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FEATURED Q&A

How Credible Are the Allegations of Venezuela's FARC Ties?

Q Several recent developments have raised concerns about the Venezuelan government's alleged ties to the Revolutionary Armed Forces of Colombia (FARC), including Colombia's claim that Swedish-made rocket launchers originally sold to Venezuela ended up in the FARC's possession and a recent report from the US Government Accountability Office alleging Venezuela has created a "permissive environment" for the guerrilla group. Venezuelan President Hugo Chavez has repeatedly denied providing support to the FARC. What is the significance and credibility of the new alleged ties between Venezuela and the FARC? How should the US, OAS and other international actors respond to the latest developments? Should the US State Department consider Venezuela a state sponsor of terrorism?

A Board Comment: Diego Arria: "The Chavez regime is on the record in support of FARC to the extreme of requesting to the international community to grant a belligerent status to this narco-terrorist group (which is included in the US and EU terrorist lists). Since the Reyes laptops were found in the Ecuadorean jungle last March, it has been possible to document the magnitude and extent of the Chavez regime's cooperation with FARC. The fact that the three highest military and civilian intelligence officers who report directly to the president have been sanctioned under the

US Kingpin Act (for drug traffickers) evidences a clear direct linkage to Chavez himself, echoing the Noriega case. Both the Swedish government and the arms' manufacturer have corroborated that the AT-4 rockets found in FARC's possession were sold to Venezuela in the past. They have requested information from the Venezuelan government, which has refused, stating that they were 'useless rockets.' Last week, Chavez added that the rockets had been stolen in 1990 by the FARC from a Venezuelan naval post after

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Correa Begins Second Term, Takes Charge of Unasur

Ecuadorian President Rafael Correa on Monday was sworn in for his second term. He also took over as the temporary president of the Union of South American Nations from Chilean President Michelle Bachelet. See story on page 2.

Photo: Ecuadorean Government.

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NEWS BRIEFS

Guatemala Seeks to Block Former Police Officials From Leaving

Guatemalan prosecutors are seeking a restraining order to stop four former top officials of the country's National Police from leaving the country as they are being investigated in connection with the disappearance of a large quantity of cocaine, the Associated Press reported Monday. Former National Police Director Porfirio Perez and the other top officials are being probed after the disappearance of 258 pounds of cocaine that had been seized. No one has been charged in the case.

Brazil Auto Output Dips in July

Brazil's auto manufacturing output fell 11.5 percent in July from last year to 282,000 units, according to data released Monday by Brazil's auto industry association, Anfavea. Production declined 0.9 percent and vehicle sales dropped 4.9 percent from June, when the industry experienced high demand as a government tax cut for auto purchases was slated to expire, Reuters reported. When the tax cut was extended, consumers were in less of a hurry to buy during the month of July, according to the report.

Barrick Acquires Power Plants in Dom. Rep. for Sulfur Mine

Canada-based **Barrick Gold** has acquired two portable power plants in the Dominican Republic to mine sulfur 70 miles north of Santo Domingo, local daily *Listin Diario* reported. The company will build a private power line to transmit the 216 MW the two units will produce, and is currently seeking approval from the country's environmental agency. Barrick Gold will start using the electricity in 2011, according to the report.

Political News**US, Mexico, Canada Leaders Discuss Trade Concerns, Flu at Summit**

During the final day of their two-day summit, the leaders of the United States, Mexico and Canada vowed Monday to work together on several issues, including trade, health and climate change, Reuters reported. During the summit in Guadalajara, some differences arose among US President Barack Obama, Mexican President Felipe Calderon and Canadian Prime Minister Stephen Harper, including on trade. Obama told Calderon he was trying to resolve a dispute over the safety of Mexican trucks that led to the US canceling a program that granted Mexican truckers access to US roads. Obama, Calderon and Harper also said they would work together to fight an expected resurgence of the H1N1 swine flu virus. "H1N1, as we know, will be back this winter," Calderon said at a joint press conference. Responding to human rights groups' criticisms of

Mexico's army, Obama said drug traffickers—not soldiers—are the abusers of human rights. "The biggest by far violators of human rights right now are the cartels themselves that are kidnapping people, extorting people and encouraging corruption. That's what needs to be



(L-R) Harper, Calderon and Obama.

