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### FEATURED Q&A

#### Has the U.S. Picked the Right Candidate for Amb. to Mexico?

**Q** The Obama administration on June 8 nominated Earl Anthony Wayne, currently the deputy ambassador in Afghanistan, as the U.S. ambassador to Mexico. If confirmed by the Senate, Wayne would replace Carlos Pascual, who stepped down in March amid criticism from the Calderón administration over statements Pascual made in leaked cables. Is Wayne the right person for the job? What tasks must he tackle first? Does he have the respect of Mexican officials?

**A** James R. Jones, former U.S. ambassador to Mexico and co-chair, Manatt Jones Global Strategies: "Based on his lengthy career in foreign service handling difficult diplomatic assignments across the globe including in the hemisphere as U.S. Ambassador to Argentina, Ambassador Wayne seems to be a good choice for our top diplomat in Mexico. Managing the Mexico-U.S. relationship is always a challenging assignment. Since the implementation of NAFTA, our ambassador can be much more direct with his Mexican counterparts. However, it is important to be respectful and treat Mexico as a partner. Public lecturing is counterproductive, but frank private conversations can solve problems and get things done. Ambassador Wayne knows this. I expect him to restore confidence that the Mexican government leaders can deal forthrightly with our ambassador and the embassy. I also expect

him to honestly assess matters in Mexico and report frankly back to our government. I only hope that such candid assessments can be protected from being leaked again."

**A** Andrés Rozental, former Mexican diplomat and president of Rozental & Asociados: "From almost any point of view, the recent episode involving former U.S. Ambassador to Mexico Carlos Pascual is highly embarrassing for President

*Continued on page 3*



#### Peru's Humala Pledges More Energy Collaboration with Chile

Peruvian President-elect Ollanta Humala (R) continued his tour of South America Wednesday, meeting with Chilean President Sebastian Piñera in Santiago. See story on page 2.

Photo: Andina.

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## NEWS BRIEFS

**Nicaraguan Lawmaker Arrested in Los Angeles, Denied Bail**

A Nicaraguan representative in the Central American Parliament was denied bail on Wednesday after his recent arrest on a 14-year-old warrant from Florida that accuses him of conspiracy to commit wire fraud and money laundering, the Associated Press reported. He and the others are accused of bilking millions of dollars from Egyptian businessman Hossam Aboul Fotouh, who sought \$1.2 billion in financing for construction projects.

**Japan Lending \$1.5 Billion to Venezuela in Five-Year Oil Deal**

Japan will lend \$1.5 billion to Venezuelan national oil company PDVSA in exchange for three million barrels of crude oil over the next five years, Agence France-Presse reported Wednesday. "We have 54 nuclear plants and more than 30 are not in use because of the accident at Fukushima, so this agreement with Venezuela is very important to us for thermo-electric energy in Japan," said Takashi Kondo, the spokesman for the Japanese embassy in Caracas.

**Cálidda Gas to Invest Up to \$1 Billion in Peru in Long Term**

**Cálidda Gas Natural del Perú** plans to invest as much as \$1 billion over the next 12 to 14 years in order to reach a goal of supplying 1.6 million families with natural gas in Lima and Callao, CEO Mario Trujillo told state-run news agency Andina in an interview Wednesday. The company will have 50,000 customers with households that use natural gas by the end of June and they expect to grow that figure to 75,000 customers by the end of the year. Reaching its goal would necessitate growth of between 130,000 and 140,000 connections per year, Trujillo said.

**Economic News****Argentine Economy Continues Fast Growth, Inflation Still High**

Argentina's economy is poised to grow between 7.5 percent and 8 percent this year, President Cristina Fernández said in a speech Wednesday. In the past 12 months, from May to May, the economy grew 9.9 percent, she added. International investors have worried for years that Argentina's high government spending amid the economic boom will lead to runaway inflation. Congressional representatives from the four opposition parties on Tuesday stated that inflation in Argentina in the last twelve months reached 23.5 percent, among the highest in Latin America, and that in the month of May consumer prices rose 1.5 percent, MercoPress reported. Argentina's controversial state statistics agency, INDEC, said on Wednesday that the official inflation rate was 0.7 percent in May, half the estimate of private economists. [See related [Q&A](#) in the April 29 issue of the *Advisor*.]

**Political News****Approval For President Rousseff Rises to 49 Percent Despite Scandal**

Support among voters for President Dilma Rousseff has increased despite the recent resignation of her chief of staff and acceleration of inflation, Dow Jones reported Wednesday. According to the latest Datafolha poll from Brazil, 49 percent of respondents classified Rousseff's administration as "excellent or good," compared with 47 percent of those polled in March. The approval rate for Rousseff increased despite the recent resignation of presidential chief of staff Antonio Palocci over allegations that he earned millions of dollars working as a consultant for private companies over the past five years, a period during which he was a sitting congressman and also ran Rousseff's election campaign. Palocci states that he has broken no laws. [See related [Q&A](#) in the June 1 issue of the *Advisor*.] Datafolha interviewed 2,188 voting-age Brazilians

nationwide on June 9 and 10. The poll's margin of error is two percentage points.

