



Inter-American Dialogue

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Featured Q&A With Our Board of Advisors

Q US Attorney General Alberto Gonzales last Wednesday announced the indictment of 50 leaders of Colombia's FARC rebel group for trafficking more than \$25 billion of cocaine into the United States and elsewhere. What is the significance of the move by the Justice Department, the largest drug-trafficking indictment in US history? Does it signal a greater commitment by the US to pursue the FARC? How will the US help to facilitate capture of the rebel leaders?

A Guest Comment: Adam Isacson: "The indictment's impact is mainly symbolic. It offers a strong show of support for President Alvaro Uribe as a vote on his re-election nears, and a declaration that the Bush administration now considers the FARC to be its main target in Colombia. However, should the FARC ever enter into negotiations with the Colombian government, its members will be shielded from extradition under the same law that has made it impossible to hand over drug-traffickers in the paramilitary leadership. The indictment is also symbolic because, other than an offer of reward money, it came with no announcement of increased funding to locate and arrest wanted guerrilla leaders. Apprehending the FARC's top leadership would require a massive, complex, and expensive intelligence operation, involving sophisticated technology and generous incentives to informants. Mark

Bowden's 2001 book *Killing Pablo* noted that, during the 1992-93 manhunt for drug boss Pablo Escobar, 'there were so many American spy planes over Medellin, at one point 17 at once, that the Air Force had to assign an airborne command and control center to keep track of them.' Yet while Escobar kept to an urban setting, the FARC 'fugitives' move throughout Colombia's vast jungle, protected by rings of security. Unless the US or Colombian governments are about to assume the large expense that such a manhunt would require—which doesn't appear to be the case—last week's indictment is just a piece of paper."

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PHOTO OF THE DAY



US President George W. Bush on Monday called for a "civil and dignified" debate on immigration." See related story on page 2.

Photo: White House.

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NEWS BRIEFS

Fox: Senate Bill Brings Goal of Legalization Closer

Mexican President Vicente Fox said that the bill approved Monday by the US Senate Judiciary Committee brings Mexico one step closer to his government's goal of "legalization for everyone" who works in the United States. Fox credited the bill's passage in part to the thousands of Mexican immigrants in the US who marched over the weekend in favor of some of the proposals that were included in the bill.

Source: Associated Press

At UN, Preval Says International Aid Vital to Haitian Democracy

Haitian President-elect Rene Preval appealed to world governments on Monday to step up long-term development aid to his impoverished Caribbean nation or risk undermining democracy. Preval, speaking at a meeting of the United Nations Security Council, said reform of the Haitian police force and legal system would be necessary to restore the rule of law. Preval's April 29 inauguration is expected to be postponed until May due to delays in second round legislative elections.

Source: Reuters.

Poll: Lopez Obrador Holds Seven-Point Lead Over Closest Rival

Andres Manuel Lopez Obrador, the frontrunner in the run-up to Mexico's July 2 presidential election, holds a seven percentage point lead over his closest rival, according to a poll released Monday by **Consulta Mitofsky**. The poll gave Lopez Obrador of the leftist PRD party 38 percent voter support, versus 31 percent for Felipe Calderon of the ruling PAN party. Roberto Madrazo of the opposition PRI was in third place with 29 percent.

Source: Reuters.

Political News

US Senate Committee Approves Controversial Immigration Bill

The US Senate Judiciary Committee on Monday approved an immigration reform bill that would allow the nation's millions of illegal immigrants a chance to legalize their status and create a guest-worker program favored by President George W. Bush. The Committee's bill, which could be taken up by the full Senate later this week, is in stark contrast to a bill passed late last year by the House, which snubbed Bush's guest-worker proposal in favor of greater law enforcement and border security, including the proposed construction of a 700-mile wall along the US-Mexico

Senate and by the House, where critics have said they will oppose anything that resembles "amnesty." Senate Majority Leader Bill Frist, a potential presidential candidate in 2008 who aides say is reluctant to move forward with legislation that did not have the backing of a majority of the Republicans on the Judiciary Committee, could substitute his own bill, which emphasizes border security, according to the *Times*. Bush on Monday called for a "civil and dignified" debate on immigration and said a new, sensible approach to immigration would bring undocumented workers "out of the shadows" as valued contributors to the US economy. "Completing a comprehensive bill is not going to be easy," Bush said, speaking at the swearing-in ceremony of 20 newly naturalized US citizens Monday. According to

