.-Colombia TPA will revitalize our commercial relations and send a strong signal to the entire Western Hemisphere of U.S. commitment and friendship at a time of considerable political and economic change. Delaying approval will not solve Colombia's internal problems – which Colombia's government, under the leadership of President Alvaro Uribe, continues to address with significant success. Delaying approval will undermine the U.S.-Colombia relationship, which has been a significant factor in promoting Colombia's progress. Our geographic proximity no longer guarantees an American competitive edge in the large and vibrant Latin American market. We urge all Members of Congress to look closely at what is at stake in our own hemisphere and vote to support American engagement and economic opportunity by approving the U.S.-Colombia TPA as expeditiously as possible. **Signed by:** Harold McGraw III, the McGraw-Hill Companies, Inc; Rex W. Tillerson, ExxonMobil Corporation; Gregory R. Page, Cargill, Incorporated; John G. Rice, GE Infrastructure; James W. Owens, Caterpillar, Inc; G. Richard Wagoner, Jr. General Motors Corporation; William R. Rhodes, Citibank N.A.; Samuel J. Palmisano, IBM Corporation; Neville Isdell, The Coca-Cola Company; Paul S. Otellini, Intel Corporation; Steven A. Ballmer, Microsoft; Richard K. Templeton, Texas Instruments

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<sup>6</sup> Colombian Scandal Undermining Congressional Support for Trade Deal. May 10, 2007. World Politics Review.

*Inc; Safra Catz, Oracle; George W. Buckley, 3M; A.G. Lafley, The Procter & Gamble Company; H. Lee Scott, Wal-Mart Stores, Inc.; Edward Gonzalez, Seaboard Marine, LPD; Anne M. Mulcahy, Xerox Corporation, Robert J. Ulrich, Target Corporation.*

<http://www.latinbusinesschronicle.com/app/article.aspx?id=1942>

#### **Pentagon concedes a US plane over flying Venezuelan air space – *El Universal*.**

**The Venezuelan government complained about another foreign incursion into Venezuelan territory. This time, it was a US Navy plane. The Pentagon confirmed in a press release the air incursion of a US aircraft into Venezuelan air space and attributed the event to airworthiness troubles.** “A US S-3 Viking aircraft conducting antinarcotics operations lost its navigational baselines causing it to fly into Venezuelan airspace off the mainland coast,” said in a communiqué the Joint Interagency Task Force South, whose main objective is to fight illegal drug trade in the Caribbean, AFP reported. “The support of the Venezuelan air traffic control has been highly appreciated as they rendered assistance in guiding the US aircraft to international airspace,” the communiqué added. “The incident is subject to an investigation,” the military notice stated.

[http://english.eluniversal.com/2008/05/20/en\\_int\\_art\\_pentagon-concedes-a\\_20A1591283.shtml](http://english.eluniversal.com/2008/05/20/en_int_art_pentagon-concedes-a_20A1591283.shtml)

