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FEATURED Q&A

Do Murder Accusations Threaten Guatemala's President?

Q Last month, opponents of Guatemalan President Alvaro Colom submitted a petition with 35,000 signatures demanding that Colom be stripped of his immunity from prosecution over allegations that he ordered the killing of lawyer Rodrigo Rosenberg. Will Colom lose his immunity? How seriously is Colom's presidency threatened by Rosenberg's posthumous accusation, which Colom has denied? What needs to be done to get crime out of Guatemalan politics?

A **Guest Comment: Francisco Villagrán de León:** "President Alvaro Colom was clearly taken off guard by the video left by Mr. Rosenberg, as was Guatemalan society as a whole. The president, who did not know Mr. Rosenberg personally, condemned his assassination and ordered a full investigation to clarify the circumstances and bring those responsible to justice. That investigation is currently taking place and, at the president's request, is being assisted by the UN International Commission Against Impunity in Guatemala (CICIG). The petition to strip President Colom of his immunity from prosecution will take its due course in the judicial system, but it should properly be linked to the investigation into Mr. Rosenberg's death. In general, before any court considers lifting a high government official's immunity, it needs to be presented with evidence of that official's wrongdoing. Here, it is important to note

that the president's political opponents and business leaders are no longer asking for his resignation or even his temporary departure from office. The assessment of OAS Secretary General Jose Miguel Insulza, who visited Guatemala last week, is that the crisis does not represent a serious threat to Guatemala's political stability or President Colom's government. The question 'how to remove violence from politics in Guatemala' misstates the issue. Guatemala is not the same country it was 25 years ago, and the assumption that there

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Organization of American States Votes to End Cuba's Suspension

The Organization of American States voted Wednesday to revoke the 1962 resolution that suspended Cuba's membership. Cuban officials have repeatedly criticized the OAS, calling it a tool of the United States. See story on page 2.

Photo: Organization of American States.

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NEWS BRIEFS

Airline Tells Families to Abandon Hope of Finding Survivors

Air France has told family members of Flight 447 passengers that there is no hope that any of the 228 people aboard survived, the Associated Press reported today. Investigators believe the jet that crashed into the Atlantic Ocean Sunday night after departing Brazil may have broken apart in flight as it flew through a severe storm. The plane, which was bound for Paris, crashed after experiencing a range of problems including failure of its electrical system and the loss of cabin pressure.

Brazil's Cyrela Not Planning to Sell Shares or Debt: Official

Brazilian homebuilder **Cyrela Brazil Realty SA Empreendimentos & Participacoes**, the country's largest, has no plans to sell shares or debt, the company's director of investor relations, Luis Largman, said Wednesday, reported Bloomberg News. "Cyrela doesn't intend to sell any shares, and any plans will be communicated" through securities filings, Largman said.

Mexican Government Grounds Aviacsa Fleet After Inspections

The Mexican government has grounded 25 aircraft of low-cost carrier **Aviacsa**, effectively shutting down the airline. Mexico's aviation authority said an inspection of Aviacsa's fleet showed "irregularities that posed risks to aviation and danger for the transportation of persons and goods," according to a government Web site. It gave Aviacsa 60 days to resolve the "anomalies." On Tuesday, Aviacsa said the inspections had not proven its aircraft were unsafe and that it had sought legal action to block the government's suspension.

Political News

Organization of American States Ends Cuba's 47-Year Suspension

The Organization of American States on Wednesday voted to strike down the 1962 resolution that suspended Cuba's membership in the organization, the Associated Press reported. The vote does not automatically mean that Cuba will join the 34 OAS nations as a full member, as Cuban officials have repeatedly criti-

In an essay published Wednesday, former Cuban President Fidel Castro wrote that the OAS should not exist.

cized the organization as subservient to the United States. In a statement Wednesday, the Cuban government said it was pleased that the OAS repealed the suspension, calling it "an historic day," reported EFE. Cuba also reiterated that it does not want to return to the organization. However, if Cuba does decide to rejoin, the OAS is calling for "a process of dialogue" with Cuba, alluding to discussions on democracy and human rights, the AP reported. "This is a moment of rejoicing for all of Latin America," Ecuadorian Foreign Minister Fander Falconi said after the vote in San Pedro Sula, Honduras. US Secretary of State Hillary Clinton had pressed for requiring Cuba to take on democratic reforms in order to be readmitted to the OAS. Clinton left the meeting before the final vote, which was taken by consensus. In an essay published Wednesday in Cuban newspapers, former Cuban President Fidel Castro wrote that the OAS should not exist and has "opened the doors to the Trojan horse," meaning the United States, to cause problems in Latin America.

