

# INTER-AMERICAN DIALOGUE'S LATIN AMERICA ADVISOR

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## FEATURED Q&A

### Is Mexico's New Attorney General the Right Man for the Job?

**Q** Last week, Mexican President Felipe Calderon replaced his attorney general, Eduardo Medina-Mora, with Arturo Chavez, a lawyer who has served as deputy interior secretary and Chihuahua state attorney general. What motivated the change in leadership? Is Chavez the right man for the job, and how will his approach to fighting drug traffickers differ from that of his predecessor? What should be his priorities as attorney general?

**A** Andrés Rozental, a member of the *Advisor* board, president of Rozental & Asociados in Mexico City, a member of the Inter-American Dialogue and former deputy foreign minister of Mexico: "Eduardo Medina-Mora left the attorney general's position mainly for personal reasons related to the wear and tear of a high-profile job in President Calderon's war on organized crime and narco-trafficking. I believe that his three years as attorney general was one of the best performances in an otherwise lackluster, inexperienced cabinet, and many colleagues in Mexico agree. There were some rumors about Medina-Mora's difficult relationship with Genaro Garcia Luna, secretary of public security, which undermined the effectiveness of the government's strategy in fighting this battle. Finally, it isn't unusual for a Mexican president to shuffle his cabinet midway through his six-year term, and together with changes in the agriculture ministry

and national oil company, the replacement of Medina-Mora did not come as a great surprise. Calderon's choice to take over the attorney general position has, however, caused an outpouring of negative reaction from Mexican human rights organizations, from opposition politicians and even from the European Parliament, who all question Arturo Chavez's credentials and experience, together with the fact that as state attorney general in Chihuahua he was a key actor in the notorious cases of dozens of women who mysteriously disappeared or

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### Mesa: US-Bolivia Relations Hinge on New Anti-Drug Partner

US-Bolivia relations largely depend on finding a new partner to fight drug trafficking in Bolivia after the expulsion of US anti-drug authorities, former Bolivian President Carlos Mesa told the *Advisor*. See 'In Focus' on page 3.

*File Photo: Organization of American States.*

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## NEWS BRIEFS

**At Least 14 Injured as Strong Earthquake Rattles Venezuela**

At least 14 people were injured Saturday when a 6.4 magnitude earthquake shook Venezuela, the Associated Press reported. The epicenter was off the country's Caribbean coast, 65 miles west of Caracas, according to the US Geological Survey. Falcon state experienced the most damage, Justice Minister Tareck El Aissami told the AP. The quake did not cause any reported damage to oil industry installations or infrastructure, said Infrastructure Minister Diosdado Cabello.

**Central Bank President: Brazil in a 'Very Strong' Economic Position**

Brazil is economically in a "very strong position" now that it has emerged from its first recession in six years, Henrique Meirelles, the country's central bank president, said Sunday, according to Bloomberg News. Brazil, Latin America's largest economy, is a "success case" as growing demand from domestic consumers along with investments helped the country weather the economic crisis, Meirelles said. Brazil's GDP increased in the second quarter from the previous three-month period after two quarters of contraction, Brazil's national statistics agency announced Friday.

**Brazil's Banco Cruzeiro do Sul Raises \$175 Million in Bond Sale**

**Banco Cruzeiro do Sol** has raised \$175 million through an issuance of foreign bonds, Dow Jones reported Friday, citing an individual involved in the sale. The Brazilian bank had expected to raise approximately \$150 million in the sale, but boosted the offer in order in response to strong demand.

## Political News

**Russia Opens \$2.2 Billion Credit Line For Venezuela Weapons Purchases**

Russia has established a \$2.2 billion line of credit for Venezuela to buy weapons, Venezuelan President Hugo Chavez said Sunday, according to the Associated Press. Venezuelan and Russian officials reached

“We've decided to install a powerful anti-air defense system.”

— *Hugo Chavez*

the agreement last week during Chavez's visit to Moscow and Chavez announced details of the arrangement Sunday. He said Venezuela will buy 92 Russian-made T-72 tanks along with Smerch anti-aircraft missile systems. "We've decided to install a powerful anti-air defense sys-

**Featured Q&A**

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were found murdered. Since Chavez's nomination requires Senate approval, there may be a looming political battle for Calderon to get him approved, but I believe that in the end, after paying a political cost, he will become Mexico's next attorney general."

**A** **Jorge Pinto, former Mexican consul general in New York and founder of Jorge Pinto Books:** "The lack of trust in the legal system has seriously curtailed economic and social development in Mexico. Police corruption and crime has negatively impacted Mexico for several years, particularly in areas such as investment, tourism and daily life for all Mexicans. President Calderon inherited a corrupt, weak and ineffective justice system. After almost three years in office, he has not been able to mend a structure

tem," said Chavez. Last week, Chavez said his country was also buying ground-to-ground missiles that have a range of 186 miles. Since 2005, Venezuela has purchased more than \$4 billion worth of Russian weapons. Chavez has said Venezuela is threatened by a deal between Colombia and the United States that gives US troops greater access to Colombian military bases.

