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Bolivia Elects a President Who Supports Coca Farming

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By JUAN FORERO

Published: December 19, 2005

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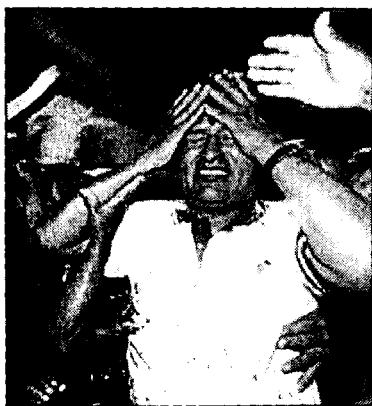
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LA PAZ, Bolivia, Dec. 18 - Evo

Morales, a candidate for president who has pledged to reverse a campaign financed by the United States to wipe out coca growing, scored a decisive victory in general elections in Bolivia on Sunday.



Marcos Brindicci/Reuters

Evo Morales, 46, a former coca farmer, was mobbed Sunday after winning Bolivia's presidency and receiving up to 51 percent of the vote.

Mr. Morales, 46, an Aymara Indian and former coca farmer who also promises to roll back American-prescribed economic changes, had garnered up to 51 percent of the vote, according to

televised quick-count polls, which tally a sample of votes at polling places and are

considered highly accurate.

At 9 p.m., his leading challenger, Jorge Quiroga, 45, an American-educated former president who was trailing by as much as 20 percentage points, admitted defeat in a nationally televised speech.

At his party's headquarters in Cochabamba, Mr. Morales said his win signaled that "a new history of Bolivia begins, a history where we search for equality, justice and peace with social justice."

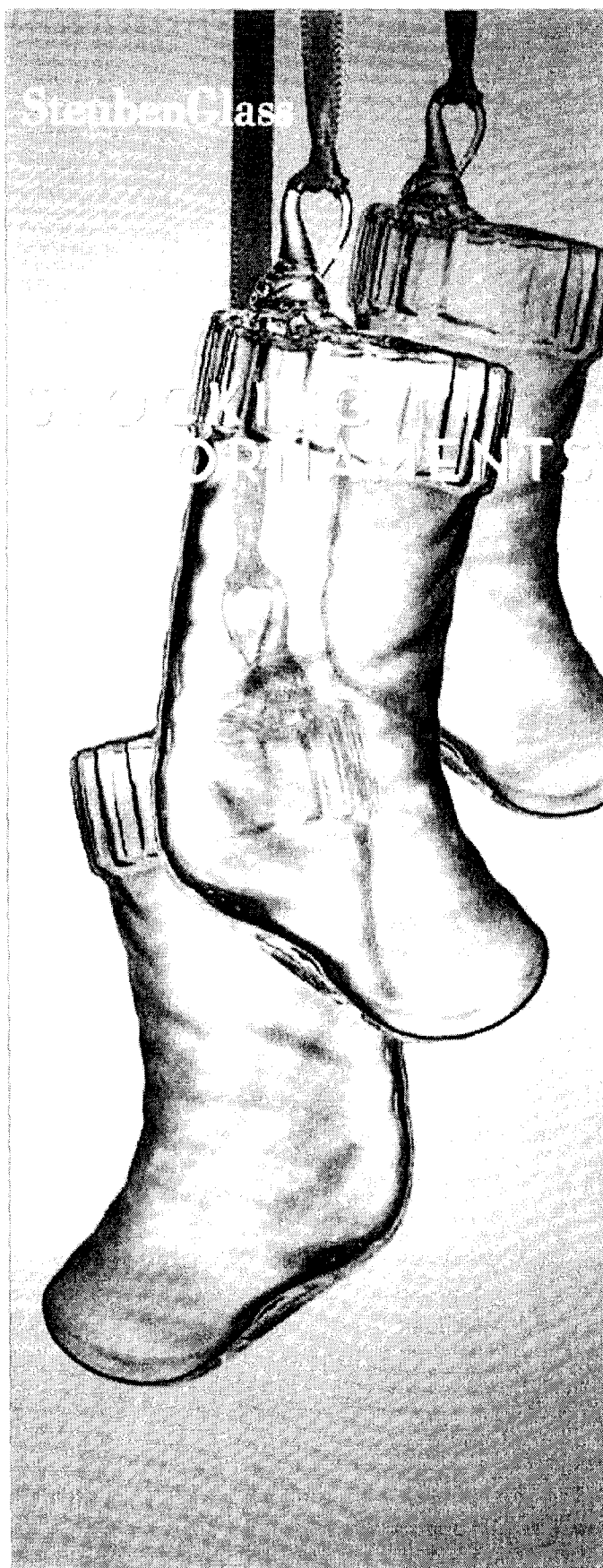
"As a people who fight for their country and love their country, we have enormous responsibility to change our history," he said.

Mr. Quiroga's concession signaled that he was prepared to step aside and avoid a protracted selection process in Congress, which, under Bolivian law, would choose between the top two finishers if neither obtained at least 50 percent of the vote.

"I congratulate Evo Morales," Mr. Quiroga said in a somber speech.

The National Electoral Court had not tabulated results on Sunday night, though Mr. Morales echoed the early polls and claimed to have won a majority.

His margin of victory appeared to be a resounding win that delivered the kind of mandate two of his predecessors, both of whom were forced to resign, never had. Eduardo Gamarra, a Bolivian-born political analyst from Florida International University in Miami, said Mr. Morales could be on his way to becoming "the president with the most legitimacy since the



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transition to democracy" from dictatorship a generation ago.

A Morales government would become the first indigenous administration in Bolivia's 180-year history and would further consolidate a new leftist trend in South America, where nearly 300 million of the continent's 365 million people live in countries with left-leaning governments.

Though most of those governments are politically and economically pragmatic, a Morales administration signals a dramatic shift to the left for a country that has long been ruled by traditional political parties disparaged by many Bolivians.

The victory by Mr. Morales will not be welcomed by the Bush administration, which has not hidden its distaste for the charismatic congressman and leader of the country's federation of coca farmers. American officials have warned that his election could be the advent of a destabilizing alliance involving Mr. Morales, Fidel Castro of Cuba and Venezuela's president, Hugo Chavez, who has seemed determined to thwart American objectives in the region.

In comments to reporters after casting his vote in the Chapara coca-growing region on Sunday, Mr. Morales said his government would cooperate closely with other "anti-imperialists," referring to Venezuela and Cuba. He said he would welcome cordial relations with the United States, but not "a relationship of submission."

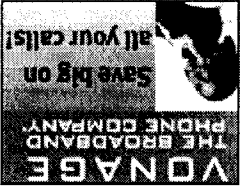
He also pledged that under his government his country would have "zero cocaine, zero narco-trafficking but not zero coca."

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referring to the leaf that is used to make cocaine.

Mr. Chávez, who has met frequently with Mr. Morales, expressed confidence that Bolivia would turn a new page with the election. "We are sure what happens today will mean another step in the integration of the South America of our dreams, free and united," he said earlier in the day from Venezuela.

The election, which was marked by personal attacks, pitted two fundamentally different visions for how to extricate Bolivia from poverty. While Mr. Quiroga pledged to advance international trade, Mr. Morales promised to squeeze foreign oil companies and ignore the International Monetary Fund's advice.

Mr. Morales enjoyed strong support in El Alto, a largely indigenous city adjacent to the capital, La Paz, where voters said they had tired of years of government indifference.

"The hope is that he can channel our needs," said Janeth Zenteno, 31, a pharmacist in El Alto. "We have all supported Evo. It is not just what he says. It is that this is his base and he knows us."

For Javier Sukojoyo, 40, a teacher, the election could signal a transformation of Bolivia into a country where the poor have more say.

"It has been 500 years of oppression since the Spanish came here," said Mr. Sukojoyo, who counts himself as indigenous. "If we are part of the government - and we are the majority - we can make new laws that are in

favor of the majority."

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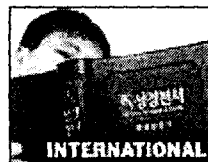
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For Bolivian Victor, A Powerful Mandate

Populist Faces Practical Constraints
[FINAL Edition]

Central & Latin America

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Copyright The Washington Post Company Dec 20, 2005

PUBLISHED CORRECTIONS: A Dec. 20 article about elections in Bolivia incorrectly said that U.S. drug-eradication programs used aerial chemical spraying on coca crops. According to the State Department, coca eradication in Bolivia is done only by hand and chemicals are used. (Published 12/23/2005)

The sweeping if unofficial victory of Evo Morales in Bolivia's presidential election Sunday has made the former coca farmer and activist the nation's strongest elected leader since the end of the last military dictatorship in 1982 and has given him an unprecedented opportunity to transform the impoverished Andean country.

The question, say both Bolivian and U.S. observers, is whether the socialist candidate will use that mandate to follow through on pledges for radical economic and political change -- or whether he can demonstrate enough pragmatism to reassure foreign governments and investors, whose support he needs for economic development.

Morales, 46, is a fiery politician and an Aymara Indian who electrified Bolivia's poor but struck fear into the business elite and in officials in Washington by opposing U.S. anti-drug programs and spouting anti-imperialist rhetoric. Whichever path he chooses, stands to resonate far beyond the small, landlocked nation with a history of military coups and wobbly civilian governments.

"Morales faces a very difficult balancing act," said Michael Shifter, an analyst with Inter-American Dialog, a nonprofit institute in Washington. "There is a lot of rage and resentment in Bolivia, and as a candidate he has capitalized on that. But now, in order to successfully and keep the country economically viable, he has to reach out to all sectors and show signs of moderation, while convincing his supporters he hasn't sold them out."

As Morales joins a growing list of elected Latin American presidents generally described as leftist or populist, he has two basic paths to choose. One is that of Hugo Chavez of Venezuela, who has gleefully defied the Bush administration, formed a warm alliance with Cuba's Fidel Castro and cracked down on domestic opponents in the name of social change. The other is that of Luiz Inacio Lula of Brazil, who has developed disciplined fiscal policies, left democratic institutions intact and avoided alienating the United States by forwarding broad social programs to help the poor.

"The old threat in Latin America was that of military coups. The new threat is that of authoritarian democracies -- leaders who grab power and then use the state to repress opponents, push through social change and stay in power," said Bernard Aronson, an international consultant in Washington and a former State Department official. "That is what Chavez is doing, and what Lula is not doing," he said. "The big question is, which way will Evo Morales go?"

Morales defeated pro-business candidate Jorge Quiroga, a former president who conceded the election late Sunday after unofficial polls showed Morales with 45 percent of the vote. Officially he needed more than 50 percent to win, and the ultimate decision still rests with Congress, but Quiroga's concession appeared to cement the results.

Until now, Morales has cultivated an image that is far closer to Chavez than Lula. He has promised to nationalize Bolivia's large natural gas reserves, has ardently opposed U.S. drug eradication programs that have relied heavily on aerial herbicide spraying and invoked the populist rhetoric of anti-imperialism. During a recent economic conference in Argentina, he joined Chavez in a protest outside while President Bush met with other Latin American leaders inside.

On Sunday, he repeated some of his more provocative assertions, saying he would never accept a relationship of "submission" with Washington. Yesterday, he stepped up his criticism of U.S. anti-drug programs, telling reporters in the city of Cochabamba that the United States' argument against drug trafficking is a false pretext for the United States to install military bases, and we are not in agreement."

Morales, who gained recognition as an indigenous leader of coca farmers in Bolivia's Chapare region, has insisted on the distinction between the traditional farming and use of coca leaf, and the processing and trafficking of cocaine and other illegal drugs. American drug officials seek to continue programs to destroy coca crops and have pushed for a closer relationship with security forces.

There was no immediate comment from the Bush administration on Morales's apparent victory, but one official who requested comment said: "We're keeping an open mind about it. We want to make it work, but it depends on what decisions they make, what policies they decide." A statement issued by the State Department Sunday said relations would depend on the "convergence of our interests" and includes counter-narcotics issues.

In Venezuela, officials said yesterday that they were "very pleased and satisfied" with Morales's victory but would "not get involved" in Bolivian affairs. "We do not intend to manipulate Evo Morales or any other person" in Bolivia, said Jose Vicente Rangel, Venezuelan president.

Some observers said the Bush administration could serve U.S. and regional interests best by seeking compromise with Morales, rather than responding harshly to his anti-U.S. pronouncements and inadvertently shoving him toward the embrace of Chavez and Castro. They noted that he will face demands from his grass-roots constituents to deliver on social promises, and that U.S. ostracism could make it difficult for him to appease them.

One Bolivian business leader, Carlos Kempff, noted worriedly yesterday that some of Morales's radical supporters were already threatening to defect if he did not make major policy changes within 90 days. If that happens, the businessman said, Morales could face the same destabilizing pressures that have brought down Bolivia's past three elected presidents.

"Morales's major policies give the U.S. pause, but he has a tightrope to walk, and it would be unwise to isolate and push him," said Robert Walsh, an analyst with the Washington Office on Latin America, a nonprofit advocacy group. "If the U.S. wants to play rough, he will have few options for aid and patronage." But if good relations develop, Walsh suggested, the United States could help Bolivia develop from a coca-dependent economy to a gas-exporting one.