Al Qaeda Threatens to Smuggle Weapon into US From Mexico

US authorities have confirmed the authenticity of a video showing an Al

Qaeda recruiter threatening to bring a biological weapon into the United States through tunnels running beneath the Mexican border, *The Washington Times* reported Wednesday. The video was broadcast in February by the Al Jazeera network and was later placed on several Internet sites. The video shows Abdullah al-Nafisi, a Kuwaiti dissident, describing Al Qaeda efforts to study the US-Mexican border in order to determine how to smuggle weapons and terrorists into the United States. "Four pounds of anthrax—in a suitcase this big—carried by a fighter through tunnels from Mexico into the US are guaranteed to kill 330,000 Americans within a single hour if it is properly spread in population centers there," he told a gathering of supporters in the video. "What a horrifying idea; 9/11 will be small change in comparison." The US takes threats like the one in the video seriously, said Sean Smith, a spokesman for US Homeland Security Secretary Janet Napolitano. "We can never stop being vigilant while there are individuals who seek to do harm on the American people," Smith said. "We continue to step up our efforts with additional personnel and better technology along the northern and southern borders and continue to strengthen our sea, land and air ports of entry."

Economic News

Brazilian State Development Bank Sells \$1 Billion in Bonds

Brazil's state development bank, BNDES, has sold \$1 billion of 10-year bonds as part of its plan to expand financing, Bloomberg News reported Wednesday. The bonds yield 3 percent above US Treasuries. The Rio de Janeiro-based bank is increasing lending by up to 30 percent this year to 120 billion reais, said BNDES' president, Luciano Coutinho. The bank plans to provide farmers 10 billion reais



Coutinho
File Photo: BNDES.

in financing this year along with 1.3 billion reais for the ethanol industry, Coutinho said earlier this year. In addition, BNDES plans to lend \$4 billion to Venezuela, Venezuelan President Hugo Chavez said last week. Britain's **HSBC Holdings** and US-based **Goldman Sachs Group** are managing the bond sale. In May of last year, the bank sold \$1 billion of 10-year bonds.

Company News

Grupo Mexico Ordered to Escrow \$8.8 Bn in Southern Copper Stock

A federal judge in the United States has ordered **Grupo Mexico** to place \$8.8 billion in **Southern Copper** stock into escrow as it appeals a loss in a Texas courtroom, Bloomberg News reported Wednesday. In the courtroom loss, Grupo

Grupo Mexico's Americas Mining unit lost its legal battle in which it was accused of plunging Asarco into bankruptcy.

Mexico was ordered to return \$1.38 billion in cash and 260 million Southern Copper shares to **Asarco LLC**. In his ruling, US District Judge Andrew Hanen, based in Texas, said he would not require Grupo Mexico, the country's largest miner, to escrow any cash. Hanen said that would constitute "an undue burden." Last year, Grupo Mexico's **Americas Mining** unit lost its legal battle in which it was accused of plunging Asarco into bankruptcy through actions including taking away Southern Copper shares. The Grupo Mexico unit is appealing. Usually, companies that appeal a court ruling must post bond in an amount equal to the judgment's value. Hanen ruled Grupo Mexico could post 260 million shares in addition to shares worth twice the cash part of the judgment. That amount totals about \$8.8 billion. Grupo Mexico wants to retake control of Asarco through a proposed bankruptcy reorganization plan.

Featured Q&A

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continues to be widespread political violence is simply wrong. Violence does indeed continue to be a major problem,

“The assumption that there continues to be widespread political violence is simply wrong.”

— *Francisco Villagrán de León*

but the challenge today is from organized crime (including gangs) and narco-trafficking. This is by far the most serious security problem and is the real threat to governance.”