The Judiciary Committee's bill is expected to encounter fierce opposition within the Senate and by the House, where critics have said they will oppose anything that resembles "amnesty."

border. Under the Judiciary Committee's bill, the estimated 12 million illegal immigrants living in the US would be able to embark on a long path toward "earned citizenship," provided they hold jobs, pass criminal background checks, learn English, and pay fines and back taxes. In addition, some 400,000 immigrants would be allowed to come to the United States to work each year under a guest-worker program, and these workers would be put on a path to citizenship as well, according to *The New York Times*. The Committee's bill rejects a House proposal to criminalize illegal immigration and includes an amendment to protect from prosecution groups and individuals that offer humanitarian assistance to illegal immigrants. The Committee legislation on Monday also would more than double the current force of 11,300 Border Patrol agents in an effort to curb the flow of new undocumented workers arriving daily, criminalize the construction of tunnels into the US from another country, and speed the deportation of illegal immigrants from countries other than Mexico. The bill is expected to encounter fierce opposition within the

an NBC News/*Wall Street Journal* poll conducted two weeks ago, 56 percent of Americans believe the US should not grant temporary worker status to illegal immigrants. Business groups, including the US Chamber of Commerce, support the idea of a new guest-worker program.

Economic News

Palocci Steps Down as Finance Minister, Replaced by Guido Mantega

In a blow to the government of President Luiz Inacio Lula da Silva ahead of Brazil's October presidential election in October, Antonio Palocci resigned Monday as Brazilian finance minister under the weight of corruption allegations. Lula quickly named ruling party loyalist Guido Mantega, president of Brazil's national development bank, or BNDES, as Palocci's successor, and Mantega moved to assure markets that the conservative fiscal and economic policies implemented under Palocci would not change. "Economic policy won't change," Mantega was quoted by

Reuters as telling reporters. "It is not the economic policy of one minister, it is the policy of President Lula." Palocci had been dogged by corruption charges for several months. The opposition Brazilian Social Democratic Party last Thursday submitted a proposal in Congress seeking Palocci's impeachment, saying three congressional witnesses testified that Palocci visited a house where government bribes were divided by former aides and friends while he was mayor of the city of Ribeirao Preto. In addition, yesterday police said they plan to question Palocci as to his possible involvement in the illegal disclosure to the media of the financial history of one of the witnesses in an apparent attempt to discredit the individual, the caretaker at the house where the alleged misdeeds took place. Jorge Mattoso, president of state-owned savings bank **Caixa Economica Federal**, also resigned on Monday after telling police that he had passed on the caretaker's private financial information to Palocci. Shortly after Palocci's resignation, **Standard & Poor's** issued a press release stating that his departure would not impact Brazil's credit ratings. "Finance Minister Palocci's policies embodied prudence but, in our view, this was government policy and not the minister's personal strategy," S&P credit Lisa Schineller analyst was quoted as saying in the release. However, **UBS** said in a research note published this morning that "the appointment of Mantega, formerly President Lula's planning minister, and a trusted friend of the president, would not necessarily represent strict continuity with the conservative policies promulgated by Palocci." UBS said it does not believe Mantega "is convinced that high fiscal primary surpluses are essential" and noted that Mantega has criticized interest rate policy and the strength of Brazil's currency, the real. Brazilian markets posted declines in early trading this morning, which analysts attributed to the appointment of Mantega, despite his assurances of policy continuity and pledge to respect the government's primary budget surplus target. Vice Finance Minister Murilo Portugal



Mantega
Photo: Agencia Brasil.

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Featured Q&A

Continued from page 1

A **Guest Comment: Sergio Jaramillo:** "The indictment of the 50 FARC leaders will have far-reaching consequences for peace and security in Colombia. But it is not clear that the problem has been properly thought through in Washington. First, it is not likely that the indictment will be an effective mechanism in the US war against drugs. Never before have the Colombian armed forces been under such pressure to capture the FARC leadership as in the nearly four years of the Uribe government, nor have they had so many resources to do so. And yet no top-ranking FARC leader has been captured, although there have been some near-misses and some important captures or casualties among mid-level commanders. So all in all the chances that the

situation will change radically in the next four years are slim. The added resources of the US bounties may facilitate things in the short term, and more than one mid-level commander will now think twice before getting deeply involved in the drug trade. But the end result will be

“ ... The end result will be nothing like the 'deck of cards' in Iraq.”