Several analysts said Morales will also come under pressure from such Latin American democracies as Brazil and Argentina to find practical approaches to issues such as natural gas development. They noted that Bolivia is far poorer and has less infrastructure than Venezuela, where record oil revenues have allowed Chavez to fund social programs.

"Foreign investment in Bolivia has diminished significantly, and I suspect Morales's election will further deter it until the rules of the game have been established," said Aronson. "But he has already backed off a little on the rhetoric suggesting he would nationalize everything, and he will discover that without foreign investment, he won't be able to build the infrastructure to move the gas. This will really test his pragmatism."

Staff writer Glenn Kessler in Washington and special correspondent Bill Faries in La Paz, Bolivia, contributed to this report.

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The lesson from Lula for South America

The region's new generation of left-wing leaders would do well to heed Brazil's experience.

23/11 ✓
Central America
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HD 11



FAILING HIS PEOPLE? Brazil's President Luis Inacio Lula da Silva at an official function near Rio de Janeiro. - PHOTO: REUTERS

Sue Branford and Hilary Wainwright

LATIN AMERICA'S upheaval continues to transform the politics of the continent. In reaction to more than a decade of free-market reforms that failed spectacularly to end poverty but exacerbated extraordinary levels of inequality, Left-leaning governments have been elected in one country after another – this week in Bolivia. But Brazil's experience is a warning to these administrations that, if they are to achieve real change, they need to rely on their own social base as a counterweight to the powers-that-be.

Three years ago, as the former industrial worker, Luiz Inacio Lula da Silva, prepared to take over as President of Brazil, many Latin Americans hoped he would show a radical, non-violent path out of centuries of poverty and exclusion. Lula's Workers Party (PT) grew out of the mass strikes in the 1980s against the military regime. In its emphasis on internal democracy, support for groups such as the Movimento Sem Terra (the movement of landless people) and its hosting of the World Social Forum, the PT seemed an instrument of real change in a country where a small elite controls most of the land and wealth. Its local record had been impressive, developing imaginative ways in which citizens could have power over budget decisions.

But in government, Lula has been cautious and conservative, going even further than the IMF demanded and sacrificing social reform to repay huge external and internal debts. Worse, since last May, a series of dramatic revelations has shown that the PT has been engaging in exactly the kind of corruption that activists joined the party to end. The leadership has been buying the votes of Congress members and operating a slush fund built from bribes paid by companies for government contracts. Lula denies involvement, but many are unconvinced.

Where did the PT Government go wrong? Most commentators agree that the rot set in long before Lula's victory in October 2002. The party's original base – the industrial working class – was weakened in the 1990s by rocketing unemployment as successive administrations enforced IMF edicts. Instead of trying to build a new base among the unorganised rural and urban poor, the PT

increasingly used the same methods for winning elections as every other party – even hiring the same spin doctors.

This growing obsession with electoral success at any price meant that the PT failed to prepare properly for government. Remarkably, when Lula walked up the ramp to the presidential palace in January 2003, he had no clear programme for tackling the serious social problems or the anti-democratic nature of the Brazilian state. Even the flagship programme for ending hunger (which has benefited more than eight million families in extreme poverty) was thought up on the hoof without a strategy for real redistribution. The Government has been most successful in international affairs, where a coherent strategy had been prepared. As a result, Brazil has successfully challenged the EU and the U.S. at the World Trade Organisation over their huge agricultural subsidies.

Shortly before taking office, Lula said: "I cannot fail. The poor in Brazil have waited 500 years for someone like me." But real change demands confrontation, tough bargaining – and risk-taking. In his inaugural address in 1933, Franklin Roosevelt recognised this in his much-quoted comment: "The only thing we have to fear is fear itself." It is a lesson Lula appears not to have learned.

Despite right-wing crowing, the Left has not been destroyed in Brazil. Some activists are staying to fight for change within the PT, but many others are taking their experience elsewhere.

Most agree that the way forward is not to abandon the party's innovative experiments in participatory democracy, but to deepen them. Real change, they say, will require the incorporation of the poor within the political system so that they can provide permanent support for a radical government as it confronts powerful vested interests.

As Latin America begins a period of hectic electoral activity, which may bring more left-wing leaders to power, this is a cautionary lesson that future governments would do well to heed. – ©Guardian Newspapers Limited 2005

(A dossier of voices of the Brazilian Left, edited by Hilary Wainwright and Sue Branford, will be published online at www.tni.org next month.)

THE HINDU

U.S. faces a challenge in South America

2/12 10-16 Central & Latin America

Bolivia joins growing number of leftwing governments that reject U.S. domination

Richard Gott

The large vote for Evo Morales, the socialist and indigenous candidate in the presidential election in Bolivia, and the expected ratification of his success by the congress, marks a new and fascinating moment in the unrolling of radical politics in Latin America.

Mr. Morales is a charismatic figure who represents two important strands in Bolivia's political traditions. An indigenous Aymara leader, he is also the spokesman for the powerful socialist and nationalist current that surfaces regularly in each generation. Contrary to the accepted wisdom, the alliance between these traditions should provide his Government with a degree of stability in the political conflicts that lie ahead. Yet, as a major grower of coca, the raw material of the cocaine so beloved by U.S. citizens, Bolivia is inevitably affected by decisions taken beyond its borders.

Harsh legacy

Underlying the history of the country's majority indigenous population is the harsh legacy of centuries of Spanish colonial rule as well as the bleak inheritance of the independent governments of the 19th century. These brought in fresh swathes

Bolivia not only left-leaning country

Should Bolivian Socialist Evo Morales be confirmed the victor in Bolivia's presidential election, he will be another name on a growing list of left-leaning presidents in South America.



President Hugo Chavez elected in 1998; self-proclaimed "revolutionary," built ties with Cuba



President Luiz Inacio Lula da Silva First elected leftist president in January 2003; Conservative fiscal policy



CHILE Coalition presidential candidate **Michelle Bachelet** faces runoff in January 2006; socialist-led coalition has held power since 1990



President Tabare Vazquez Took office in March 2005; country's first leftist leader, promises to maintain orthodox economic policies



President Nestor Kirchner Took office in 2003; strengthened ties with Venezuela's Chavez

ASSOCIATED PRESS

of European settlers, who were provided with land, and reinforced the practice of Indian slavery and oppression. The struggle between the white settlers, particularly strong today in the eastern province of Santa Cruz, and the indigenous peoples concentrated in the western Andean plateau has formed the

backdrop to the politics of the past two centuries.

Bolivia's tradition of nationalistic leftism dates back to the aftermath of the Chaco war with Paraguay in the 1930s. This led to the nationalisation of oil (the first such initiative in Latin America), the emergence of several radical military govern-

ments, and a major revolution in 1952. These and subsequent upheavals often ended in violence and fierce repression. Among the dead heroes of Mr. Morales and his political party, the Movement to Socialism, are Gualberto Villaroel, the reformist military officer who was strung up on a lamp post outside the presidential palace in 1946, and the Cuban revolutionary Che Guevara, who was shot in eastern Bolivia in 1967, as well as Tupac Katari, leader of the rebellion against Spain in 1780.

Exploitation

Where once political debates concerned the exploitation of labour, today they centre on the ownership and development of natural resources. Much of Mr. Morales's support comes from those mobilised in the "water wars" of recent years, a successful battle in several cities against the privatisation of the water supply. Mr. Morales, famously, is a leader of the growers of coca, whose labour-intensive production provides employment for thousands of indigenous people displaced from the state tin mines. He plans to cease cooperation with the U.S. in the eradication of the crop, arguing that it is the job of the Americans to tackle the problem of drug abuse at home. — ©Guardian Newspapers Limited 2005

21 DEC 2005

THE HINDU

Leftist claims victory in Bolivian poll

A new era has started for the country, says anti-United States leader

LA PAZ (BOLIVIA): Leftist, anti-U.S. politician Evo Morales has claimed a stunning victory in Bolivia's presidential election as exit polls showed him with 51 per cent of the vote, on track to become the country's first indigenous head of state.

"We have won," he told thousands of cheering supporters, adding that two Latin American leaders already had congratulated him. His right-wing rival, ex-president Jorge Quiroga conceded defeat.

Mr. Morales (46), highlighted that he will become the first indigenous president of South America's poorest nation, where Aymaras and Quechua people make up the majority of the 9.3 million population. "The new history of Bolivia has started," he said in his Cochabamba stronghold amid shouts of "Evo president!"

Two separate exit polls showed Mr. Morales getting 51 per cent of the vote, and a 20-point lead over Mr. Quiroga.

Opinion polls before the election had given him about 35 per cent of the vote. "We already have 50 per cent plus one," said Mr. Morales in a reference to the majority needed to win outright in the first round.

Even if official results — which may only be announced on Tuesday — show he failed to reach that mark, the leftist leader of the coca farmers movement still looks certain to become President. If the election goes to a second round, the newly elected Congress will pick between the two top vote-getters in January. — AFP



INDIGENOUS HEAD OF STATE: Bolivian presidential candidate and indigenous leader Evo Morales (centre), greets supporters in Cochabamba, Bolivia, on Sunday. — PHOTO: AFP

2012

THE HINDU

Bolivia becomes new headache for Bush

Latin America Takes New Left Turn As Anti-US Coca Protector Is Set To Take Nation's Reins

La Paz: Leftist, anti-US politician Evo Morales claimed a stunning victory in Bolivia's presidential election on Sunday as exit polls showed him with 51% of the vote, on track to become the country's first indigenous head of state. "We have won," he told thousands of cheering supporters as his right-wing rival, ex-president Jorge Quiroga, conceded defeat.

Morales, 46, highlighted that he will become the first indigenous president of South America's poorest nation, where Aymaras and Quechua people make up the majority of the 9.3 million population. "The new history of Bolivia has started," he said in his Cochabamba stronghold, near the coca-growing region where he built his political movement.

Morales has promised a radical shake-up of the country. His campaign was marked by anti-US slogans. He has vowed to be "Washington's nightmare", indicating he would exercise more state control over Bolivia's natural gas reserves (the second largest in South America) and bring an end to US-backed efforts to eradicate coca production.

Bolivia is the world's third largest producer of the coca leaf, the base ingredient of cocaine but also a medicinal plant popular with indigenous people. Morales defends the right to grow coca. He said that under his administration "there will be zero cocaine, zero drug trafficking but not zero coca".

Critics say that if Morales takes office, Washington might reconsider preferential trade agreements and



Supporters mob Evo Morales during victory celebrations

aid to Bolivia. The other challenge Morales faces is from within. More affluent regions of the country with new natural gas reserves have threatened to secede.

Even if official results—which may be announced on Tuesday—show Morales failed to get 51% of the votes, he still looks certain to become president, because then the newly elected Congress will pick between the two top vote-getters. Exit polls show Morales would control enough congressional seats. As the exit polls were announced, Quiroga reached out to his rival, saying that "Bolivian democracy is ending one cycle and starting another".

About 200 observers from 24 countries watched over the polls in this South American country that holds the dubious distinction of the world record for coups—close to 200 since it broke away from Spanish rule in 1825. Voting is mandatory in Bolivia, but hundreds of people protested that they had been unable to cast their ballots because their names were removed from voter registries. Agencies

Red Alert For US

The election of a Leftist in Bolivia is a new warning to the US, which is worried about hostility in Latin America. Evo Morales said he would cooperate with "anti-imperialists", and reiterated his admiration for Cuba's Fidel Castro. Anti-US Venezuela President Hugo Chavez said Bolivia "is writing a new page in its history".

Argentina's left-of-centre president has reinforced his influence in elections, while Chile is on course to get a socialist president. More leftists may follow in 2006 in Peru, Mexico, Brazil, Costa Rica, Colombia, Nicaragua and Ecuador. Peru could also get a left-wing woman president, Lourdes Flores, in April. Mexico is to hold an election in July and a left winger is favoured, and Brazil's President Luiz Inacio Lula da Silva, ex-trade union leader, will fight for re-election in Oct. Agencies

20 DEC 2005

THE TIMES OF INDIA

MANDATE ■ 167 seats voted by 25 per cent electorate as five parties boycotted polls

Opposition in disarray, Chavez

calls Venezuela victory

96 97
6/12

JUAN FORERO
BOGOTÁ, COLOMBIA, DEC 5

VENEZUELA'S firebrand president, Hugo Chávez, took overwhelming control of the National Assembly after five major opposition parties boycotted a national election on Sunday for all 167 congressional seats.

Venezuela's leftist government increased its slight majority to take nearly all the congressional seats, the ruling party said, as up to 75 per cent of eligible voters stayed away from the polls.

The outcome will permit the National Assembly to change the Constitution easily, as well as enact a range of major changes supported by Chávez, in areas ranging from Venezuela's health system to the criminal code.

The withdrawal of the parties also ensured that Venezuela's opposition has, for all practical purposes, ceased to exist in an organised form, paving the way for an easy Chavez victory to another six-year term in the election for president late next year.