#### **Chávez Seizes Greater Economic Power – *NYT*.**

**Faced with shortages of foods, building materials and other staples, President Hugo Chávez is intensifying state control of the Venezuelan economy through a new wave of takeovers of private companies and the creation of government-controlled ventures with allies like Cuba and Iran.** Foreign investment, which has hit record levels in several other Latin American countries, has fallen in Venezuela. As foreign interests reacted to Mr. Chávez’s socialist-inspired changes, including nationalizations last year of major electricity, telephone and oil companies, outside investment dropped to just \$500 million in 2007. In contrast, Peru, with a population comparable to Venezuela’s 27 million, received \$5.4 billion in foreign investment last year. Still, Mr. Chávez is pressing ahead with the takeovers of companies big and small. These include Sidor, a large, Argentine-controlled steel maker; cement companies owned by Mexican, Swiss and French investors; more than 30 sugar plantations; a large dairy products company; and a sprawling cattle estate on the southern plains. The state role in the economy is broadening as Venezuela’s once torrid growth has slowed somewhat, even though world oil prices have climbed to record highs. Private economists expect the economy to grow about 6 percent this year, compared with 8.4 percent in 2007. Mr. Chávez is testing new policies to curb a slide in the currency, the Bolívar, and restiveness over food shortages. Protests broke out this year in parts of Venezuela over food shortages and climbing food costs. Mr. Chávez is increasingly issuing threats of expropriation, against entities ranging from private hospitals to cacao plantations. Some of the most pointed criticism in this coup-prone country is coming from Mr. Chávez’s former military comrades. “Chávez is stimulating a pre-insurreccional climate in the country,” said Raúl Isaías Baduel, a retired general who was the top commander of Venezuela’s military until he broke with the president last year, saying Mr. Chávez was going beyond the law with some projects. The nationalizations, Baduel said, were part of a plan by Mr. Chávez “to annihilate the productive apparatus so that we depend more on petroleum income, which is to depend more on the state; to depend more on Chávez.”

[http://www.nytimes.com/2008/05/18/world/americas/18venez.html?\\_r=2&scp=1&sq=venezuelan+leader&st=nyt&oref=slogin&oref=slogin](http://www.nytimes.com/2008/05/18/world/americas/18venez.html?_r=2&scp=1&sq=venezuelan+leader&st=nyt&oref=slogin&oref=slogin)

#### **Iranian-Venezuelan bank organized by law – *El Universal*.**

The National Assembly released in the edition No. 38,933 of the Official Gazette dated May 19th the law on the organization of the bilateral Iranian-Venezuelan bank. According to the law, the financial entity will have an initial input of USD 1.2 billion - provided on equal proportions by the parties. The bank will finance any activities that foster the export of goods and services; issue bonds to be placed in the capital market and execute cooperation and technical assistance agreements with third parties. In addition to the bank, the congresspersons authorized the establishment of an Iranian-Venezuelan bilateral fund. This facility will handle USD 1 billion, out of which USD 500 million will be provided by Iran and the remaining USD 500 million will be offered by Venezuela through the Investment Fund (Fonden). [http://english.eluniversal.com/2008/05/21/en\\_eco\\_art\\_iranian-venezuelan-b\\_21A1594761.shtml](http://english.eluniversal.com/2008/05/21/en_eco_art_iranian-venezuelan-b_21A1594761.shtml)

#### **Venezuela and China boost ties with refinery deal – *El Diario Exterior*.**

Venezuela and China have agreed to build a refinery in China to process Venezuelan oil, advancing President Hugo Chavez's push to boost ties between the OPEC nation and one of the world's fastest-growing economies. **In a ceremony late on Friday, Venezuelan state oil company PDVSA and the largest Chinese oil and gas company PetroChina agreed to build a 400,000 barrel per day refinery in South China's Guangdong Province.** The joint-venture refinery, Venezuela's first such investment in China, will advance Chavez's goal of shipping to China 1 million barrels per day of oil by around 2011, or 13 percent of current Chinese oil demand. Venezuela ships nearly 300,000 barrels per day of oil and fuel to China, of which around 80,000 barrels are crude oil. PetroChina and PDVSA will supply the Guangdong refinery with oil produced from the Junín 4 block of the vast Orinoco heavy crude belt, which holds some of the largest oil reserves outside the Middle East. <http://www.eldiarioexterior.com/noticia.asp?idarticulo=20345>

#### **Pdvsa seeks USD 3.5-billion loan from Japan – *El Universal*.**

State-run oil holding **Petróleos de Venezuela (Pdvsa)** is taking steps to execute an agreement to access a loan for USD 3.5 billion from Japanese Sumitomo and Itachu Corporation. In accordance with the agreement, the loan will be paid with Venezuelan crude oil, said unofficial sources, as quoted by Dow Jones. Therefore, it is a future sale of oil, similar to a deal last year with Japanese Marubeni and Mitsui. The payment with Venezuelan oil will be made under a dispatch schedule yet to be defined. [http://english.eluniversal.com/2008/05/20/en\\_eco\\_art\\_pdvsa-seeks-usd-3.5-20A1591641.shtml](http://english.eluniversal.com/2008/05/20/en_eco_art_pdvsa-seeks-usd-3.5-20A1591641.shtml)