Photo: Mexican Government.

stopped," Obama told reporters. Calderon has sent thousands of troops to battle drug gangs since taking office in 2006. However, human rights groups have reported abuses including torture. US Sen. Patrick Leahy has threatened to delay the release of 15 percent of the \$1.4 billion Merida Initiative aid package to Mexico, saying the country is not meeting

Featured Q&A

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an attack where 14 Venezuelan marines were killed. This is another false claim, since the National Army of Liberation (ELN) was involved in that attack, not the FARC. As to whether the US State

“There is ample information of its harboring, protecting and even supplying resources and weapons to narco-terrorists.”

— *Diego Arria*

Department should consider Venezuela a state sponsor of terrorism, not only the US but the region as a whole should urgently take the Venezuelan case to the OAS as a serious threat to peace and security. There is ample information of

its harboring, protecting and even supplying resources and weapons to narco-terrorists. This explains why Chavez is so concerned about the use of Colombian bases by US military forces, since they could put an end to such a dangerous partnership.”

A Guest Comment: Julia Buxton: "It would be a serious mistake to consider Venezuela a state sponsor of terrorism on the basis of a methodologically flawed GAO report and media spin by Colombian authorities. The GAO report was a travesty of research. It significantly failed to consider the external drivers of the cocaine trade in Venezuela—an astonishing omission. The failure to engage with the broader hemispheric and international picture undermines the credibility of the GAO report—as does its

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human rights requirements. Obama also said his administration would take on an overhaul of US immigration policy, including "a pathway to citizenship" for illegal immigrants. But he said that because of a full legislative agenda, there would be no action taken before next year. Obama, Calderon and Harper also issued a statement in support of fighting climate change in advance of a summit on the issue this November in Copenhagen. Also in Mexico, police said they disrupted a plot to assassinate Calderon. Authorities on Sunday arrested accused Sinaloa drug cartel member Dimas Diaz, who was allegedly behind the plot.

Correa Begins Second Term, Takes Charge as Unasur President

Ecuadorian President Rafael Correa on Monday was sworn in for his second term, vowing to help the poor and neglected indigenous groups, fight inequality and improve education, Reuters reported. "It's a gigantic struggle ... but we have already started and no one is going to stop us," Correa, 46, said in a speech to Latin American leaders, including Venezuelan President Hugo Chavez and Cuban President Raul Castro. Correa on Monday also assumed the rotating presidency of the Union of South American Nations, or Unasur. South American presidents gathered in Quito for Correa's inauguration and the Unasur summit also expressed concern about Colombia's agreement with the United States to allow US troops greater access to Colombian military bases. The presidents agreed to meet in Buenos Aires later this month to discuss the deal. Colombian President Alvaro Uribe did not attend the meeting in Ecuador. [Editor's note: See related Q&A in the July 30 [issue](#) of the *Advisor*.]

Company News

Maple CEO 'Hopeful' of Finding Oil in Peru's Santa Rosa Prospect

The chief executive officer of Lima-based **Maple Energy** said he remains "hopeful" that the company will find oil in Peru's Santa Rosa prospect, Bloomberg News

The Dialogue Continues

Is Brazil's Lula Taking the Right Approach With Iran?

Q During a visit to Brazil last month, Israeli Foreign Minister Avigdor Lieberman said Brazil should use its important position in the international arena to urge Iran to end its nuclear program. Brazil has been increasing trade ties with Iran, and Brazilian President Luiz Inacio Lula da Silva recognized Mahmoud Ahmadinejad as the victor in Iran's disputed presidential elections, which were criticized by other countries including the US. Is the Lula administration taking the right tack on Iran? Do you agree with the way Brazil is conducting its foreign relations as it emerges as an international player? Is Brazil's increasingly outward-looking foreign policy approach unique to Lula, or is it a change in the nation's foreign policy strategy that will continue to build in the next administration?