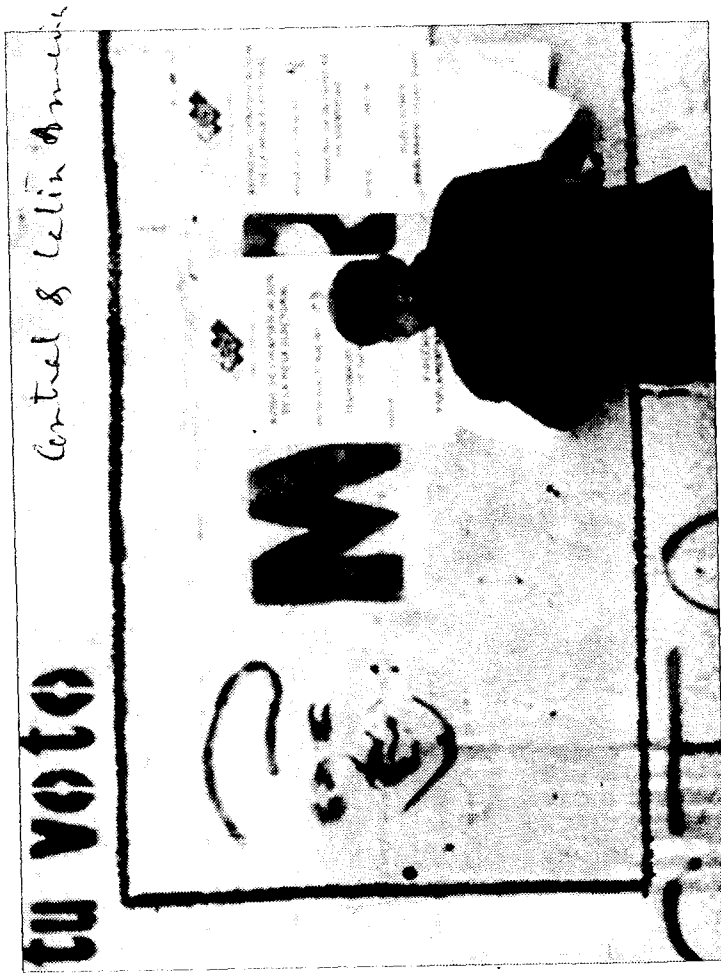
the machines.

But to the surprise of election monitors, opposition parties began announcing their withdrawal on Tuesday, with some anti-government leaders charging that an open vote could not be guaranteed because four of five members of the Electoral Council are viewed as partial to Chávez. The opposition decision appeared to be aimed at appealing to international support and discrediting Venezuela's government, which has strong approval ratings.

"The main objection was the digital fingerprint machine, which was removed, and now their line is we don't trust the system, there must be another trick there," said José Miguel Vivanco, the Americas director of Human Rights Watch, which has been harshly critical of Chávez.

"It's really hard to understand what exactly the political opposition leadership has in mind," he said. "But certainly it is not going to help them to present themselves as victims that deserve sympathy from the international community. With these kinds of tactics I don't think they'll gain any ground."

—NYT



Checking the electoral list at a Caracas polling station on Sunday. Reuters

Chávez, first elected in 1998, has already served longer than any leader of a major Latin American country, except for Fidel Castro of Cuba.

"Chávez would have annihilated them anyway," Alberto Garrido, a critic of the government and an author of several books about the presi-

dent, said by phone from Caracas. "Now, they are starting from scratch. There are people in the opposition, but the opposition leadership is in tumult, without a strategy."

With polls indicating that government candidates would crush them in the election, opposition leaders had for weeks threatened to pull

out. They accused electoral authorities of using digital fingerprint machines at polling sites that would permit the government to determine how individuals had voted. Last Monday, in a decision brokered by the Organisation of American States, the National Electoral Council announced that it would not use

Chavez comes to the rescue of U.S. poor

Gesture when American oil companies are reluctant to do so

*Central
Latin America
HD-14
24/11*

QUINCY (MASSACHUSETTS): Thousands of low-income Massachusetts residents will receive discounted home heating oil this winter under an agreement signed with Venezuela, whose Government is a political adversary of the Bush administration.

A subsidiary of Venezuela's state-owned oil company will supply oil at 40 per cent below market prices. It will be distributed by two non-profit organisations, Citizens Energy Corp. and the Mass Energy Consumer Alliance.

Rising prices

The agreement signed on Tuesday gives President Hugo Chavez's Government standing as a provider of heating assistance to poor U.S. residents at a time when U.S. oil companies have been reluctant to do so and Congress has failed to expand aid in response to rising oil prices.

U.S. Representative William Delahunt, a Massachusetts Democrat, met Mr. Chavez in August and helped broker the deal. He said his constituents' needs for heating assistance trump any political points the Chavez administration can score.

"This is a humanitarian gesture," Mr. Delahunt said, speaking after a news conference with Venezuelan officials outside the home of a constituent who will receive heating aid.

Citgo is the Houston-based subsidiary of Venezuela's state-owned oil company and has about 13,500 independently owned U.S. gas stations.

It is offering Massachusetts more than 45.4 million litres of discounted heating oil over the next four months, starting in December.

The two non-profit organisations will screen recipients for

financial need and cooperate with oil distributors that will make discounted deliveries to qualifying homes and institutions, such as homeless shelters and hospitals.

Mr. Chavez proposed offering fuel directly to poor U.S. communities during a visit to Cuba in August. He has said the aim is to bypass middlemen to reduce costs for the American poor — a group he argues has been severely neglected by Bush's Government.

Mr. Chavez has become one of Latin America's most vocal critics of U.S.-style capitalism, which he calls a major cause of poverty. U.S. officials accuse Mr. Chavez of endangering Venezuelan democracy by assuming ever-greater powers.

During a short-lived 2002 coup against Mr. Chavez, the U.S. Government promptly recognised the new leaders, who were soon driven out amid a popular uprising.

Mr. Chavez, a self-proclaimed revolutionary who has made it a priority to use Venezuela's oil wealth to bolster social programmes for the country's needy, has repeatedly accused the Bush administration of supporting opposition efforts to oust him from power.

The leftist leader has also ruffled feathers in Washington with his close ties to Cuba's Fidel Castro.

An example

Mr. Delahunt said the agreement could set an example for U.S. oil companies.

Congressional leaders have asked the companies to use some of their profits to fund heating fuel assistance programs for low income residents.

"I just hope that this sends a message, and that other oil companies will step and help also," he said. — AP

Poised to create history

Michelle Bachelet is set to shatter Chile's political traditions by becoming its first woman President.

Jonathan Franklin

MICHELLE BACHELET was a 23-year-old medical student in Chile when a gang of military men broke into her house and kidnapped both her and her mother, Angela Jeria. It was January 1975, and the Chilean secret police officers were crushing protests and eliminating civilians on the orders of military dictator Augusto Pinochet.

Ms. Bachelet, a popular and politically active student, was one of thousands accused of being an "enemy" of the new regime. "They put tape and dark glasses over our eyes. We couldn't see," Ms. Bachelet recounts in her office in central Santiago. "They tortured me. They hit me. But they did not put me on the *paril-lada* [metal table used to torture prisoners with electricity]." In a nearby room, her mother was similarly tortured and kept for nearly a week without food or water.

Thanks to family connections with top military officials, both women were spared death and instead exiled to Australia. Within five years, Ms. Bachelet returned to Chile and started working as a clandestine human rights activist.

Today she is the most admired politician in Chile. She is on the brink of being elected President. While the meteoric rise of the 54-year-old former paediatrician was initially dismissed as a passing trend, today she is the clear favourite to win on December 11. Current polls show her with a comfortable 25-point lead over her nearest rival. Ms. Bachelet, a lifelong member of the Chilean Socialist party, is closely allied to the hugely popular President Ricardo Lagos and with a calm social scene and booming economy is expected to win the election easily, either in the next month's first round or a run-off in January.

If elected, this single mother of three will shatter centuries of political traditions in both Chile and South America. Ms. Bachelet would be the first woman elected President of a major South American nation. "People see I am a mother and head of a household. Today in Chile, one-third of households are run by women. They wake up, take the children to school, go to work," says Ms. Bachelet. "To them I am hope."

Ms. Bachelet's candidacy has already catapulted women's health and job issues to the forefront of the political stage. Her rightwing opponent, Joaquin Lavín, has proposed that housewives be given pensions when they retire at 65, and the entire capital city of Santiago is now awash with photos of female candidates hopping on to the bandwagon.

"Michelle makes you feel like we did it together. She is just one more [part of the team]," says Teresa Boj Jonas, a nutritionist who worked under Ms. Bachelet in the Health Ministry. "The other day I went to a party with 15 women and 10 men. They were all talking about Michelle and her magic. She is awakening the idea that we need new style of politics, not confrontational. She generates confidence."

But the steely confidence shown by Ms. Bachelet was honed in one of the continent's most brutal governments, the 1973-1990 military regime led by Pinochet, which killed approximately 3,000 Chilean civilians. In many cases their bodies were dropped from helicopters into the Pacific Ocean. One of the "disappeared" was Ms. Bachelet's then boyfriend, Jamie Lopez, who was tortured for weeks until he revealed all the names of guerrillas fighting in the



Michelle Bachelet ... rising in the popularity stakes. - PHOTO: AFP

resistance against the dictatorship.

Ms. Bachelet, however, did not crack under torture. She kept her secrets and emerged fortified from the experience. From the moment she was exiled to Australia in 1975, Michelle Bachelet fought for democracy. "I noticed that one of the barriers to full democracy was the fault of understanding between the military world and the civilian world," she says. "They spoke different languages. I wanted to help with that. I could be a bridge between those two worlds."

Her hard work led to a surprise government job. In 2002, she was named Minister of Defence. To the arch-conservative and Catholic military, the appointment was a stark reminder that the authoritarian ways of Pinochet had ended. Never had a woman held that post in South America. Now she was commanding the same military that had ordered the deaths of her father, boyfriend, and friends.

As her popularity soared, a group of Senators invited her to a secret meeting. Was she interested in the party's nomination? Did she realise that thousands of citizens were asking them to give her the candidacy? Then one Senator asked: "What do you want in life?" "You all want to know what is my dream?" said Ms. Bachelet. "Very simple. To walk along the beach, holding the hand of my lover." The men looked at each other, stunned. The most highly valued politician in Chile was putting politics below her personal goals of happiness. From that moment, the traditional rules of politics in Chile were shattered. Not only was a single mother on the path to take power in one of South America's most macho societies, but she was doing it without the usual negative attacks that politicians use.

In preparation, Ms. Bachelet has been travelling the world meeting the likes of Hillary Clinton. "As women politicians, we talk about the most difficult themes of state security, foreign relations and development models, then ask, 'How do you make it work with your husband?' The interesting thing is that these women - most of them - don't lose the perspective that the focus is not the position but the job at hand."

How does she balance being a single mother with a very demanding career? "You are in a meeting and afterwards they tell you your son called and needs wax paper for his homework. It is not that you cancel your meeting, but after your day, you go to the supermarket to buy the supplies." - ©Guardian Newspapers Limited 2005

2005

China, Chile, and free trade agreements

Jorge Heine

ON NOVEMBER 19, at the 21-nation APEC (Asia-Pacific Economic Cooperation) Summit held in Pusan, South Korea, Presidents Hu Jintao of China and Ricardo Lagos of Chile signed a Free Trade Agreement (FTA). With immediate effect, 92 per cent of Chile's current exports to China will enter that country duty free. The same goes for 50 per cent of China's current exports to Chile. The significance of this FTA, however, goes way beyond the technicalities. This is not only the first such agreement between China and a Latin American nation; it is the first signed by China with a single country, as opposed to a regional grouping, anywhere.

Given that this was originally mooted by China — in June 2002 and the five FTA Negotiation Rounds took place in a record ten months, from January to October of this year — it raises a question. Why would China, an emerging global superpower, be interested in a trade agreement with a medium-sized Latin American country half way across the world whose GDP is one sixteenth (\$100 billion) of its own (\$1.6 trillion)?

Partly, because of booming bilateral trade. In the past five years, Chile's exports to China have more than tripled, from \$958 million in 2000 to \$3.34 billion in 2004, and Chinese exports to Chile have almost doubled, from \$1 billion to \$1.9 billion. With a total trade of \$5.2 billion, China is now Chile's second largest trading partner, after the United States, and its third largest export market, after the U.S. and Japan. China's enormous appetite for raw materials and commodities — which Chile and South America more generally help satisfy — accounts for this. Minerals make for almost 80 per cent of Chile's exports to China. The latter has become the world's largest consumer of copper, and close to half the copper it consumes comes from Chile.

Industrial products make up for some \$626 million of Chile's exports, and agricultural prod-

ucts, some \$43 million. Minmetals, a Chinese company, has entered into a deal with CODELCO, Chile's state-owned copper company and the world's largest, to secure its long-term supply of "red gold." Chinese consumption, which averaged one million tonnes a year in the 1990s, is projected to reach 4.4 million tonnes by 2010.

Far from being an isolated event, almost a fluke, in the broader scheme of international economic affairs, this FTA between Asia's and Latin America's most vigorous economies is the result of a carefully calibrated international trade strategy followed by both countries. It has paid high dividends to both.

China has for long realised that to sustain its emerging status as "the world's factory" it needs ever-larger amounts of raw materials and inputs — be it oil, copper, iron, wood and paper, soybeans. Much of this can be sourced in South America, perhaps the world's richest region in mining and agro-forestry products. Latin America's 33 countries and 530 million people, on the other hand, are an attractive market for Chinese manufactured products, which are doing very well there. In 2003, Chinese-Latin American trade reached \$30 billion, ten times the trade between India and Latin America.

