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## Featured Q&A With Our Board of Advisors

**Q** Two weeks ago, Mexico and Venezuela took steps toward establishing friendlier diplomatic relations, appointing ambassadors after a two-year chill in relations prompted by a verbal spat between ex-Mexican President Vicente Fox and Venezuela's Hugo Chavez. What is the outlook for Mexico-Venezuela relations? Will they continue to clash at regional fora on issues such as trade and others?

**A** **Board Comment: Andrés Rozental:** "There were many reasons for the chill in Mexico-Venezuela relations over the last four years, most of which were not directly related to the clash of personalities between President Vicente Fox and Hugo Chavez. Venezuela's path under Chavez has substantially moved the country toward a fundamentalist brand of socialism and populism that is diametrically opposed to how Mexico and its recent PAN administrations view the region and the issues of social and economic development that face our peoples. Speeches by Chavez questioning Mexico's relations with the US and his diatribes against the Bush administration were part of the reason for the breakdown, but so too was the political activism by the previous Venezuelan ambassador to Mexico and Chavez's verbal and, some believe, financial support for Andres Manuel Lopez Obrador in our last presidential election. Chavez's repudiation of

the free trade agreement among Venezuela, Colombia, and Mexico was another reason for the chasm between us. Finally, his indiscriminate use of unprecedented oil revenues to increase Venezuela's influence in the region, rather than to address urgent development issues within his country, are also examples of how differently Mexican presidents and Chavez see their respective roles. Although it is always better to have normal diplomatic relations and to engage in dialogue, the recently announced exchange of ambassadors will not in and of itself mean a quantitative or qualitative shift in the divergence between Mexican and Venezuelan policies. Chavez's recent

*Continued on page 4*

### PHOTO OF THE DAY



Mexican President Felipe Calderon met with Canadian Prime Minister Stephen Harper this weekend ahead of a two-day summit between Calderon, Harper and US President George W. Bush. See [story](#) on page 2.

*Photo: Los Pinos.*

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## NEWS BRIEFS

**Markets in Brazil, Mexico Rebound After Fed Cuts Rate**

Markets in Brazil and Mexico rose Friday after the US Federal Reserve cut its primary discount rate on loans to banks in response to concerns over a global credit crunch and recent widespread market volatility. In Mexico, the benchmark IPC stock index closed 2.58 percent higher at 28,510.66 points, its biggest gain in five months, while the peso strengthened 1.34 percent to 11.0905 per dollar, Reuters reported. In Brazil, the Bovespa stock index rose 1.1 percent after falling six straight sessions, while the country's currency, the real, rose 3.3 percent to 2.0246 reals per dollar, its biggest gain since October 2002, according to Bloomberg News.

**Peru to Speed Up Reconstruction Plans in Wake of Earthquake**

Peru's government will speed up reconstruction plans following last week's earthquake, the worst to hit the country in more than 30 years, Bloomberg News reported early today. President Alan Garcia said the government will not create new taxes to finance reconstruction, but will guarantee financing by postponing less urgent projects.

**Menem Loses Governor's Race**

Former Argentine President Carlos Menem lost Sunday's race for governor in the western province of La Rioja, ending a comeback bid, the Associated Press reported. With 88 percent of the vote counted, incumbent Governor Luis Beder Herrera, an ally of current President Nestor Kirchner, appeared to have won the election with 41 percent of votes, while the 77 year-old Menem, who served as president from 1989 to 1999, finished third with 22 percent.

## Political News

**North American Leaders Holding Two-Day Summit in Canada**

US President George W. Bush, Canadian Prime Minister Stephen Harper, and Mexican President Felipe Calderon are expected to discuss the state of the global economy and the progress toward greater North American integration during a two-day summit in Montebello, Quebec that starts today, Reuters reported. Bush will have separate one-on-one meetings with Harper and Calderon during the summit. It will be Bush's first face-to-face meeting with Calderon since comprehensive immigration legislation collapsed in the US

*At the summit, Bush will have his first face-to-face meeting with Calderon since comprehensive immigration legislation collapsed in the US Congress last month.*

Congress last month. The meeting also comes as the US finalizes a proposed counterdrug aid package for Mexico said to be the biggest such assistance package after the multibillion dollar, multiyear Plan Colombia. Calderon spent Saturday and Sunday at Harper's summer residence, where the two discussed ways to deepen bilateral ties. Also on the agenda for the summit between the North American leaders are global competitiveness, the safety of food and products—including Chinese-made toys—energy, the environment, and secure borders, Reuters reported. [Editor's note: look for Q&A on the summit this week in the *Advisor*.]