#### **ALBA plans to drill oil at the Orinoco Belt – *El Universal*.**

Under the Endorsing Law of the Energy Treaty of the Bolivarian Alternative for the Americas (ALBA), member nations, including Bolivia, Nicaragua, Cuba and Venezuela, will drill jointly oil from a block located at the Orinoco Oil Belt. The treaty is aimed at "ensuring a balanced energy matrix," in addition to a reasonable use of energy and development of energy alternative sources. The main goal is to "have available the oil resources that ensure their energy supply over the next 25 years." Therefore, state-run oil companies of each member country will organize a "grand-national" company named "Petroalba." "A grand-national company will act as a corporation of bilateral companies. [http://english.eluniversal.com/2008/05/21/en\\_eco\\_art\\_alba-plans-to-drill\\_21A1594799.shtml](http://english.eluniversal.com/2008/05/21/en_eco_art_alba-plans-to-drill_21A1594799.shtml)

#### **Peru, Brazil to build \$2 billion hydroelectric plant – *IHT*.**

Peru and Brazil are planning to build a US\$2 billion hydroelectric plant near their border in Peru's southeastern jungle. Peru's Ministry of Energy and Mines said in a statement Monday that the plant will have a capacity of 1,400 megawatts. A joint Peruvian-Brazilian company will begin feasibility studies for the project this month. Peru and Brazil signed 10 energy accords on Saturday, and state oil companies Petroperu and Petroleo

Brasileiro SA may also build a petrochemical plant in northern Peru to produce 700 million tons a year of polyethylene, a common plastic.

<http://www.iht.com/articles/ap/2008/05/19/business/LA-FIN-Peru-Brazil-Hydroelectric.php>

### **Chile's Bachelet welcomes Palestinian refugees fleeing violence in Iraq – IHT.**

**President Michelle Bachelet says Chile wants to become a “second fatherland” for 117 Palestinian refugees who fled violence in Iraq.** Bachelet says she knows what it’s like to “rebuild a life from zero” after spending several years in exile during Chile's 1973-1990 dictatorship. She spoke Thursday during an event to welcome the refugees at the government palace in Santiago. The Palestinians arrived in Chile recently and are settling in the capital and two nearby cities with help from the government.



Chile's President Michelle Bachelet. Source: Press TV.

<http://www.iht.com/articles/ap/2008/05/15/america/LA-GEN-Chile-Palestinians.php>

### **Ecuador's state oil company president resigned – CNN.**

**Fernando Zurita announced he is resigning because he did not meet the goals set by President Rafael Correa to reverse Petroecuador's declining production of crude, the country's main export.** Zurita became president of Petroecuador in November 2007. In December the state company's average daily production was 175,303 barrels a day. By April, it had fallen to 169,011 barrels a day. The goal was to raise production to 180,000 barrels a day. In a meeting with journalists, Zurita blamed the falling production on internal problems in Petroecuador and cumbersome administrative procedures. He said the fall in production was caused by failure to put new wells into production as planned.

<http://edition.cnn.com/2008/WORLD/americas/05/20/ecuador.oil.ap/>

### **Shining Path terrorist leader gunned down in shoot out with Peru's military – LIP.**

**Peru's military reported another victory on Sunday evening in their battle against remnants of the Shining Path terrorist group when they managed to locate the organization's second in command, Juan Laguna Domínguez.** Upon finding the group of terrorists, a shot-out took place between guerrillas and a Special Forces team, leaving Dominguez dead. The second in command's bodyguards made away with his body. Juan Domínguez, also known as Piero, Lee, Barbón or Clay II, was shot at 11 p.m. Sunday evening. A radio with the name “Clay 2” was also found by the military.