China has therefore actively pursued greater trade and investment links with Latin America. After the 2004 APEC Summit (held in Santiago, Chile, last November), President Hu Jintao visited Argentina, Venezuela, and Cuba, in a whirl-

wind tour that put China firmly on the region's diplomatic radar screens. Brazil, of course, is China's main Latin American trading partner. Brazil is now planning to build special dams in the heart of the Amazon region to cater to the energy needs of Chinese investment projects.

For Chile, on the other hand, this is only the latest of 42 FTAs it has signed with most of the leading economies around the world including the U.S., the European Union, Canada, South Korea, and Mexico. No other country has signed more, and it has just been announced that negotiations for an FTA with Japan will be launched soon, and others with Malaysia and Thailand are in the offing. A Preferential Trade Agreement (PTA) with India is being negotiated.

Many economists have been leery of these FTAs, which they believe only create a "spaghetti-like" net of unwieldy bilateral deals, difficult to monitor, and are a suboptimal solution at best, compared to an overall, global trade liberalisation and lowering of tariffs. Yet, the obstacles faced within the Doha Round, to be addressed in the WTO Ministerial meeting to be held in Hong Kong in December, attest to the difficulties in making fast progress on such a topic when more than 100 nations are involved. To push for continuous trade liberalisation, the best alternative would seem to be to do so simultaneously on all fronts — multilateral and bilateral.

This is exactly what Chile has done. While

participating actively in the Doha Round (as a member of the G-20+, led by Brazil and India), it has persisted in its bilateral efforts, especially in Asia.

For Chile — as for much of Latin America — its traditional export markets had been in the U.S. and Europe, and until the late 1980s most trade and investment promotion efforts were targeted there. Yet, in the early 1990s, it realised the world's economic axis was shifting towards Asia, and that unless it became a partner in the process of growth and change sweeping across the Asia-Pacific region, it would be left behind.

Chile thus joined APEC in 1994, the second Latin American country to do so. Over the past decade, Asia has become the region with which Chile trades the most. Twenty-seven per cent of Chile's foreign trade is with Asia, as opposed to 25 per cent with Latin America, 22 per cent with Europe, and 16 per cent with the U.S. and Canada. More than a third (34.9 per cent) of Chile's exports, in fact, went to Asia in 2004. Of Chile's four largest export markets in 2004, three were in Asia — Japan with \$3.7 billion, China with \$3.2 billion, and South Korea with \$1.8 billion.

Chile's success, based on an export-led, policy-driven strategy that relies on an open economy, sound macroeconomic management, and strong institutions, is at least partly related to this diversification of its export markets, in which Asia has played a key role. The Chile-South Korea FTA, the first between Asian and Latin American countries, in effect since April 1, 2004, is the best proof that these treaties do have a positive effect on bilateral trade. In 2004, it increased by \$1 billion in relation to 2003, reaching \$2.5 billion. In the first ten months of 2005, it has increased by 25 per cent in relation to same period in 2004.

India-Chile trade

Yet, much as Chile followed a "Look East Asia" policy in the early 1990s, and is now reaping the benefits of it, it is now looking at South Asia, and especially at India, as "the next frontier" in its international trade and investment strategy. Bilateral trade has grown considerably over the past few years reaching \$525 million in 2004. It should touch new, record levels by the end of this year, and, although the trade balance is largely favourable to Chile, India's export basket to Chile is much more diversified, including cars, pharma, chemicals, garments, textiles, and electrical machinery.

Still, these figures are way below those of some of Chile's East Asian trading partners. With the 90 per cent growth in the value of Chilean exports to India in 2004, India jumped from number 21 to number 17 among Chile's foreign markets — tangible progress, but still far removed from the East Asian levels.

Given India's infrastructure needs and the dynamism of its industry, its demand for raw materials and commodities should not lag far behind that of its East Asian neighbours in the near future. Indian companies are coming to realise that they have been missing out on much of the action in Latin America, and are finally targeting the region.

Essar has recently announced a \$1.2 billion project, a greenfield steel mill in Trinidad & Tobago. Reliance has had long-standing business with Venezuela and Brazil, among other countries, and other Indian oil companies have been looking at offshore fields in Cuba, Ecuador, and Venezuela. In Chile, the recent takeover by Tata Consultancy Services of Cromicrom, a business process outsourcing company that has 70 per cent of the bank checking business in the country, in a \$23 million deal, may be the prelude for a strong business offensive by India's largest IT company in the region. Wockhardt recently landed the contract for supplying all of the insulin to Chile in 2006. The time is right for a major breakthrough in Indo-Latin American trade and investment.

(The writer is the Ambassador of Chile to India.)

THE HINDU

Voters to redraw Latin America

H0-11
15/11

Elections are likely to bring new alliances and governments that defy old ideological labels.

Dan Glaister

THERE WAS a telling moment during the Mar del Plata summit of the Americas in Argentina earlier this month. As the 34 leaders walked to the seaside spot chosen for their group photograph, they chatted and joked among themselves. But while they strolled in groups, one leader walked alone: the U.S. President.

George W. Bush's isolation was more than symbolic. It was borne out by the failure of the summit to rubberstamp the U.S.-backed creation of a South American trade zone. President Bush's isolation and the failure of the latest U.S.-inspired trade plan for the continent highlight a question preoccupying U.S. policy-makers and Latin American leaders: is the region drifting away from the influence of its northern neighbour?

Between now and the end of 2006, 11 presidential elections will be held in Latin America. The political changes and challenges that ensue could see a continent redrawn. "In a real way, Latin America is up for grabs," said Larry Birns, director of the Council on Hemispheric Affairs, a Washington-based thinktank. "At the very time when the U.S. has one of the most conservative administrations, it's dealing with a Latin America that is moving to the left, not to the far-out left, but sufficiently to the left that Latin America is beginning to think about non-traditional relationships and affiliations."

Washington's unease is heightened by the presence of leaders who, at least nominally, come from the Left. In Brazil, President Luiz Inacio Lula da Silva was elected from the Workers' party; Chile elected Ricardo Lagos, the first Socialist President since Salvador Allende; Argentinians voted in Nestor Kirchner, who came from the left-wing faction of the Peronist party; and Uruguay chose Tabare Vazquez, the candidate of a coalition of left-wing and progressive groups.

Indigenous political groups are revitalising the political terrain in several countries, while the strict free-market neo-liberalism espoused by the U.S. could be threatened by the election of candidates promoting a mixed economy and government spending to alleviate poverty. In February, CIA director Porter Goss listed the coming elections as

one of the "potential areas of instability that cause the agency concern."

For the U.S., the major source of instability is Venezuela and its leader, Hugo Chavez, who provided the focal point for anti-Bush protests in Argentina. "There is Hugo Chavez and then there is everybody else," said Peter DeShazo, director of the Americas programme at the Centre for Strategic and International Studies in Washington. "While Chavez was elected democratically, his background is not the background of the traditional democratic politician. The others all came out of the democratic system, they are products of it and are committed to it, and committed to orthodox market-orientated economies."

This December sees a presidential election in Bolivia, where protests over natural resources and the rights of indigenous groups have caused the fall of two governments in as many years. The leading candidate is Evo Morales, whom many see as a natural ally of Mr. Chavez. "There is a possibility that Chavez will get his first governmental follower," said Peter Hakim, president of the Washington-based Inter-American Dialogue. "Up to now he has been a lone wolf."

"Bolivia presents a troubling panorama for the U.S. and for Brazil and Argentina," said Mr. DeShazo. "The country is on the brink of instability and it will be difficult for a coherent government capable of uniting the country to emerge. Let's hope it does."

Jean McNeil of the Latin America Bureau in London said that the unification of the Bolivian opposition was spurred by its objection to the privatisation of natural resources. "Most people are opposed to privatisation," she said, "that is the one common theme to the broad range of movements in Bolivia. You can extrapolate that across the region."

Indigenous movements have made themselves heard across the region: in Peru, which holds an election in April; Ecuador, which goes to the polls late next year; and Colombia, where the conservative leader, Alvaro Uribe, seems set to seek a second term in May. While the re-election of Mr. Uribe would appear to rule out any conclusion that Latin America is drifting to the Left, analysts argue that the old ideological labels do not help describe the region's politics. — ©Guardian Newspapers Limited 2005

15/11/05

U.S. move to dominate economy: Chavez

Ken Herman

América & Colombia
40-12

MAR DEL PLATA (ARGENTINA): Despite the urging of U.S. President George Bush, negotiators at the Summit of the Americas could not agree on Saturday on restarting hemispheric trade talks.

Before leaving on Saturday afternoon with the negotiations still in progress, Mr. Bush spent hours behind closed doors trying to nudge fellow leaders toward setting a date to reopen FTAA talks. The session was more than three hours into overtime when he left in mid-afternoon for Brazil, leaving Assistant Secretary of State Tom Shannon to represent the U.S.

The summit failed to agree though 29 countries had "indicated support for continuing on with the free-trade agreement talks," according to a senior administration official who spoke on condition of anonymity.

"The President and Secretary [of State Condoleezza Rice] both made their arguments," the official said, and U.S. officials "feel very good about the discussion they have had so far."

Venezuela, Brazil, Argentina, Paraguay and Uruguay have expressed various levels of opposition to the agreement.

Venezuelan President Hugo Chavez has called it "an annexationist plan" meant to pave the way for U.S. economic interests to dominate the entire hemisphere's economy.

He led a rally on Friday vowing to "bury FTAA" before anti-U.S. demonstrators fought street battles with riot police, burning cars and businesses in the downtown area. The streets were calm on Saturday.

The other four nations — which already have their own free-trading bloc — are pressing Mr. Bush to cut agricultural subsidies to U.S. farmers before they agree on opening their own markets further to U.S. interests.

—New York Times News Service

Bush fails to push free trade agenda at Summit

Key Leaders Bury FTAA With Leftist Rhetoric

Mar del Plata (Argentina): Leaders from across the Americas ended a protest-marred summit here on Saturday after failing to reach agreement on a US-led drive to create a free trade zone from Canada to Chile.

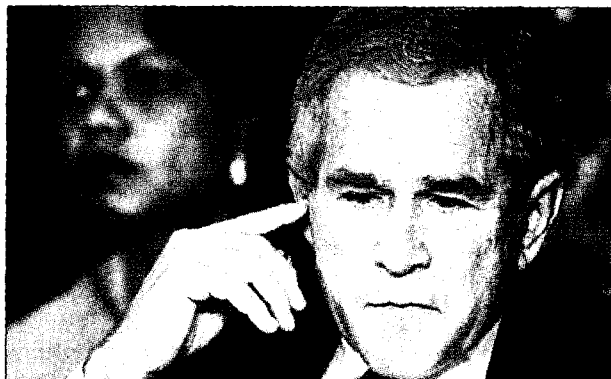
The 34 heads of state and government flew home from this resort town without agreeing on a specific date for resuming negotiations on the Free Trade Area of the Americas (FTAA), initially proposed by the US in 1994. Instead, their surrogates signed a final declaration that included an annex setting out the opposing viewpoints on the free trade initiative backed by US President George W. Bush, the target of violent anti-US protests here on Friday.

The last minute haggling at the summit came after Brazil—a key regional player with Latin America's largest economy—hedged at setting a firm date because it wants to focus for now on ongoing World Trade Organisation talks aimed at cutting tariffs around the world and boosting the global economy.

Twenty-nine countries said they wanted to resume negotiations on the FTAA in 2006. But five countries, including Brazil and Argentina, stated their opposition to the deal. The two-day summit in this resort highlighted the political polarisation that has occurred since the end of the Cold War, as Latin American countries, including key nations Argentina, Brazil, Chile and Venezuela, shifted towards the left.

Venezuelan President Hugo Chavez, a frequent and outspoken critic of the US, led the charge against the FTAA, vowing to a crowd of 40,000 demonstrators Friday that he would "bury" it.

Speaking after the summit

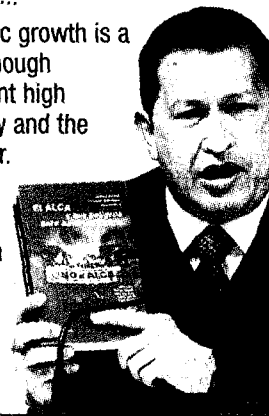


Bush listens to a speech as Condoleezza Rice looks on

...But agree on growth, jobs, democracy

The Americas signed off a final statement supporting efforts at achieving solid growth, creating jobs and democratic rule. Among main points, they agreed on:

- "... We commit to implementing solid macroeconomic policies aimed at maintaining high growth rates, full employment, prudent monetary and fiscal policies, and appropriate interest rate regimes and careful management of public debt ..."
- "We recognise that economic growth is a basic and indispensable—though insufficient—need to confront high unemployment rates, poverty and the growth of the informal sector."
- "We reiterate our commitment to achieving greater economic integration and we will adopt policies geared to promoting economic growth, creating jobs and reducing poverty."



wrapped up, Chavez expressed satisfaction. "We have never had such an intense, frank and profound debate in the past seven years," he said.