Harper (left) and Fox at Harper's summer residence in Canada this weekend.

Photo: Los Pinos.

**Hurricane Dean Glances Off Jamaica, Heads Toward Yucatan Peninsula**

The Cayman Islands, Mexico's Yucatan peninsula, and Belize braced for the arrival of powerful Hurricane Dean, which glanced off Jamaica's southern coast Sunday after earlier killing at least eight people in the Caribbean. In the Caymans, authorities imposed a curfew and evacuated tourists, according to the Associated Press. Dean was expected to pass to the south of the British territory, but the government said it still posed a "significant threat." As of 5 am this morning, the Category 4 hurricane, with maximum sustained winds near 150 mph, was about 115 miles southeast of Grand Cayman and about 495 miles east of Belize City, accord-

ing to the National Hurricane Center. In Mexico, travelers slept on floors at Cancun's international airport, hoping to get one of the last flights before Dean's arrival, the AP reported. Jamaica avoided a direct hit on Sunday, as Dean passed to the south, and there were no reports of deaths on the island from the storm, which uprooted trees, flooded streets, and tore the roofs off several homes, businesses, and other buildings. The government urged Jamaicans to stay in some 1,000 shelters during the storm, but only a handful of shelters were reportedly occupied amid fears by residents they would lose their belongings if they abandoned their homes. Jamaican Prime Minister Portia Simpson Miller declared a month-long state of emergency and called a cabinet meeting to discuss the potential impact on the country's August 27 general elections, according to Reuters. In St. Lucia and Martinique, the hurricane wiped out the two islands' entire banana crop. Forecasters have predicted the six-month hurricane season, which officially began June 1, would be more active than average with up to 16 named storms, according to Reuters. In 2004 and 2005, a

series of hurricanes struck the United States, the Caribbean and Central America, killing hundreds and causing billions of dollars in damage.

### Chavez to Visit Colombia to Help Talks Toward Hostages' Release

Venezuelan President Hugo Chavez will visit Colombia later this month to try to push forward talks aimed at freeing rebel-held hostages, Reuters reported on Saturday. The leftist Chavez will meet with conservative Colombian President Alvaro Uribe on August 31, said Colombian opposition Senator Piedad Cordoba, who has close ties to Chavez and helped arrange the meeting, according to the report. "The goal is to advance talks toward a hostage exchange," Cordoba was quoted as saying. "The exact agenda for the meeting will be defined in the days to come." Negotiations over a possible swap of hostages for rebels held in government prisons have been at an impasse in Colombia. Uribe has rejected the FARC rebel group's demand that he withdraw security forces from a New York City-sized rural area to provide a safe haven for the talks. The FARC holds dozens of hostages, including 2002 presidential candidate Ingrid Betancourt and three US defense contractors.

## Company News

### Monsanto Wins Initial Approval for Genetically Modified Corn in Brazil

US agriculture company **Monsanto** said Friday that a Brazilian government biosafety committee approved the company's genetically modified corn, a first step toward commercial use by Brazilian farmers of the insect-resistant seed. In a press release, the St. Louis-based Monsanto said approval by the Brazilian National Biosafety Technical Committee, which is managed by the ministry of science and technology, "brings the technology closer to reality for Brazilian farmers." The approval may be followed by a review from the National Biosafety Council (CNBS) to examine social and economic factors, Monsanto said. The corn variety,

## The Dialogue Continues

### What are the Implications of Americans' Ignorance of Latin America?

**Q** According to a poll released August 10 by Zogby International, Americans appear to know very little about Latin America, with only 20 percent saying they are familiar with Mexican President Felipe Calderon and Colombia ranked as the US' third least helpful ally in the region, behind Cuba and Venezuela. What are the implications of Americans' ignorance of Latin America for US policy toward the region? How does ignorance of the region play into US electoral politics?

**A** **Guest Comment: George W. Grayson:** "The size of our country means that US citizens are extremely parochial. As a result, our image of Latin Americans springs largely from three factors. Individuals whom we encounter during vacations to Cancun, Acapulco, and other resorts; images presented in the mass media; and our day-to-day contacts, which, regrettably, are often Mexican or Central American immigrants who are seeking day jobs. Although our lack of worldliness is unfortunate, decision-makers in Washington who are much more cosmopolitan tend to chart our policy toward other nations. While they have a better understanding of the political climate, they often are tone-deaf when it comes to the views of the proverbial 'man in the street.' For instance, the Miami-based anti-Castro lobby has shaped the United States' hostile rela-