<http://www.livinginperu.com/news-6488-law-order-shining-path-guerrilla-leader-gunned-down-shoot-out-with-perus-military>

### **Bolivia rejects Peru's request to extradite Evo Morales' former advisor – LIP.**

**José García Belaunde, Peru's Minister of Foreign Affairs, affirmed on CPN Radio Monday morning that Bolivia's Supreme Court had made a “political decision” when ruling on the extradition of Walter Chavez.** Peru's government had requested that Walter Chavez, a former advisor for President Evo Morales, be extradited and taken to court to face terrorism charges. Bolivia's Supreme Court ruled on Friday that Walter Chavez, also the head of Morales' presidential campaign in 2005,

would not be extradited because he had been a political refugee since 1990. “I think Bolivia’s Supreme Court has made a political decision and not a judicial one, this is very lamentable. In Evo Morales’ case we have made known that we disagree with what that country’s Supreme Court has done,” said Belaunde. Peru’s Minister of Foreign Affairs assured that Walter Chavez had been a participant in the Túpac Amaru Revolutionary Movement (MRTA), a communist guerrilla movement in Peru. According to the Minister of Foreign Affairs, Chavez took part in the kidnapping and extortion of a Bolivian businessman. “If these are not crimes that should be taken to court then I don't know what should be taken before the court,” said Belaunde in disbelief.



Walter Chavez. Peruvian national, ex-MRTA member and former advisor for President Evo Morales. Source: Agencia Peru. <http://www.livinginperu.com/news-6368-politics-bolivia-rejects-perus-request-extradite-evo-morales-former-advisor>

#### [Morales backs campaign with Venezuelan checks – \*El Universal\*.](#)

**Bolivian President Evo Morales handed over last weekend checks for the amount of USD 271,000 granted by Venezuela, at the beginning of his “Yes” campaign ahead of a recall referendum next August 10th.** The vote will decide the destiny of Morales, his Vice-President and nine governors. Morales delivered last Sunday a USD 136,000-check in Cliza municipality, central Cochabamba department, intended to be spent in works and development of multiple projects, DPA reported. The president, who took part in a parade to commemorate the 170th anniversary of Cliza, promised to give the municipality USD 2 million as proceeds from the tax joint participation system.

[http://english.eluniversal.com/2008/05/20/en\\_int\\_art\\_morales-backs-campai\\_20A1591799.shtml](http://english.eluniversal.com/2008/05/20/en_int_art_morales-backs-campai_20A1591799.shtml)

#### [Bolivia: Santa Cruz Voters Stand Firm-Against Morales and for Democracy – \*Heritage\*.](#)

**Although pro-democracy, free-market forces appear to have scored a significant victory in a May 4 referendum about control of the country’s mineral-rich and economically more successful eastern lowlands, Morales and his followers will surely not give up their quest to subjugate the industrious and independent-minded Department of Santa Cruz.** Voters in the Department of Santa Cruz, which includes Bolivia’s largest and most industrialized city in the country’s agriculturally rich and energy-rich eastern lowlands, delivered a powerful rebuke to leftist President Morales by calling for the creation of a provincial legislature with broad powers to challenge the authority of the central government in La Paz. Among the most significant of these powers would be the authority to approve royalty agreements with foreign companies for the exploitation of the department’s abundant natural gas. Much of the tax revenue in Bolivia comes from levies on hydrocarbons, and Morales’ nationalization plans call for Santa Cruz to bear the heaviest costs of his politics of redistribution.