**Peru's Humala Pledges More Energy, Mining Collaboration with Chile**

Peruvian President-elect Ollanta Humala continued his tour of South America Wednesday, meeting with Chilean President Sebastian Piñera in Santiago, state news agency Andina reported. The visit is Humala's first time in Chile. The two leaders, who lean toward opposite ends of the political spectrum, discussed energy and mining collaboration as well as ways to encourage capital flows between the two countries, Bloomberg News reported. Peru will export gas and electricity "without discriminating" against neighboring countries, and will sell more energy to other countries once its own "supply problem" is resolved, Humala said in a speech from the presidential palace. [See related [Q&A](#) in the May 21-27 issue of the *Energy Advisor*.]

**Company News****Report: Grupo Aval May Raise \$1 Billion for Bank Acquisitions**

Bogota-based **Grupo Aval Acciones y Valores**, Colombia's biggest financial services holding company, is planning to raise \$500 million to \$1 billion by listing shares in New York this year, Bloomberg News reported Wednesday. Aval may use the funds to buy banks in Central America and the Caribbean, chief executive officer Luis Carlos Sarmiento Gutiérrez said. Acquisitions are under consideration in El Salvador, Guatemala and the Dominican Republic specifically. However, the timing of the issue will depend on market conditions, which aren't presently favorable, Sarmiento said. Aval is in talks with four U.S. investment banks about helping to underwrite the New York listing, according to the report. Last month, the company said profits for 2011 were likely to increase more than 60 percent, to more than \$800 million. Aval has assets of approximately \$32 billion, with a 30 percent share of Colombia's financial services market.

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

Calderón and his administration. Mr. Pascual was widely considered to be an extremely capable and intelligent envoy who, like all diplomats, sent candid reports back to his government on what was transpiring in Mexico and the embassy's interpretation of events. Unfortunately for him—and for a few other U.S. ambassadors abroad—the leaking of these reports created tensions with the authorities and eventually led Pascual to resign his post. The person nominated by President Obama to replace him, Anthony Wayne, is not

Wayne, ambassador-designate to Mexico. If confirmed by the Senate, he will replace Carlos Pascual, whose unflattering (but accurate) WikiLeaks cables about President Felipe Calderón, the Mexican army and corruption ricocheted through Los Pinos like a photon in a laser cavity. The staid Mexican elite also harrumphed at the outgoing envoy's romance with the daughter of a Mexico State deputy. Wayne's background in Afghanistan and Argentina will hold him in good stead. He also knows the Fourth Estate, having served as a national security correspondent for the *Christian Science Monitor*. In view of the fact that Mexico will launch

“...Wayne will have to move quickly to dispel the perception that his appointment is a result of his experience with a failed state.”

— *Andrés Rozental*

immediately recognized in Mexican circles as someone closely associated with our country or with regional affairs, in spite of having been posted previously in Argentina. The media and commentary in Mexico have focused more on his current assignment as number two in the U.S. Embassy in Kabul, and therefore on his relationship with the conflict in Afghanistan and U.S. involvement in that country. If confirmed by the U.S. Senate, Wayne will have to move quickly to dispel the perception that his appointment is a result of his experience with a failed state, gain the confidence of Mexican government officials and work hard to rebuild the bilateral relationship, which of late has been damaged by the Pascual affair, by President Calderón's repeated public attacks on the United States and by Washington's inability to deal effectively with either arms trafficking to Mexico or comprehensive immigration reform.”

**A** **George W. Grayson, professor of government at the College of William & Mary in Williamsburg, Va.:** “Low-keyed, 'thoughtful', 'intelligent', 'a diplomat's diplomat'—these are terms used by colleagues to describe Earl Anthony

the 2012 presidential election this July 3—with gubernatorial races in Mexico State, Coahuila, and Nayarit—the savvy Wayne knows the importance of staying out of local politics. This is especially important because candidates of all parties thrive on 'Gringo-bashing' to burnish their nationalistic credentials amid heated campaigns. He must patiently tolerate the whining about 'America's big nose' for cocaine and the 'southbound flood of weapons' that candidates indulge in when they have no credible plan to combat the ever wealthier and more sadistic drug cartels. He should also chill any flirtation that Washington develops for the brainy Agustín Carstens to replace Dominique Strauss-Kahn as managing director of the IMF. A career ambassador, Wayne possesses a keen 'olfato político' (political nose), and he has the added asset of working with John D. Feeley, the embassy's extremely capable DCM.”

*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.*

**Latin America Advisor**

*is published every business day by the Inter-American Dialogue, Copyright © 2011*

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**Latin America Advisor** is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at: 1211 Connecticut Avenue, Suite 510 Washington, DC 20036 Phone: 202-822-9002 Fax: 202-822-9553 [www.thedialogue.org](http://www.thedialogue.org)

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