**Guatemalan Authorities Arrest Nine in Lawyer's Murder**

Guatemalan authorities on Friday arrested nine people for alleged involvement in the murder of Rodrigo Rosenberg, who posthumously accused President Alvaro Colom in his killing, the Associated Press reported. Among those arrested were five police officers, a former police officer and a former soldier. Rosenberg was gunned down May 10 and, in a video that was distributed after his death, was seen saying into the camera, "If you are watching this message, it is because I was assassinated by President Alvaro Colom." Colom has denied any involvement in Rosenberg's death.

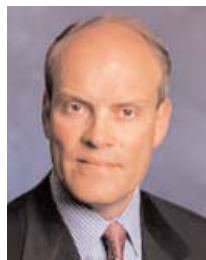
that has allowed criminal organizations to grow with little challenge. The task is monumental and will be difficult for the new attorney general, as it was difficult for his predecessor to eliminate or at least reduce violence. Arturo Chavez has to show leadership by taking concrete and visible actions to strengthen the rule of law, professionalize the police force and all other bodies under his jurisdiction to improve a seriously deteriorated record and image. As a lawyer, he will also have to start the process of phasing out the role of the army in the fight against organized crime. That, by nature, is a law enforcement issue. Arturo Chavez has the experience of fighting crime since he was the attorney general in a PAN-run high-crime state. He has to show soon that he can make a difference in all the above-mentioned complex tasks. Otherwise, this change will be interpreted as a political move made by President Calderon to accommodate a

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## Company News

### Scotiabank Eyeing Expansion in Brazil, Colombia

**Bank of Nova Scotia** wants to expand in Brazil and Colombia, Bloomberg News reported Friday, citing Chief Risk Officer Brian Porter. "There are two countries in Latin America today that we'd like to be in that we aren't, and that would be Brazil and Colombia," Porter told investors during a speech in London. "Both countries have very interesting metrics."



Porter

File Photo: Scotiabank.

Scotiabank currently operates in approximately 50 countries. It has businesses in Mexico, Peru and Chile in addition to an office in Brazil that handles corporate lending. In its fiscal third quarter, the Toronto-based bank reported \$864.9 million in profits, of which international banking accounted for about one third. Scotiabank could finance acquisitions with cash and equity transactions, said Porter. He added that the bank is monitoring its costs "very aggressively" and has slowed the opening of new branches in Canada.

### Repsol Announces Large Natural Gas Discovery Off Venezuelan Coast

Spain's **Repsol** announced Friday that a deposit off the coast of Venezuela could hold between 7 and 8 trillion cubic feet of natural gas. A spokesman for the Spanish energy company said company officials informed Venezuelan President Hugo Chavez of the possible magnitude of the find during Chavez's visit to Madrid, CNN reported. "We are still carrying out the final tests," the spokesman, Kristian Rix, told CNN. "We are still a couple weeks away from full confirmation." Repsol and a partner, Italy's **ENI**, have been carrying out the tests in the Gulf of Venezuela. If testing confirms the size, the find would be Repsol's largest-ever hydrocarbon discovery.

## In Focus

### Mesa: US-Bolivia Relations Depend on New Partner to Fight Drugs

By Matthew Schewel

WASHINGTON—Repairing the fractured relationship between the United States and Bolivia will likely hinge on finding a new partner to supplant US anti-drug efforts in the South American nation, former Bolivian President Carlos Mesa said last week.

Mesa said Bolivia is unlikely to allow a wholesale return of the US Drug Enforcement Administration, which President Evo Morales expelled last year along with the US ambassador, alleging they conspired with opposition forces. "I think the United States will end up renewing relations [with Bolivia] on the assumption that there will be a third party, probably Brazil, that will occupy the role the US had," Mesa told reporters on Wednesday.

As a major transit point for Bolivian cocaine and also a significant consumer, Brazil has a direct interest in curbing the flow of illegal drugs from Bolivia, Mesa said. He called for a military and police agreement that would allow the two countries to cooperate in a wide range of anti-narcotics efforts, with a specific emphasis on interdiction. Mesa said an expanded role for Brazil in combating the drug trade was part of a larger trend in the region. "This also has to do with the fact that the US is delegating to Brazil the responsibility of fulfilling the role that the US used to have in Latin America," he said.

“The US is delegating to Brazil the responsibility of fulfilling the role that the US used to have in Latin America.”