tions toward Cuba even as many Americans—especially farmers in the Midwest—are eager to jettison the Helms-Burton Act and normalize trading relations. At the same time, Washington's elites have a difficult time appreciating grassroots opposition to legalizing the status of Latin Americans and other foreigners who have broken our laws to enter this country. In general, this attitude—reflected in virtually every public opinion poll during the last two decades—springs from concerns over crime, crowded hospital emergency rooms, pressure on classroom space, and the deterioration of housing developments crammed with aliens. Meanwhile, power brokers—eager to propitiate big business (Republicans) or ingratiate themselves with Hispanics (Democrats)—tend to decry such sentiment as 'nativistic,' 'xenophobic,' or 'racist.' In many ways, the views of America's elites and masses toward Latin America resemble two ships passing in the night—with neither having an accurate fix on the countries of the Hemisphere."

**George W. Grayson** is a Professor of Government at The College of William & Mary.

*Editor's note: the above is a continuation of a Q&A published in the August 16, 2007 issue of the Advisor.*

known as MON810, produces a naturally occurring protein called Bacillus thuringiensis, which helps the corn plant protect itself from feeding damage caused by harmful insects, including corn borer, helping farmers increase yields and reduce the application of pesticides, according to the company. Monsanto is seeking to increase its share of the Brazilian corn-

seed market, the world's third-largest after the US and China, by offering hybrids that boost yields, according to Bloomberg News. Monsanto's share of Brazil's hybrid corn-seed sales dropped to 34 percent in 2006, one percentage point down from 2004, Bloomberg News reported, citing a May 30 presentation by company CEO Hugh Grant.

**Featured Q&A***Continued from page 1*

decision to yet again change the Venezuelan Constitution to allow for his indefinite re-election is just one of the issues that run completely counter to the Mexican case, where a single six-year term has been the rule since 1917. Having said this, a renewed dialogue between the two governments could potentially lead to joint cooperative programs in the areas of energy, poverty reduction, public health, and others that both countries espouse and are working to address internally and regionally."

**A** **Guest Comment: Saúl Ortega:** "There is a historic relationship between Venezuela and Mexico of brotherhood, of friendship, of cooperation, and of commitment to Latin America. The Mexican people and their culture are well known and loved in Venezuela, and relations between both peoples are excellent. Unfortunately, Mr. Fox's behavior broke with traditional Mexican foreign policy when he turned his back on Latin America and turned himself over to the whims of the empire. He hurt relations with Venezuela and other Latin American countries, such as Cuba and others ... When the empire broke relations with Cuba, all of the other Latin American presidents maintained relations in an autonomous and sovereign manner. With Fox this sovereignty was lost, and he became practically a rug [under] Mr. Bush. Many Mexicans and Central Americans were deceived by this, and Fox didn't raise a finger to protest the massacre that is happening on the Mexican border. Now, they are building an undignified wall. The arrogant wall proved Mr. Bush's disdain for Latin America, and Fox practically applauded this US initiative. Thus, he is the one responsible, along with other lapdogs of the empire. Now, Calderon has taken the reins in Mexico and has recently made a positive decision to re-establish firm, friendly relations between Latin American countries. I'm optimistic [about relations] given that the interests of the Mexican people are the same as those of the Venezuelan people. Of course, there won't be a lack of

provocations from Washington through all of the State Department's mechanisms. The empire has no interest in seeing Latin America unified and strengthened because, in practice, it would mean breaking the relationship of dependence, of plunder, and of disrespect which the empire has traditionally maintained with our continent ... Mexico has been a victim of the territorial pillage by way of expansionist imperialist violence. We hope Mexico will aim for good Latin American relations. So, we'll find ourselves playing a new role in establishing better Latin American relations."

**A** **Guest Comment: Riordan Roett:** "This is part of the realignment of Mexican foreign policy under President Calderon. A recent visit by President and Mrs. Kirchner to Mexico City and an invitation from Kirchner for Mexico to join Mercosur indicates that South America is revisiting its ties with Mexico. President Lula of Brazil visited soon after and indicated that closer ties with Mexico were desirable and welcome. The mayor-elect of Buenos Aires, Mauricio Macri, has also called on President Calderon. Given the stalemate in US-Mexican relations, and Calderon's desire to overcome the poor relations of the Fox administration with South America, a rapprochement with the continent in general and with Venezuela was inevitable. There is no question that there will continue to be major policy differences between Caracas and Mexico City, but the Calderon initiative to work more closely with all of the countries in the Hemisphere is overdue."

**Andrés Rozental** *is a member of the Advisor board and Chairman of the Board of Trustees of the Mexican Council on Foreign Relations.*

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