On Saturday, Chavez told AFP that Venezuela and Mercosur, the trade bloc that includes Brazil, Argentina, Uruguay and Paraguay, would stand "like a rock"

against mentioning the FTAA in the final draft.

Brazilian President Luiz Inacio Lula da Silva, visibly annoyed, said the FTAA was not supposed to be on the agenda. "When I was invited to this meeting, there were three themes to discuss: jobs, jobs and jobs. Nowhere was the FTAA mentioned," Lula told reporters. Agencies

07 NOV 2005

ইরাক যুদ্ধের ভিতটাই মিথ্যে! লাতিন আমেরিকায় বুশের থাবা রুখে দিলেন সাভেজরা

মার দেল প্লাতা (আর্জেন্টিনা), ৬ নভেম্বর (পি টি আই এ পি)— ভেনেজুয়েলার সমাজতন্ত্রী প্রেসিডেন্ট উগো সাভেজ এবং আরও ৪ দেশের বিরোধিতায় আমেরিকার নতুন অর্থনৈতিক আগ্রাসনের প্রস্তাব মুখ খুবড়ে পড়ল। খালি হাতেই ফিরতে হল জর্জ বুশকে। গত দু'দিন ধরে ৩৪ দেশের শীর্ষ সম্মেলনে দুই আমেরিকা মহাদেশ জুড়ে মুক্ত বাণিজ্য অঞ্চল গড়ে তোলার তদ্বির করেছেন বুশ। তাঁর মতে, মুক্ত বাণিজ্যের ফলে দুই মহাদেশের সমৃদ্ধি ঘটবে, লাতিন আমেরিকার দারিদ্র্য কেটে যাবে। নিজেদের স্বার্থেই লাতিন আমেরিকার এই প্রস্তাবে সাড়া দেওয়া উচিত। ১৯৯৪ থেকে আমেরিকা যে প্রচেষ্টা চালিয়ে যাচ্ছে, বুশের আশা ছিল এবার তা সফল হবে। কিন্তু ভেনেজুয়েলা, আর্জেন্টিনা, ব্রাজিল, উরুগুয়ে এবং প্যারাগুয়ের মতে, এটা লোকদেখানো যুক্তি। এই যুক্তির আড়ালে বুশ গোটা লাতিন আমেরিকা ও ক্যারিবীয় ভূখণ্ডে অর্থনৈতিক আগ্রাসনের পরিকল্পনা নিয়েছেন। এতে সম্মতি দিলে লাতিন আমেরিকার ঘোর বিপদ হবে। শক্ত হবে মার্কিন সাম্রাজ্যবাদের হাতই। মুক্ত বাণিজ্য নিয়ে আলোচনা চালিয়ে যেতে অবশ্য রাজি হয়েছে বেশ কিছু দেশ। অন্যদিকে, গত দু'দিন ধরে বুশের বিরুদ্ধে তুমুল বিক্ষোভ দেখিয়েছে আর্জেন্টিনার মানুষ। মিছিল, পদযাত্রা, প্রতিবাদ সভায় তাঁদের ক্ষেভ ফেটে পড়েছে। লাতিন আমেরিকা থেকে অবিলম্বে ফিরে যেতে বলেছেন মার্কিন প্রেসিডেন্টকে। সারা বিশ্বে মার্কিন সাম্রাজ্যবাদ-বিরোধী লড়াইয়ের নতুন প্রতীক হয়ে উঠেছেন উগো সাভেজ। লাতিন আমেরিকা আন্দোলন হলে তেল বন্ধের হুমকি দিয়েছেন তিনি। এদিকে দি নিউ ইয়র্ক টাইমস এক চাঞ্চল্যকর তথ্য ফাঁস করেছে। গোপন গোয়েন্দানথির নিরিখে মার্কিন দৈনিকটি জানিয়েছে, ইরাক যুদ্ধের ভিতটাই মিথ্যে। ইবন-আল-শেখ আল লিবি নামে লাদেনের দলের এক জঙ্গি ২০০২ সালের গোড়ায় আমেরিকাকে জানিয়েছিল, আল কায়দাকে অতি গোপনে রাসায়নিক অস্ত্র ও জীবাণু অস্ত্র জোগাচ্ছেন সাদ্দাম। পরে জানা গেছে, আমেরিকাকে বিভ্রান্ত করতাই এইসব কথা বলেছিল সে। গোয়েন্দানথিতে সেই মন্তব্যই করা হয়েছে। অথচ, ২০০২ সালের ফেব্রুয়ারি থেকে বুশ প্রশাসন জোর গলায় বলতে থাকে, সাদ্দামের সঙ্গে আল কায়দার আঁতাতের নানা খবর তারা পেয়েছে! মিশিগানের ডেমোক্রেট সদস্য কার্ল লেভিন অতি গোপনীয় নথি জোগাড় করে সাংবাদিকদের হাতে তুলে দিয়েছেন। এই খবর ফাঁস হওয়ায় মার্কিন সেনেটে বড় তুলতে চাইছেন ডেমোক্রেট সদস্যরা।

Anti-Bush protests at Americas summit

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Mar Del Plata (Argentina), Nov. 4 (Reuters): Tens of thousands of marchers protested today against President George W. Bush and his free-trade push, as leaders from the Americas gathered in an Argentine resort for a contentious debate on improving Latin America's economy.

A mixed bag of protesters — from Bolivian Indian women in traditional bowler hats to mothers of Argentine “dirty-war” victims — filled 15 city blocks carrying signs with “Fuera Bush” (Get out Bush) and flags with the face of Argentine revolutionary Che Guevara. About 7,500 police kept a heavy guard at the meeting site and in the city centre, but paid little attention to the protesters, who were 6 km away.

Venezuelan President Hugo Chavez, the Leftist leader who opposes Bush's economic model, prepared to take the protesters' message inside the summit meeting room. He vowed to bury the stalled Free Trade Area of the Americas, or FTAA.

“Every one of us has brought a shovel, an undertaker's shovel, because here in Mar del Plata is the tomb of FTAA,” Chavez told a full stadium hosting an alternative Peoples' Summit.

By his side was Argentine soccer legend Diego Maradona, who carried the flag of communist Cuba and wore a T-shirt saying “War Criminal.” They were joined by Bolivian indigenous leader Evo Morales, front-runner for the December 18 election.

A large Cuban delegation of athletes sent by President Fidel Castro, who was not invited to the summit, was also popular with the crowd. Marchers urged the region's leaders to pursue alternatives to the US-backed free-market recipes, which dominated in the region in the 1990s but failed to reduce poverty.



Diego Maradona makes a face in an anti-Bush T-shirt in Buenos Aires. (Reuters)

Spain seals arms deal with Venezuela

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Governments dismiss U.S. objections

CARACAS: Spain has signed an arms deal with Venezuela to supply military transport aircraft and patrol boats to Caracas, as both Governments dismissed objections by the United States.

Spanish Defence Minister Jose Bono defended the \$ 2 billion deal, which will deliver 12 transport aircraft and eight military patrol boats to Venezuela, saying no international embargo prohibited the transaction.

In an allusion to U.S. pressure, Mr. Bono said at a signing ceremony Spain was a "sovereign and autonomous country" that abided by international law and that "there was no greater empire than the law."

The U.S., which has accused Venezuela's President Hugo Chavez of destabilising the region, had lobbied Spain to drop the deal and tried to block the signing. Mr. Chavez praised Spain for defying what he called U.S. hegemony.

"By confronting the hegemonic and

imperialist ambitions of the elite that now governs the United States, Europe's dignified attitude can offer great help to the world," Mr. Chavez said at the ceremony which was broadcast on state television.

Forces modernisation

Venezuela has initiated a rebuilding of its armed forces, recently buying helicopters and some 100,000 AK-47 automatic rifles from Russia and military aircraft from Brazil.

During the ceremony, Mr. Chavez charged that the U.S. had "lied to the world" to justify the war in Iraq that had claimed the lives of "innocent children." Mr. Bono said the cargo aircraft were for peaceful purposes and that his Government had not sold weaponry such as tanks, missiles or fighter jets.

"A transport plane cannot be identified as a fighter plane, nor as a bomber."

— AFP

Indo-Latin American meet to be held in Goa

Prakash Kamat

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PANAJI: Ambassadors, Charge d'affaires and High Commissioners of several prominent Latin American and Caribbean countries will attend a three-day seminar — 'Indo-Latin American and Caribbean relations' — to be held here from October 7 to 9.

The seminar will debate issues of bilateral trade and economic co-operation and explore Goa's potential as a destination for tourists from Latin America, Portugal and Spain. It will also explore investment opportunities for the Indian industry there. The meet is expected to revive the deep-rooted historical and cultural ties between In-

dia and these countries.

The meet is to be organised under the auspices of the External Affairs Ministry in association with the Goa Government and the Goa Chamber of Commerce and Industry. The Centre for Latin American Studies, Goa University, will co-ordinate the seminar, its director Prof. V. Shivkumar said. Goa Governor S. C. Jamir will inaugurate it and Minister of State for External Affairs Rao Inderjit Singh is expected to participate.

Prof. Shivkumar rues the lack of awareness of the emerging opportunities in these countries, which have put behind them the "lost decade" of the '80s and are building on the "development decade" of the '90s.

THE

He wants to change Latin America's history

He's a friend of Fidel Castro, a fierce critic of the war in Iraq, and wants to spread revolutionary fervour throughout South America. Venezuela's President, Hugo Chavez, has long been a thorn in the side of the U.S.

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Richard Gott

HUGO CHAVEZ, the President of Venezuela, is a genial fellow with a good sense of humour and a steely political purpose. As a former military officer, he is accustomed to the language of battle and he thrives under attack. He will laugh off this week's suggestion by Pat Robertson, the U.S. televangelist, that he should be assassinated, but he will also seize on it to ratchet up the verbal conflict with the United States that has lasted throughout his Presidency.

Mr. Chavez, now 51, is the same age as Tony Blair, and after nearly seven years as President he has been in power for almost as long. But there the similarities end. Mr. Chavez is a man of the Left and, like most Latin Americans with a sense of history, he is distrustful of the U.S. Free elections in Latin America have often thrown up radical governments that Washington would like to see overthrown, and the Chavez Government is no exception to this rule.

Larger than life

Mr. Chavez is a genuinely revolutionary figure, one of those larger-than-life characters who surface regularly in the history of Latin America — and achieve power perhaps twice in a hundred years. He wants to change the history of the continent. His close friend and role model is Fidel Castro, Cuba's long-serving leader. The two men meet regularly, talk constantly on the telephone, and have formed a close political and military alliance. Venezuela has deployed more than 20,000 Cuban doctors in its shanty-towns, and Cuba is the grateful recipient of cheap Venezuelan oil, replacing the subsidised oil it once used to receive from the Soviet Union. This, in the eyes of the U.S. Government, would itself be a heinous crime that would put Mr. Chavez at the top of its list for removal. The U.S. has been at war with Cuba for nearly half a century, mostly conducted by economic means, and it only abandoned plans for Mr. Castro's direct overthrow after subscribing to a tacit agreement not to do so with the Soviet Union after the missile crisis of 1962.

The Americans would have dealt with Mr. Chavez long ago had they not been faced by two crucial obstacles. First, they have been notably preoccupied in recent years in other parts of the world, and have hardly had the time, the personnel, or the attention span to deal with the charismatic colonel. Secondly, Venezuela is one of the principal suppliers of oil to the U.S. market (literally so in that 13,000 U.S. petrol stations are owned by Citgo, an extension of Venezuela's state oil company). Any hasty attempt to overthrow the Venezuelan Government would undoubtedly threaten this oil lifeline, and Mr. Chavez himself has long warned that his assassination would close down the pumps. With his popularity topping 70 per cent in the polls, he would be a difficult figure to dislodge.

Mr. Chavez comes from the provinces of Venezuela, from the vast southern cattle lands of the Llanos that stretch down to the Apure and Orinoco river system. Of black and Indian ancestry, his parents were local schoolteachers, and he has inherited their didactic skills. His talents first came to the fore when he joined the army and became a popular lecturer at the war college in Caracas. He is a brilliant communicator, speaking for hours on television in a folksy manner that captivates his admirers and irritates his opponents.

Tireless worker

He never stops talking and he never stops working. He has time for everyone and never forgets a face. For several years he travelled incessantly around the country, to keep an eye on what was going on. This was not mere electioneering, for he would talk for hours to those who had hardly a vote among them. He exhausts his cadres, his secretaries, and his Ministers. I have travelled with him and them into the deepest corners of the coun-



COMRADES IN ARMS: Venezuelan President Hugo Chavez with his role model and friend Cuban President Fidel Castro at Havana's Karl Marx theatre. — PHOTO: REUTERS

try, and then, after a 16-hour day, he would call the grey-faced Cabinet together for an impromptu meeting to analyse what they had discovered and what measures they should take.

There was always a touch of the 19th century about this frenetic activity, as though the President were still on horseback, and Mr. Castro is known to have warned Mr. Chavez not to absorb himself unduly in the minutiae of administration. "You are the President of Venezuela," he is reported to have said, "not the Mayor of Caracas." Mr. Chavez has taken the advice to heart, and has become less the populist folk hero and more the impressive statesman. Concern about possible assassination has long predated Robertson's outburst, and for the past two years Mr. Chavez has cut down his travels inside the country and been accompanied everywhere by fearsome-looking guards.