— Carlos Mesa

The former president, who served from 2003 to 2005 in an interim capacity, spoke on the sidelines of a two-day conference on trade and investment co-hosted by the Andean Development Corporation, the Inter-American Dialogue and the Organization of American States. He was reacting to comments by US Drug Czar Gil Kerlikowske, who said the United States was still open to anti-narcotics cooperation with Bolivia and Venezuela.

Bolivia is the world's third-largest producer of cocaine and last year saw cultivation of coca, the drug's main ingredient, increase by 6 percent. The US government blames Morales, a former coca farmer who still heads Bolivia's major coca growers' union, for the increase. It says his policies have expanded the amount of coca cultivation allowed for traditional uses while failing to regulate coca markets.

Bolivian officials argue drug interdictions have increased significantly since Morales took office and cite his slogan of "Coca si, cocaína no." But, Mesa said, "it's not easy for the president to ask his own constituents—as executive secretary [of the coca growers' union], a position from which he's still not resigned—to reduce production."

Following Morales' expulsion of the US ambassador and the DEA, former President George W. Bush suspended trade preferences for Bolivia, noting it had "failed demonstrably" to live up to its obligations under international anti-narcotics treaties. President Barack Obama has so far largely affirmed that position, refusing to revive Bolivia's trade preferences following a review in June.

As part of an eventual rapprochement, Mesa said both the US and Bolivia will have to acknowledge a fundamental change in their bilateral relationship. "The US has to recognize that it went too far, that it exercised a pressure almost unsustainable for [Bolivian] governments more allied with the US," he said.

**Featured Q&A***Continued from page 2*

member of his party in this powerful position in anticipation of the next presidential election."

**A** **George Grayson, professor of government at the College of William and Mary in Williamsburg, Va.:** "Several factors prompted Eduardo Medina-Mora's resignation: He was tired after nine years in the intelligence and law enforcement bulls-eye, some PAN stalwarts groused he was too close to the PRI, and he was continually fighting turf and resource battles with Public Security Secretary Genaro Garcia Luna—the president's fair-haired boy. An ambassadorship to the United Kingdom should get Medina-Mora out of harm's way and allow him to escape bureaucratic donnybrooks, many of which he lost. Calderon's choice to replace him was Baja California Government Secretary Jose Francisco Blake Mora; however, Blake has clashed over questionable transactions with Jorge Hank Rhon, Tijuana's billionaire ex-mayor, and Alcide Roberto Beltrones, a Baja California state legislator and brother of uber-Senator Manlio Fabio Beltrones. Instead, Los Pinos named Arturo Chavez Chavez, former Chihuahua prosecutor (1996-98) and an erstwhile undersecretary of interior (2004-06). Non-governmental organizations fault him for not rooting out flagrant corruption in Chihuahua's anti-kidnapping unit amid a jump in abductions and murders of women. In the Interior Ministry, Chavez failed to resolve a protracted conflict between radical teachers and Oaxaca Gov. Ulises Ruiz. He faces a bitter approval fight in the Senate. Yet he enjoys the imprimatur of Manlio Fabio Beltrones, who struck a deal over upcoming appointments with the president in mid-August. Chavez also boasts muscular support from PAN VIP Diego Fernandez de Cevallos and former Attorney General Antonio Lozano Gracia. His confirmation would give Interior Secretary Gomez Mont a strong ally and enhance Garcia Luna's clout. Still, a dearth of sufficient resources,

political backing, and reliable recruits for civilian police forces means the military will continue to spearhead the anti-drug crusade."

**A** **Pamela K. Starr, director of the US-Mexico Network, senior fellow at the University of Southern California Center on Public Diplomacy and senior lecturer in public diplomacy at the School of International Relations:** "The decision to replace Attorney General Eduardo Medina-Mora with a relative unknown reflects, first, President Calderon's recognition that his legacy and his party's future are now intricately intertwined with the success of his anti-cartel strategy and, second, his determination that a more muscle is required to deliver that success. This realization means that Calderon can no longer afford to have such a key position in the battle against organized crime occupied by one of the stronger and more independent figures in his cabinet. Replacing Medina-Mora with a young politician dependent on a close political ally of Calderon will enhance presidential control over the legal aspects of the drug war. Specifically, secretary of public security and Calderon loyalist Genaro Garcia Luna will now take charge of the battle against organized crime. Medina-Mora's resignation also creates a final resolution to the persistent policy disputes between the attorney general's office and the secretary of public security over how to wage the battle against organized crime. Medina-Mora's preference for a more legalistic approach will lose sway in favor of Garcia Luna's more hard-line tactics. Calderon's need to generate real, near-term policy successes to match his persistent promises that things will improve soon means that the gloves are off in Mexico."

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*The Advisor welcomes reactions to the Q&A above. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org) with comments.*

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