– Sergio Jaramillo

nothing like the 'deck of cards' in Iraq. The territorial spread of the FARC throughout Colombia's abrupt geography and along its long, unguarded border areas makes it extremely unlikely that a majority will be captured ... Second, the

Continued on page 4

also resigned on Monday, reportedly out of disappointment he was passed up for Palocci's job.

Company News

Telemundo President Criticizes Televisa as Anti-Competitive

US Spanish-language broadcaster **Telemundo** on Monday criticized Mexican broadcaster **Televisa** as anti-competitive and said it would be better if the company did not increase its stake in US rival **Univision**, Reuters reported. "Televisa is very anti-competitive in Mexico, yet they want to be more open in the United States," Telemundo President Don Browne was quoted as saying. "I think it's healthier if they don't [gain control]." Browne said that Telemundo has been "frozen out" of the Mexican market and warned that "people should keep their eyes wide open" with regard to the possibility of Televisa increasing its stake in Univision. Telemundo is the second-largest Spanish-language broadcaster in the US after Univision. Last month,

Univision announced that it was considering "strategic alternatives," including its possible sale. Televisa, which together with Venezuela's **Venevision** already own nearly 25 percent of Univision and provides 90 percent of Univision's programs as part of a deal that expires in 2017, has been named as a likely investor in an additional stake in the company. However, earlier this month Televisa denied media reports that it had plans to bid on Univision, although it did say it was considering alternatives. Private equity groups are exploring an offer for Univision, which could fetch more than \$10 billion, and are courting Televisa, according to Reuters. Analysts have said Televisa would need to bid for Univision through a group of investors in able to get around US laws which restrict foreign ownership of television stations to 25 percent. Univision is currently embroiled in a legal fight with Televisa over the two companies' programming agreement. Univision, which has been growing steadily in recent years, is increasingly challenging the four major US television networks, while it expands into other media, such as radio and the Internet.

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indictment will certainly make peace more difficult in Colombia. The FARC are not the paramilitary. They fear extradition, but they will not negotiate as the paramilitaries have in order to get the extradition warrants off their backs. On the contrary, they may become more recalcitrant, because in any negotiation they would have to take it on trust from the government that they will not be extradited later. And if there is one thing the FARC do not do, it is trust the government. The indictment may instead have two unintended consequences: it may boost FARC morale, when the number of captures are measured against the 50 arrest warrants in four years time; and it may give convenient cover to congressmen close to the paramilitaries, who can now introduce legislation in Congress to abolish extradition 'in the name of peace.' So the US will end up with a few extradited members of the FARC at best and possibly with no extradition mechanism. And Colombia with no peace ..."

A Guest Comment: Phillip McLean: "It is misleading to speculate that the 50 indictments are a gesture to help President Alvaro Uribe in his election campaign or a signal of US intention to become more directly involved in the struggle against the FARC. Uribe doesn't need—and probably would prefer not to have—this kind of help. He has a comfortable lead pointing to a probable victory May 28 in the first round of the presidential election. US training and materiel assistance to Colombian security forces are important, but all the talk in Bogota is about how to keep the current level of US aid from shrinking too fast. The country is gearing up to grow and sustain on its own the police and armed forces needed to keep the FARC and other violent groups in check. My interpretation of the announcement is that once again the United States is helping Colombia stay focused. Colombians, God bless them one and all, have a deep and seemingly unchanging trust in negotiation rather than judicial processes. They don't believe the courts, even

the much reformed Colombian justice system, can deal with the country's lawlessness. The US role is to remind the world that, whatever vestiges remain of its political origins, the FARC today is a significant and growing criminal organization whose leaders will best be restrained by the threat of being brought before the bar of justice."

A Guest Comment: Steve Johnson: "US Attorney General Gonzales was right to issue indictments against the FARC cupola. Other countries impacted by the FARC's terrorism and drug trafficking should follow suit. Moreover, Latin American states and the European Union should deport FARC representatives in a sign of solidarity with the Colombian public. However, no one should doubt that Colombians might want first crack at the terrorist leaders who have caused their country so much pain in order to bring them to justice or use some as bargaining chips for demobilization. That's why it will be important for US officials not to get ahead of Colombian counterparts in corralling these marauders. Plan Colombia has worked so far because of the commitment and efforts of the Colombian state in driving the guerrillas and paramilitary forces more and more into the hills. If it becomes a US show, Colombian public opinion may build in the FARC's favor. And, of course, the challenge for years has been to locate these outlaws."

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