Abroad, however, he is a frequent visitor to the capitals of Latin America, and he is widely perceived as the leader of the group of Left-leaning Presidents recently elected in Brazil, Argentina, and Uruguay, as well as the inspiration of the radicalised indigenous movements now clamouring at the gates of power in Bolivia and Ecuador. There is another touch of the 19th century here, for Mr. Chavez is a follower and promoter of the ideas and career of Simon Bolivar, the Venezuelan leader who brought the philosophy of the European Enlightenment and the French Revolution to Latin America, and liberated much of the continent from Spanish rule. Mr. Chavez has labelled his movement the "Bolivarian Revolution," and he hopes that his political ideas will spread throughout the continent.

This in itself would be alarming enough to the U.S., had it the time to pay proper attention. Equally worrying for the Americans is the time Mr. Chavez has devoted to the Middle East, successfully courting the govern-

ments that belong to OPEC, the oil producers' organisation, some of whom have been labelled by the Americans as "the axis of evil." Today's high oil price has much to do with increased demand from China and India, and from the Iraq war, but the spade-work that has given OPEC fresh credibility was put in by Mr. Chavez. Soon he will be helping to show the new Iranian President, using the Venezuelan example, how to increase the revenues of a state-owned oil company and channel them into programmes to help the poor.

Mr. Chavez is widely popular today, but for much of his presidency he has been a contested, even a hated figure, arousing widespread discontent within Venezuela's traditional white elite. Yet although his rhetoric is revolutionary, his reforms have been moderate and social democratic. He criticises the policies of "savage neo-liberalism" that have done so much harm to the poorer peoples of Venezuela and Latin America in the past 20 years, yet the private sector is still alive and well.

His land reform is aimed chiefly at unproductive land and provides for compensation. His most obvious achievement, which should not have been controversial, has been to channel increased oil revenues into a fresh range of social projects that bring health and education into neglected shantytowns.

The hatred that he arouses in the old opposition parties, which have seen their membership and influence dwindle, lies more in ideology and racial antipathy than in material loss. Some opponents dislike his friendship with Mr. Castro, his verbal hostility to the U.S., and his criticisms of the Catholic Church, and some people still have a residual hostility to the fact that he staged an unsuccessful military coup in 1992 when a young colonel in the parachute regiment. Many Latin Americans still find it difficult to come to terms with the idea of a progressive

military man. But mostly they are alarmed by the way in which he has enfranchised the country's vast underclass, interrupting the cosy, U.S.-influenced lifestyle of the white middle class with visions of a frightening world that lives beyond their apartheid-gated communities.

Survived a coup

Over the past few years this anxious opposition has made several attempts to get rid of Mr. Chavez, with the tacit encouragement of Washington. They organised a coup in April 2002 that rebounded against them two days later when the kidnapped Mr. Chavez was returned to power by an alliance of the army and the people. They tried an economic coup by closing down the oil refineries, and this too was a failure. Last year's recall-referendum, designed to lead to a defeat for Mr. Chavez, was an overwhelming victory for him. The local opposition, and by extension the U.S., have shot their final bolt. There is nothing left in the locker, except of course assassination.

The fingers of mad preachers are usually far from the button, but the untimely words of Pat Robertson, easily discounted in Washington and airily dismissed by the U.S. State Department as "inappropriate," might yet wake an echo among zealots in Venezuela. A similar call was made last year by a former Venezuelan President. Assassinations may be easy to plan, and not difficult to accomplish.

But their legacy is incalculable. The radical leader of neighbouring Colombia, Jorge Gaitan, was assassinated more than 50 years ago, in 1948. In terms of civil war and violence, the Colombians have been paying the price ever since. No one would wish that fate on Venezuela. — ©Guardian Newspapers Limited 2005

(Richard Gott is the author of *Hugo Chavez and the Bolivarian Revolution*, published this month by Verso.)

Castro, Chavez come down on America

Continued from
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U.S. imperialism the greatest threat to the world, say leaders

HAVANA: Cuban President Fidel Castro and his Venezuelan counterpart Hugo Chavez, two major irritants of the United States, have made a joint television appearance in which Mr. Chavez accused Washington of destroying the world.

The two Latin American leaders, wearing olive military uniforms, talked for five hours and 40 minutes in a special broadcast of Mr. Chavez' weekly radio and television show, "Hello Mr. President," from Cuba's western Pinar del Rio province.

The two leaders, in the programme televised in their respective nations, brushed off U.S. charges that their Governments exercised a destabilising influence in Latin America.

"U.S. imperialism represents the greatest threat weighing on the world," Mr. Chavez said, calling the U.S. the "great destabiliser" and "the destroyer of the world." He also praised socialism over capitalism.

"Capitalism privatises health care and education," he said. "We are building the socialism of the 21st century."

The Venezuelan leader travelled to Cuba on Saturday to attend the graduation of 1,600 medical students from across Latin America who had studied here for free.

Taking a sarcastic tone, Mr. Castro told Mr. Chavez: "You already know, we cannot make a student study because that would be destabilising, we cannot invite patients to get medical care because that is destabilis-



JOINT ATTACK: Venezuelan President Hugo Chavez (right) and his Cuban counterpart Fidel Castro in Sandino near Pinar del Rio, Cuba. - PHOTO: REUTERS

ing." The pair travelled to the town of Sandino in a jeep with the top down, passing by throngs of people waving Venezuelan and Cuban flags.

Mr. Castro and Mr. Chavez sat at a huge desk at the open-air event, which was televised in their respective countries.

The Foreign Ministers of both countries were in attendance, as well as Nicaragua's leftist Sandinista former President, Daniel Ortega, and the former Salvadoran guerilla leader, Schafik Handal. When Mr. Castro asked how Salvadorans would react to a U.S. invasion of Venezuela, Mr. Handal said: "Hundreds of thousands of us must go fight in Venezuela."

Mr. Chavez, a leftist and former paratrooper, has become Mr. Castro's strongest ally in the region as the two share a disdain for U.S. policy. He has accused Washington of backing efforts to overthrow him and Mr. Castro's Cuba has endured a four-decade U.S. embargo. Venezuela and Cuba have strengthened military ties and in April signed 50 trade agreements presented as an alternative to U.S. free-trade deals with Latin America. During their television appearance, Mr. Castro and Mr. Chavez also hailed their plan to provide eye care to at least six million Latin Americans in the next 10 years as part of their "Operation Miracle." - AFP

Will good economics rescue Lula?

Brazil's once Leftist leader only has the support of a healthy economy to survive the latest political scandal. Lula's commitment towards economic orthodoxy may just pay off with the masses and the markets, says Ruchir Sharma.

THE reaction of Brazil's financial markets to the latest political crisis is rather intriguing: stocks have barely budged, the currency is still firm and the risk premium on Brazilian bonds is close to record lows. Of course, the intelligentsia in Brazil thinks investors are smoking something strange and will soon enough reconnect with reality. They also believe it's just a matter of time before opinion polls — which show national support for President Luiz Inacio Lula da Silva slipping only very gradually — find Lula to be 'damaged goods'.

Now statistics do lie and the local commentariat in Brazil may eventually turn out to be more on money this time. After all, the current political scandal could even lead to Lula's impeachment as evidence continues to mount that members of his ruling Workers' Party, or PT, paid bribes to win legislative support of congressmen. The cash-for-votes scandal has severely undermined the credibility of a party that not too long ago had the halo of probity around it. But when markets and opinion polls aren't showing a terribly high level of concern over the crisis that has otherwise shaken the Brazilian establishment, it's definitely worth figuring out if there's a different story at work.

At one level, Brazil's current political crisis is in some ways reminiscent of the corruption scandal in 1992 that led to impeachment proceedings against the then President Fernando Collor. Brazilian asset prices suffered a great deal of damage during that period. However, the fundamental backdrop now couldn't be more different. For one, Brazil's economic health has never been better in recent history. The economy is in the midst of one of its longest expansion cycles, inflation is well under control, the balance of payments is in surplus and the government is paying down debt.

It can be argued that the world economy is booming and Brazil is merely benefiting from powerful global macro trends. But that's precisely the point.



BONNY THOMAS

Brazil hasn't ever been in as strong enough a position to fully participate in rising global prosperity. Lula's government has given investors the confidence to view Brazil as a core emerging market with key strategic advantages.

What many political observers are forgetting is that less than three years ago, investors panicked at the prospect of a Lula presidency. A mandate for him was seen as a verdict against economic orthodoxy. Cynics argue that Lula's main achievement is that he merely treaded down the same path as his predecessor Fernando Henrique Cardoso. They say Lula has followed sensible macroeconomic stabilisation policies but not carried out any path-breaking reforms. Brazil has made little progress in reducing the excessive level of government expenditure that necessitates a very high level of taxation. At 35%, the country has about the highest tax-GDP ratio in the developing world.

However, it seems in today's globalised world, the most important feature investors seek in a large economy is stability. It's a plug-and-play model at work — if a country with some strategic

advantages is plugged into the global economy, it can benefit meaningfully from the forces of globalisation. This model explains why other large emerging markets such as India and Russia have done so well in the current global business cycle even when domestic economic reform momentum has been disappointing.

WHILE Brazil has steadily integrated with the global economy since the early '90s, what it desperately lacked was economic stability. With a history of hyperinflation and serial currency crises, Brazilian businessmen and foreign investors weren't able to make any serious commitments toward the country. Brazil was locked in vicious cycle: instability led to a disappointing growth profile, which fed social discontent. Lula's ascension to power was viewed as the worst possible manifestation of voter disenchantment, with investors believing his populist and Leftist campaign rhetoric swayed the electorate.

Instead, Brazil's country-risk premium has declined dramatically during Lula's term in office. Investors now think

that if Lula is the worst-case scenario, then Brazil is in more than fine shape. As a result, they have piled onto Brazilian assets, making the country's stock market one of the best performing emerging markets over the past three years.

Lula hasn't suffered as much as would have been expected in the opinion polls because Brazilians have felt a material difference in their economic well being. In the formal sector alone, which captures just a third of the country's 78 million-strong labour force, 1.5 million jobs have been added in the past 12 months. In allowing the central bank to follow a tight monetary policy regime, Lula's government is being credited for seriously denting inflationary expectations in the economy. As is the case with tough but sensible policies, the economy has surprised analysts by coping remarkably well with high official interest rates. Even in the face of 14% official real interest rates, credit growth is surging with businesses and consumers sensing some permanence in the economic outlook.

A key policy success of the Lula administration is to have encouraged micro-lending. As a result, for the first time, lower-income groups have been able to access credit. This is where the importance of mass-based leaders who understand the connection between good economics and good politics is evident. They are able to both better communicate and spread the benefits of globalisation.

When the economy was slow to take off in 2003, Brazilians didn't give up on Lula as they thought of him as one of their own and took the view that if he wouldn't deliver than no one would. Lula has since come through, on the economic front at least. In the end, the masses may yet turn against him if the ongoing investigations into the bribery scandal show his involvement. But for Brazil, Lula has already done far more than what was expected of him. He has permanently reduced Brazil's risk premium by turning out to be a rather worthy worst-case scenario.

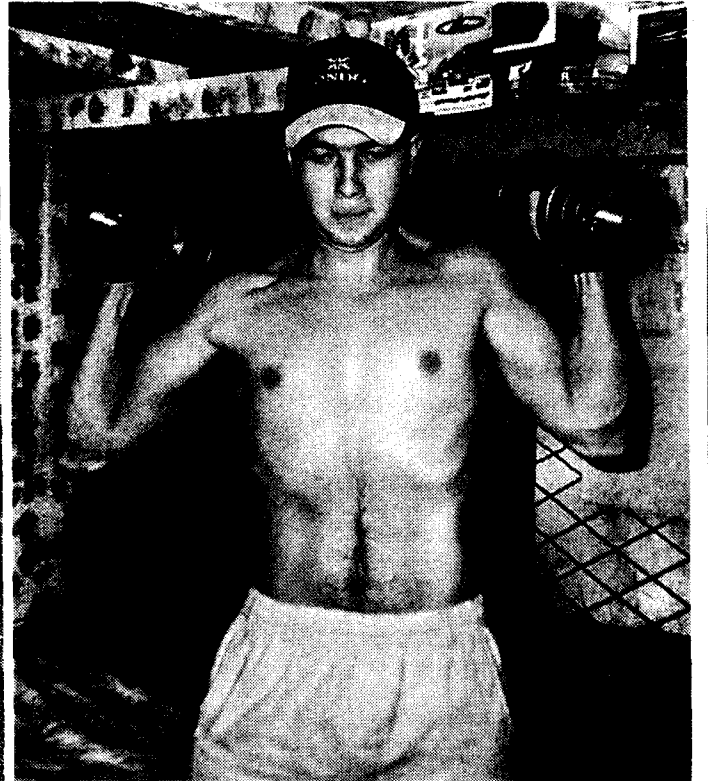
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Brazil expresses shock at citizen's killing

The Government wants Britain to explain the circumstances that led to the tragedy

Center of Latin America

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MOURNING THE LOVED ONE: *Maria Aparecida Menezes (left), aunt of Jean Charles de Menezes, who was shot dead by the London police, comforts the victim's mother Maria Otone de Menezes and father Matuzinho at their home near Gonzaga, Brazil, on Sunday. (Above) Jean Charles de Menezes exercising in a recent photo. - PHOTOS: AP*

SAO PAULO: The Brazilian Government "was shocked and perplexed" to learn that London police mistakenly shot to death a Brazilian citizen on a subway car, the Foreign Ministry said.