A Guest Comment: Donald J. Planty: "I doubt that Colom will lose his immunity over the allegations that he ordered the killing of lawyer Rodrigo Rosenberg, the petitions notwithstanding. Public outrage is usually short-lived in Guatemala and rarely produces major political change. Nevertheless, the accusation is a serious blow to Colom's presidency, given the less-than-credible government handling of the situation. This series of

“This series of events ... raise troubling questions about the penetration of the government by organized crime.”

— *Donald J. Planty*

events, viewed against the backdrop of the scandal surrounding video and listening devices on the presidential premises and the sudden departure of security chief Quintanilla—not to mention the killings of the Salvadoran parliamentarians—raise troubling questions about the penetration of the government by organized crime. Much of this penetration

originally occurred during the Portillo presidency and is deeply embedded in the Guatemalan system. Two things need to happen to wring crime out of the Guatemalan political system. First, Guatemala needs a new generation of political leaders untainted by past practices and tradition (this should be accompanied by the strengthening of political parties in Guatemala). Second, the national civilian police force needs to be rebuilt, top to bottom, with the assistance of outside help that is grounded in professional civilian police work and not paramilitary operations. Guatemala will resist outside professional police training precisely because it would get at the root of the problem—ingrained, systemic corruption.”

A Guest Comment: Manuel Orozco: "Guatemala's current political crisis does leave significant room to consider Colom's loss of immunity. However, the complexities of the case make it difficult for this situation to occur. For one, the political forces in favor and against stripping the president of his immunity are diverse and have warned of the danger of implicating other influential individuals. This situation proves that getting 'crime out of Guatemalan politics' is not a short term task, but rather a structural issue that deals with the ways in which organized crime networks are flawlessly embedded into Guatemala's economic, political and historical fabric. One small step would be to strengthen failsafe mechanisms on financial crime prevention in order to cut the bloodline that motivates criminal operations in the country.”

A Guest Comment: Alfred Kaltschmitt: "The 35,000 signatures on the petition are only the tip of the iceberg, reflecting Guatemalans' frustration and despair with the climate of insecurity in which they are living. There are few who have not been affected by crimes includ-

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Featured Q&A*Continued from page 3*

ing car thefts, armed assaults, kidnappings and killings. The justice system is ineffective. Only two out of every 100 cases results in a conviction. Criminals, including those involved in organized

al changes in the justice system in order to regain control of it. The justice system is comprised by the National Civil Police (which is accused of corruption and inefficiency), the investigative Public

“In Guatemala, crime pays and the law has no coercive power to deter the commission of crimes.”

— *Alfred Kaltschmitt*

crime, have taken advantage of this climate of impunity. In Guatemala, crime pays and the law has no coercive power to deter the commission of crimes. Add this to the fact that drug trafficking has parallel structures within the state, including among politicians, in the same way that it occurred for decades in Colombia. The majority of analysts believe that President Alvaro Colom is innocent and did not order Rosenberg's killing. It is not reasonable to assume that proof will be found linking him to the murder. Without proof, he cannot lose his immunity. The presidency has suffered a serious erosion in the eyes of the educated and wealthy classes in Guatemala. They resent the polarizing discourse framed as rich versus poor, which Colom has used to defend himself. The massive mobilizations that happened when supposed supporters of the government, who had their travel expenses to Guatemala City's central plaza paid, the same day as a massive protest by Colom's opponents and critics, has left the president alone and the rest of his term politically difficult. President Colom has won international support, including that of the OAS by asking the UN's International Commission Against Impunity in Guatemala (CICIG) and the FBI to investigate the Rosenberg crime. Guatemala must carry out deep structur-

Ministry (which is ineffective and lacks adequate resources) and the judiciary (OJ, where judges are overloaded and threatened by organized crime). Without these deep systemic and structural changes, Guatemala cannot move forward."

Francisco Villagrán de León is *Guatemala's ambassador to the United States.*

Donald J. Planty is *chairman of the International Relations Department at Syracuse University's Maxwell School of Citizenship and Public Affairs, president of Planty & Associates LLC in Washington and was US ambassador to Guatemala from 1996 to 1999.*

Manuel Orozco is *director of the Remittances and Development Program at the Inter-American Dialogue.*

Alfred Kaltschmitt is *dean of the School of Communication of the Universidad Panamericana de Guatemala, host of the television program Esteoeste, a columnist for daily newspaper Prensa Libre and owner of Radio Infinita in Guatemala City.*

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