A **Guest Comment: Ely Karmon:** "Brazil has become an alternative pole of power in the Western Hemisphere, with a steadily increasing regional and global profile. President Luiz Inacio Lula da Silva was one of a handful of international leaders, and the first Latin American, to meet President Obama in the White House. Brazil is present and active in the G-20 group, in the enlarged G-8 meetings, the BRIC group and is considered a strategic partner by the European Union. Brazil's relations with Iran have economic and strategic dimensions. Beyond regular trade links, Iran granted Brazil's Petrobras rights to explore vast offshore oil reserves in the Persian Gulf and in the Caspian Sea. The Brazilian president invited Iranian

President Mahmoud Ahmadinejad to visit Brasilia in May to discuss their economic cooperation, but Ahmadinejad canceled at the last minute. Shortly after Ahmadinejad's disputed victory in the Iranian elections, and after President Lula affirmed that he was convinced election fraud didn't occur, Iran announced that Brazil will be the Ahmadinejad's first foreign destination after his swearing in. In my opinion, the new strategy of President Obama to open a dialogue with Tehran and Iran's growing hegemonic status in the Gulf have influenced Brazil's decision to strengthen ties with Iran. However, Brazil does not take into consideration that its strategy strengthens the Tehran regime and diminishes the possibility of UN-backed international diplomatic and economic pressure to convince it to renounce its nuclear project. Thus, it enhances the threat of Iran's nuclear hegemonic projection vis-a-vis the moderate Arab states, threatens the stability of the Middle East, the stability of oil prices and provokes nuclear proliferation among other states in the region. Moreover, the support to the Iranian regime after the implacable repression against the opposition and the intellectual and professional elite will strengthen the regime's grip on the country."

Ely Karmon is senior research scholar at the *International Institute for Counter-Terrorism* and the *Institute for Policy and Strategy* at the *Interdisciplinary Center in Herzliya, Israel*.

*Editor's note: The above is a continuation of a Q&A published in the Aug. 4 [issue](#) of the *Advisor*.*

reported Monday. Maple will begin drilling in Santa Rosa again in about two weeks, Rex Canon told Bloomberg. Last Thursday, Maple's stock plummeted 46

percent after the company announced that it did not strike oil in its first round of drilling. Maple's shares have since rebounded.

Featured Q&A*Continued from page 2*

wholly insensitive handling of the issue of ties to the FARC. The report relies on contestable evidence and interviews with sources that lack objectivity. And it is frankly incredible that this report—released the same week as the UN condemned Colombia's paramilitary demobilization process for generating new criminal networks—pays no attention whatsoever to the role of other criminal elements in gun and narcotics trafficking. In relation to the Swedish-rocket launchers issue, there are a host of possible explanations for the presence of these weapons in Colombia. Colombian authorities have once again rushed to the media ahead of a detailed investigation. They have provided no information as to when this equipment was brought into Colombia or by whom. International and regional actors such as the OAS and even the UN must become more fully engaged in mediating dialogue between Venezuela and Colombia. Their failure to do so allows the US to deal with these challenges on a bilateral basis. This is problematic as the US has its own interests at heart, its presence is fundamentally destabilizing and—most importantly—it lacks the capacity to address the security challenges posed by narcotics and illicit small arms."

“There are a host of possible explanations for the presence of these weapons in Colombia.”

— *Julia Buxton*

ies of FARC support from neighbors' territory, there is reason for Colombia, or any OAS member in a similar situation, to expect the OAS to be concerned with violations of sovereignty and OAS charters. Now, because of the interest of Sweden, a prominent OAS observer member and supporter, there is even more reason for an OAS role. The report of the GAO provides context. So does, though indirectly, the most recent concern of the Inter-American Human Rights Commission. This provides an opportunity for Venezuela to show that its dedication to the OAS and Inter-American Democratic Charter (IADC), so prominently displayed in the Honduras situation, apply as well to Venezuela. Also, the IADC and General Assembly resolutions since 2005 provide the OAS secretary general the space to work on these problems and take them to the Permanent Council. Then, the political will of the member countries takes over. Or not. But the council could provide the political forum for a full exploration. Meanwhile, Colombia will likely handle the latest Venezuela storms with tact and skill, as President Uribe has shown in his South America visits. Thrusting the United States into the middle with a unilateral state-sponsorship of terrorism declaration takes pressure away from the multilateral venue, where it is in the US interest to play this out with smart diplomacy."

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Latin America Advisor

is published every business day by the *Inter-American Dialogue*, Copyright © 2009

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Latin America Advisor is published every business day, except for major US holidays, by the *Inter-American Dialogue*
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