"The Government expects the British authorities to explain the circumstances that led to this tragedy," Saturday's statement said, without citing the citizen's name or giving any other infor-

mation about the incident.

London authorities said 27-year-old Jean Charles de Menezes was killed on Friday at the Stockwell subway station as police investigated the series of botched transit bombings a day earlier and the July 7 attacks that killed 56 people, including the four bombers.

The Brazilian Government said their citizen was "apparent-

ly the victim of a lamentable mistake."

Foreign Minister Celso Amorim, who was in London for talks on United Nations reform, will try meet British Foreign Secretary Jack Straw to seek an explanation, the statement added.

"Brazil has always condemned all forms of terrorism and has been willing to contrib-

ute to the eradication of this scourge under international norms, including with respect to human rights," the statement said.

Local media reported that Menezes was an electrician who had been working and living legally in England for three years.

"He spoke English very well, and had permission to study and work there," Menezes' cousin

Maria Alves told the O Globo Online Web site from her home in Sao Paulo.

Menezes was originally from the small city of Gonzaga, some 800 km northeast of Sao Paulo in the southeastern State of Minas Gerais.

"No, there was nothing to do with Islamism," police officer Agostino Ferreira Rosa said. "We know he was Catholic."

GloboNews TV reported that Menezes' body was identified by another cousin, Alex Alves Pereira, who lived with Menezes and two other cousins in London.

"I've already asked the police to release the body as soon as possible," Mr. Pereira told GloboNews from London.

"That's all the family and his friends want right now." - AP

Centrist Cabinet in Bolivia

4/6 1980
Centrist Cabinet

LA PÁZ (BOLIVIA): Bolivia's interim President, who took office last week after his predecessor quit during huge Indian protests, has named a centrist Cabinet designed to hold a truce in this polarised South American nation until elections in December. Eduardo Rodriguez, former Supreme Court chief, is a caretaker for Bolivia until an elected leader takes office to try to reconcile a three-year-old uprising in the impoverished region and an autonomy movement in the wealthier eastern region. The former President was in power only for 19 months. — Reuters

JUN 20 1980

Chavez works wonders

In using oil wealth to help the poor, Venezuela's leader is an example to Latin America.

Richard Gott

A MUDDY path leads off the airport motorway into one of the small impoverished villages that perch on the hills above Caracas, a permanent reminder of the immense gulf between rich and poor in oil-rich Venezuela. Only 20 minutes from the heart of the capital city a tiny community of 500 families lives in makeshift dwellings with tin roofs and rough breeze-block walls. They have water and electricity and television, but not much else. The old school buildings have collapsed into ruin, and no children have received lessons over the past two years.

Two Cuban doctors are established in a temporary surgery on the main track. They point out that preventative medicine is difficult to practise in a zone where the old clay sewer pipes are cracked and useless, leaving the effluent to flow unchecked down the hillside. The older inhabitants have been here for years; they first came from the country to take root on these steep hillsides in the 1960s. Many are morose and despairing, unable to imagine that their lives could ever change.

Others are more motivated and upbeat, and have enrolled in the ranks of the Bolivarian revolution of President Hugo Chavez. They expect great things from the Government, and are mobilised to demand that official attention be focussed on their village. If their petition to the Mayor to repair their school and sewer pipes does not get answered soon, they will descend from their mountain eyrie to block the motorway, as they once did before during the attempted *coup d'etat* of April 2002.

Hundreds of similar shantytowns surround Caracas, and many have already begun to turn the corner. In some places, doctors brought in from Cuba are working in newly built premises, providing eye treatment and dentistry as well as medicines. Nearly 20,000 doctors are now spread around this country of 25 million people. New supermarkets have sprung up where food, much of it home-produced, is available at subsidised prices. Classrooms have been built where school dropouts are corralled back into study. Something amazing has been taking place in Latin America in recent years that deserves wider attention than the continent has been accustomed to attract. The chrysalis of the Venezuelan revolution led by Mr. Chavez, often attacked and derided as the incoherent

vision of an authoritarian leader, has finally emerged as a resplendent butterfly whose image and example will radiate for decades to come.

Most of the reports about this revolution over the past six years, at home and abroad, have been uniquely hostile, heavily influenced by politicians and journalists associated with the opposition. These criticisms have been echoed by senior U.S. figures, from the President downwards, creating a negative framework within which the revolution has inevitably been viewed.

The Chavez Government, for its part, has forged ahead with various spectacular social projects, assisted by the huge jump in oil prices, from \$10 to \$50 a barrel over the past six years. Instead of gushing into the coffers of the already wealthy, the oil pipelines have been picked up and directed into the shantytowns, funding health, education and cheap food. Leaders from Spain and Brazil, Chile and Cuba, have come on pilgrimage to Caracas to establish links with the man now perceived as the leader of new emerging forces in Latin America, with popularity ratings to match. This extensive external support has stymied the plans of the U.S. Government to rally the countries of Latin America against Venezuela. They are not listening, and Washington is left without a policy.

For the past six years, Mr. Chavez' Government has moved ahead at a glacial rate, balked at every turn by the opposition forces ranged against it. Now, as the revolution gathers speed, attention will be directed towards dissension and arguments within the government's ranks, and to the ever-present question of delivery.

In the absence of powerful state institutions, with the collapse of the old political parties and the survival of a weak, incompetent and unmotivated bureaucracy, Mr. Chavez has mobilised the military from which he springs to provide the backbone to his revolutionary reorganisation of the country. Its success in bringing adequate services to the shanty towns in town and country will depend upon the survival of his government. If it fails, the people will come out to block the motorway and demand something different, and yet more radical. — ©Guardian Newspapers Limited 2005

(Richard Gott's book "Hugo Chavez and the Bolivarian Revolution" will be published by Verso in June.)

MAY 2005

THE HINDU

Chavez, Castro defy U.S., strike oil and trade deals

Venezuelan leader upstages Condoleezza Rice in the region

HAVANA: Visiting Venezuelan President Hugo Chavez and Cuban leader Fidel Castro have struck a potentially lucrative oil deal and opened a branch of a major Venezuelan bank here that will handle increasing trade between the two countries, in open defiance of the U.S.

Both leaders showcased their growing cooperation by signing some 20 agreements they said were the first step toward a regional trade pact Mr. Chavez has proposed as a counterweight to the North American Free Trade Agreement (NAFTA) that joins Mexico, Canada and the U.S.

"ALBA is on its way," Mr. Chavez said, referring to the Bolivarian Alternative for the Americas trade agreement he is pushing (ALBA also means dawn in Spanish). "ALBA, what a beautiful word and what great meaning it has," said Mr. Castro (78) who, dressed in a smart business suit, attended with Mr. Chavez the opening in Havana of two offices for the Banco Industrial de Venezuela (BIV) and Venezuela's state-owned oil giant PDVSA.

Mr. Chavez's visit, the 12th since he was elected to power in 1999, coincides with the U.S. Secretary of State, Condoleezza Rice's first major visit to La-

tin America. He has been upstaging Dr. Rice throughout her week-long tour — on Friday she was in Chile.

"Both our countries are going to show what a just and liberating integration, one that benefits both people is all about," said Mr. Castro of the agenda put together for Mr. Chavez's visit. If PDVSA were to make a major find, or several significant ones, the shift could turn regional geopolitics upside down, potentially turning Mr. Castro's cash-strapped, oil import-dependent regime into a prosperous oil exporter able to fund itself well into the future. — AFP

30 APR 2000

THE HINDU

Ousted Ecuador Prez begins exile in Brazil

Reuters
Quito, April 24

OUSTED ECUADOREAN President Lucio Gutierrez and his family fled Quito for asylum in Brazil on Sunday after he was forced from office by street protests against his increasingly unpopular government.

Heavily armed police spirited Gutierrez south of the capital to Latacunga air base from the Brazilian embassy residence, where the retired military officer had taken refuge after he left the presidential palace last week.

"At 5.45 in the morning the airplane carrying Colonel Gutierrez, his wife and children left for Brazil," minister for the government Mauricio Gandara told local television. Brazilian authorities said the aircraft touched down in Rio Branco in western Acre and left for Brasilia.

Congress dismissed Gutierrez on Wednesday for abandoning his post and replaced him with Alfredo Palacio, his vice president. Gutierrez fled after



Lucio Gutierrez

the military withdrew its support for him and crowds stopped him leaving the country.

Gutierrez, the third president of the Andean nation ousted by popular unrest in eight years, came to power promising populist reforms.

But many felt betrayed when he introduced tough economic policies soon after his 2002 election.

A Brazilian air force passenger jet had been on standby to pick up Gutierrez, his wife and two daughters since Thursday when Brazil granted him asylum and refuge in its

diplomatic residence.

Enraged anti-Gutierrez demonstrators camped outside the residence to demand he face justice in Ecuador after state prosecutors ordered him arrested for the deaths of two people killed during the protests.

But the early morning operation faced little resistance as the police team raced through the capital. Gutierrez was first driven to a military base at Quito airport and then flown by helicopter to Latacunga.

"A police Blazer vehicle came out of the side entrance of the residence with four police officers wearing ski masks and carrying rifles," a Reuters TV cameraman said.

Quito appeared calm on Sunday with no signs of reaction to the former president's departure.

Street demonstrations erupted in Quito about 10 days ago to demand Gutierrez resign for what critics branded as his increasing abuse of power and his meddling with the Supreme Court by appointing his allies as justices.

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25 APR 2005

THE HINDUSTAN TIMES

Ecuador emergency off



Ecuadorean President Lucio Gutierrez at a Press conference on Saturday.

AP

Reuters
Quito, April 17

ECUADOREAN PRESIDENT Lucio Gutierrez on Saturday retracted a state of emergency he decreed less than a day earlier in the capital Quito after thousands took to the streets in open defiance of his orders.

Gutierrez said he lifted the emergency to make it easier to negotiate an end to a political crisis over the future of the Supreme Court, which he fired by decree on Friday night. "I have lifted the state of emergency and ask for the maintenance of tranquillity and peace," the embattled president said.

Thousands of people bashed saucepans and honked car horns in Quito, calling for Gutierrez to resign. Even though the emergency was called to prevent exactly that type of protest in the city, a hotbed of opposition to the government, security forces did not break up demonstrations.

Gutierrez dismissed the Supreme Court to try to break a political deadlock over the future of the judiciary which has brought regular protests to the streets and stirred memories of unrest which led to the ouster of two presidents since 1997.

The opposition had ac-

cused judges of being biased towards the government and had demanded they be fired.

But their dismissal by decree did not placate the opposition.

"(Gutierrez) has driven Ecuador to instability," Quito Mayor Paco Moncayo told reporters. "His resignation would be a patriotic service."

"Gutierrez's decision was unconstitutional, but at this point the court is a minor problem," opposition lawmaker Ramiro Rivera told Reuters. "The continuation of the Gutierrez government is in play in the streets."

18 APR 2005 THE HINDUSTAN TIMES

Oil a tool to achieve equality: Chavez

By Parvathi Menon

"Mr. President, what is the secret of your energy," asked a journalist at the end of a long press conference in Bangalore, the last public engagement addressed by the charismatic Venezuelan President, **Hugo Chavez**, on his recent India visit. "Not from oil," Mr. Chavez shot back amidst laughter, "but from faith in what I do."

Before a gathering of the Federation of Karnataka Chamber of Commerce and Industry, he spoke with conviction and eloquence on the gains and lessons of his four-day visit to India. Calling his visit "historic" — the first by a Venezuelan President — Mr. Chavez discussed the broad range of economic agreements signed with India — "from medicines to satellites, oil and energy to computers and software, food processing to machine manufacture." Venezuela's urgent requirements at present are, however, in acquiring manufacturing technology and know-how in priority areas, notably those of food processing and medicines — "computers and satellites can wait."

It was, however, his visit to rural West Bengal that appears to have been the highlight of Mr. Chavez's visit, and on which he spoke from the heart. "We touched the soul of India and in return India touched our innermost fibre." The villages he was taken to brought back memories of his own childhood spent in a poor, rural region of Venezuela. He vividly described his interaction with its people, particularly children: "I want all children to be happy, I want them to eat fully and never have to go hungry, I want that they be able to live in decent, if small dwellings. I want that all women be able to raise their children in dignity, that they be able to enjoy their land, working it and harvesting its fruit." Calling poverty, hunger and disease, "truly the most formidable weapons of mass destruction in the world," Mr. Chavez resolved to use his country's oil resources as a tool to achieve equality and development in the world.

President Chavez spoke to **The Hindu** — his only interview to an Indian publication — on the 20-minute drive from his hotel to the Bangalore airport. Excerpts:

Question: Mr. President, from your public statements it would appear that your visit to India had two objectives: the establishment of economic ties, and the building of political alliances in today's unipolar world. How far were these objec-

tives realised during this visit?