<http://www.heritage.org/Research/LatinAmerica/wm1929.cfm>

#### [Colombian Female FARC member Calls on Others to Surrender – \*VOA News\*.](#)

**One of Colombia’s best known female rebel commanders has called on other members of FARC to surrender one day after turning herself in. Nelly Avila Moreno, known as Karina, says she has been cut off from the leaders of the Revolutionary**

**Armed Forces of Colombia for years. She said the group is in disarray.** Avila turned herself in on Sunday. Her decision follows the March murder of FARC's second in command, Ivan Rios, who was killed by a bodyguard to collect a bounty. Authorities say Avila was responsible for massacres, kidnappings and attacks, including the murder of President Alvaro Uribe's father. Officials say Avila will be able to seek leniency under a law designed to encourage the demobilization of rebels.



Nelly Avila Moreno arrives for a press conference one day after surrendering to authorities in Medellin, Colombia, 19 May 2008. Source: AP.

<http://www.voanews.com/english/2008-05-20-voa40.cfm>

**[Colombia denies troops incursion – El Universal.](#)**

**Colombian Minister of Defense Juan Manuel Santos denied the deployment of Colombian troops in Venezuelan western Apure state, as denounced by the Venezuelan government in a diplomatic notice of protest.** According to Santos, an investigation of the armed forces found that there was no incursion. The Colombian troops “were doing nothing. I inquired already. We found building equipment and two Venezuelans without clearance in the Colombian department of Arauca.” Colombian Minister of Foreign Affairs Fernando Araujo said that there was no incursion and no notice of protest had been received.

[http://english.eluniversal.com/2008/05/19/en\\_int\\_art\\_colombia-denies-troo\\_19A1589119.shtml](http://english.eluniversal.com/2008/05/19/en_int_art_colombia-denies-troo_19A1589119.shtml)

**[Brazil is certain of regional support to South American Defense Council – El Universal.](#)**

**There is a favorable stance in the region towards the creation of a South American Defense Council, said on Monday Brazilian Defense Minister Nelson Jobim in La Paz.** Jobim added that such support could be made official during the Unasur summit next Friday in Brasilia. “I spoke to all and there is a position favorable to this institution. Some are more enthusiastic than others, but there is uniformity about the creation of the Council,” said Jobim after a meeting with Bolivian President Evo Morales, AFP reported. The Council suggested by Brazil is a pooling of regional defense policies, joint armies and peacekeeping forces, as well as a joint analysis of the international and hemispheric state of affairs.

[http://english.eluniversal.com/2008/05/19/en\\_pol\\_art\\_brazil-is-certain-of\\_19A1590081.shtml](http://english.eluniversal.com/2008/05/19/en_pol_art_brazil-is-certain-of_19A1590081.shtml)

**[Mexican drug violence claims second-in-command for Morelos' state police – IHT.](#)**

**Mexico's drug violence has claimed another top police official: the second-in-command in the central state of Morelos.** The body of Victor Enrique Payan was found with a second, unidentified Morelos state police officer late Tuesday in the trunk of a car south of Mexico City, city police official Miguel Amelio Gomez said Wednesday. Attached to their bodies was a message warning against joining the Sinaloa drug cartel, based in the northwestern state of the same name. The traffickers have responded with unprecedented violence, beheading police and killing soldiers.

<http://www.iht.com/articles/ap/2008/05/21/news/Mexico-Violence.php>

**Argentina Farmers to Suspend Strike – VOA News.**

**Argentina's four main farm groups have agreed to suspend their strike, which has halted grain exports from a major world supplier. Representatives of the farmers said Monday the strike will end on Wednesday.** The farm groups said they will allow grain to start moving to market in order to re-establish negotiations with the government on farm policy. After President Christina Fernandez de Kirchner announced an increase in export taxes in March, the farmers launched a three-week strike. They blocked highways, disrupting agricultural exports and causing food shortages. They suspended the strike in April to negotiate with the government but announced early this month they would resume their demonstrations. Ms. Fernandez has said the increased export taxes are aimed at redistributing wealth to poorer parts of society.

<http://www.voanews.com/english/2008-05-20-voa28.cfm>

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