Hugo Chavez: There is no doubt that we have started a process of rapprochement between India and Venezuela, and this is very positive from the perspective of a unipolar world. In the same manner, for some time now we have an alliance with Russia, with China, and last year we created the South American Union of Nations. We also have strategic alliances with Brazil and with Argentina. We now have a strategic alliance with India. There is no doubt that we have achieved our goals over the last four days, but we have to work very hard for these to become a reality.

The world has followed with great interest your initiatives in building a new axis of progressive countries in Latin America. One of its objectives has been to diversify your oil markets to reduce dependence on the U.S. Would you like to comment on the significance of this effort, and its limitations?

I would say that much more than an axis, it is just the effort to make a reality of the old dream of Bolivar and of many other revolutionary fighters — in the Union of Latin America, and in this precise case, the Union of South America. And though we have made huge progress in this effort in the last few years, it is clear that there are serious obstacles and difficulties that we have to overcome.

One of the most powerful obstacles is the attitude of the United States. It has always succeeded in the past in stopping any attempt by the Latin American countries to unite. Today, the U.S. has been aggressing, and undertaking economic and political action, and secret operations, to try to prevent this integration process. So far we have defeated them, and I am certain that we will continue to do so because in Latin America and South America in general, far more than the will of one man and a group of leaders and presidents, well, the people have stood up and spoken.

You have repeatedly alluded to the attempts by the U.S. Government to assassinate you. How real are these threat perceptions?

I think these are serious threats. And it is serious given the attitude and the continuous aggression by Washington that has increased dramatically in the last few years. But now there is a peculiarity. Most of the attacks are directly addressed to myself. It is no longer directed against the Venezuelan Government. Hugo Chavez is a threat to the United



States. Hugo Chavez is like Hamelin's Pied Piper. Hugo Chavez is a threat to the stability of South America. When you analyse the direct threat of aggression against one person by the U.S. administration, you connect this aggression to what has happened in the past. You cannot forget that the United States financed the toppling of Allende and of many other leaders. We never knew the reasons for the death of General Torrijos, the President of Panama, for example.

The practice of the United States so far has been to lie and abuse — their hands are tainted with blood. We cannot forget that recently Mr. Bush has lifted the prohibition on the Central Intelligence Agency to assassinate leaders around the world. Last but not least, in Venezuela, they failed with the *coup d'etat* attempt, they failed with the petroleum sabotage, they failed with the recall referendum, and they know that in the next presidential elections in 2006 they will not be able to find any candidate who can defeat us. They will adamantly try to prevent Hugo Chavez from governing Venezuela for six more years. On top of all this, we have intelligence information that indicates that they are relocating the people who will try to organise these assassination attempts.

With the dollar so closely tied to U.S. economic and political strengths, is it at all likely or desirable for oil producers like Venezuela to price crude oil in euros rather than dollars?

I don't think it is important to set the price in euros or bolivars, as with

both foreign exchanges there will be an impact on other countries. I think such a move may only have symbolic or moral value. I have no idea that it is being proposed, or that it is an idea that could be implemented.

In communist-ruled West Bengal, you have said, there was a huge and emotional response from the people to your visit. What are the impressions you take back with you, and have you any plans on building regional cooperation with governments like that of West Bengal?

The vast love we received in Kolkata is unforgettable. The intense interaction with the people of Kolkata and their leaders — Chief Minister Buddhadev Bhattacharya, the Government team, and Governor Gandhi. I am certain from the interaction I have experienced, that the Marxist party is leading the State in the right direction by empowering people. And there we are together. We will also begin working together with the Government of West Bengal.

Your opponents have accused you of trying to muzzle the media by bringing in a law that will curtail press freedoms. How do you respond to these allegations?

This is like a drug trafficker opposing an anti-drug trafficking law by saying that it will prevent him from trafficking drugs! This law that was passed in Venezuela was waiting to be passed for 50 years, and we have always failed to do so. The law will allow us to liberate our people from the tyranny that the media has exercised over them for the last 48 years in our country.

Venezuela offers Petroleos stake to ONGC

New Delhi, March 5

VENEZUELA WILL give state-owned Oil and Natural Gas Corporation (ONGC) a stake in a Venezuelan oilfield and wants to supply crude oil to India, Asia's third biggest consumer, under a long-term agreement, President Hugo Chavez said today.

ONGC will partner Venezuelan national oil firm Petroleos de Venezuela (PDVSA) in exploring for oil in an onshore field San Cristobal, which has a potential to produce 100,000 barrels per day. ONGC's foreign arm ONGC Videsh Ltd (OVL), which is bidding for foreign oil assets to secure energy sup-

plies, will hold 49 per cent stake. "The oil (from San Cristobal) will come to India," Chavez told a news conference after holding wide ranging discussions with Prime Minister Manmohan Singh here.

He said Venezuela wants to have a long-term agreement to supply crude oil to India. "Venezuela wants to become secure, continuous and long-term supplies of oil to India in the same manner as we have been doing to US for a century."

Venezuela, which sells 60 per cent or 1.5 to 1.6 million barrels per day of its crude to US, is South America's only member of the Organisation of the Petroleum Exporting

Countries (OPEC) wants to diversify market.

India imports 70 per cent of its crude needs. It consumed 2.46 million barrels per day in 2004 and is forecast to use 2.53 million barrels per day this year.

"India needs resources, raw material and we are there to supply it," he said.

Chavez said OVL and gas firm GAIL (India) Ltd were also welcome to participate in explore gas in offshore. Chavez, a fierce critic of Washington, wants to diversify overseas energy ties to reduce its economic dependence on the American market. Last month, Venezuela signed an accord with China to supply crude oil. **PTI**

THE HINDUSTAN TIMES

06 MAR 2005

Chavez wants 'long-term relationship' with India on oil

By Our Special Correspondent

NEW DELHI, MARCH 4. Without mincing words, Venezuela's visiting president, Hugo Chavez, told a gathering of top industrialists here today that he was looking for new markets such as India to sell his country's oil because its single biggest customer — the United States — was hell-bent on destabilising his Government.

"They are still pursuing a policy which does not respect the truth... We sell 1.5 million barrels of oil per day to the U.S. and they still complain," he told a luncheon meeting organised in his honour by the Federation of Indian Chambers of Commerce and Industry and the Confederation of Indian Industry. "In Venezuela we have a saying, 'They go to heaven and still they cry,'" he said, producing a ripple of laughter from an audience not normally used to any dignitary — visiting or Indian — openly criticising Washington.

Diversification

Mr. Chavez said that one of the most important aspects of his visit to India would be the initiation of a partnership in the energy sector. "Did you know that for more than 100 years, we never sold our oil to countries such as Argentina, Cuba or Brazil — only the U.S.? But now, we are diversifying. We are selling to our Latin American brothers, we are selling to China and we would like a long-term relationship with India." Venezuela, he said, wanted to help India, to "support its industrial growth... This is very important for us too."

(Earlier in the day, Mr Chavez repeated his warning that if the U.S. continued its policy of hostility, Venezuela would stop exporting oil to it. "If there is any aggression, there will be no oil," PTI quoted the Venezuelan

President as saying after his ceremonial reception at the Rashtrapati Bhavan. "We want to supply oil to the U.S. We're not going to avoid this supply of oil unless the U.S. Government gets a little bit crazy and tries to hurt us," he was quoted as saying).

Pointing out that Indian oil consumption was set to rise very fast, Mr. Chavez told the industry meeting that his Government had "decided to speed up the process" of reaching out to India. "I hope that soon India will start to drill in Venezuela. Indian companies will operate by themselves or in alliance with PDVSA (the State oil company)."

In a reference to Venezuelan heavy crudes such as orimulsion, he said that India too had heavy crudes and that PDVSA, which has developed technologies to exploit this crude, was

willing to extend its help. Venezuela also had technology to convert crude oil underground, obviating the need for certain types of refining.

Calling for the development of South-South cooperation in this, the 50th anniversary of the historic Bandung Conference, Mr. Chavez said he wanted India to help his country develop manufacturing capability in pharmaceuticals, textiles and vehicles.

Import duties

When an executive from Ranbaxy, which has a presence in Venezuela, asked him to speed up the certification process for drugs and reduce import duties, Mr. Chavez said that while he would ask his Ministers to look into the matter, the Indian pharmaceutical firms should consider in-

vesting in his country too.

Venezuela, he said, was importing a huge amount of medicine "because for the first time in the history of my country, the people are receiving free health care. There are 20,000 Cuban and Venezuelan doctors who live in the poorest neighbourhoods and who provide this health care. So we import medicines, but we would like companies like yours to also study the possibility of manufacturing medicine in Venezuela."

Mr. Chavez said that he wanted Indian companies to be involved in the development of Venezuela's off-shore gas fields. "We have the largest gas deposits in Latin America — 120 trillion cubic metres of proven reserves... Companies from France, England and the U.S are already there. Why not India?"

Venezuela to sign energy pact

By Our Special Correspondent

NEW DELHI, MARCH 4. Venezuela, a member of the Organisation of Petroleum Exporting Countries, is set to sign an energy cooperation agreement with India for joint production of oil and supply of petroleum on a long-term basis.

Revealing this during an interactive meeting with Indian business leaders organised by FICCI and CII here today, the Venezuelan President, Hugo Chavez Frias, said: "I have had wide-ranging discussions with Petroleum and Natural Gas Minister, Mani Shankar Aiyar, and tomorrow [March 5, 2005], I will sign an MoU with the Indian Prime Minister on energy cooperation."

After recently signing oil sales agreements with China,

Argentina, Uruguay and Paraguay, Mr. Chavez is expected to sign supply contracts in India, Asia's third largest oil consumer.

Heavy crude oil

The energy cooperation agreement with India will extend to pacts for exploitation of India's heavy crude oil as "we have the right technology for converting heavy oils into light crude for use in refineries," Mr. Chavez said. Venezuela was competent to meet India's import requirement of 100 million barrels of crude.

Mr. Chavez said that apart from cooperation in the oil sector, Venezuela and India were expected to enter into an MoU for tourism development and set up a high-level commission to speed up invest-

ments in oil and tourism sectors.

He invited Indian companies and investors to set up joint ventures in Venezuela in the fields of science and technology, medicines, roads, airports, ports and housing.

The Minister of State for External Affairs, Rao Inderjit Singh, said India's achievements in hi-tech application and low-end and appropriate technologies in the fields of housing, agriculture, rural development, small-scale industries, education, railways, space science, biotechnology and information technology could be of relevance to Venezuela's development.

India would be happy to establish partnership with Venezuela in these areas.

Success brings disarray

By Larry Rohter

THESE SHOULD be the most satisfying of times for the Brazilian Workers' Party. As the party's leaders and faithful mark its 25th anniversary, they are securely in power with President Luiz Inacio Lula da Silva's popularity at high levels, their membership expanding, their finances strengthened and their image abroad burnished.

But at home, the Workers' Party, Latin America's largest Left-wing party, is marking the date with what the Brazilian news media describe as an "existential crisis." Supporters and critics alike are questioning the party's principles, policies, methods and structure, accompanied by the most humiliating political defeat — in a vote for Speaker of the House — that the party has suffered since Mr. da Silva took office in January 2003.

The party's fundamental quarry, politicians and academics here have repeatedly said, is that even after two years in power, it seems unable to decide whether it wants to be a governing party, an Opposition party or both at the same time. The party has seemed to take each of those positions at various times, with some of the fiercest criticism of Mr. da Silva coming from within his own ranks, creating an appearance of confusion and indecision.

"It's true that we have a problem with our vocation to be the government," Jorge Viana, one of only three Workers' Party Governors and a close ally of Mr. da Silva's, acknowledged in an interview. "We played the role of the Opposition very well but now

that we've achieved power, we're not showing the same unity of action."

Outsiders tend to view the problem as ideologically tinged. They see a rift between people like Mr. da Silva and the circle around him — who have had to learn to deal with the realities of exercising power — and other, more traditional factions that cling to a Marxist-Leninist programme that the President and his allies have in practice renounced.

disobedient Workers' Party candidate, Luzianne Lins, won handily and has become a symbol of resistance to what is seen as the party leadership's imperious, top-down management style.

This month, for instance, two Workers' Party candidates ran for President of the Lower House of Congress. One, unpopular with the rank and file, was handpicked by party leaders, while the other defied

will convene an assembly and hold a series of round-table discussions to commemorate the party's 25th anniversary.

Mr. Da Silva's closest aide, Jose Dirceu de Oliveira e Silva, has been quoted as calling the events "pure nitroglycerine" because of the opportunities they offer the party's malcontents to criticise the leadership and expose internal contradictions that remain unresolved.

On another level, the Workers' Party may have become a victim of its own success. Back in 1980, it truly was a workers' party, closely linked to labour unions in Sao Paulo, and later on it also became the voice of disgruntled civil servants. But with its recent growth, that social base has shifted and with it the character of the party and its political style.

"There is even a businessman's wing, and that is a source of grievance for the old militants, who could always be counted on to take to the streets for political crusades," said Alexandre Barros, a leading political consultant in Brasilia. "The new party member is a regular middle-class citizen who votes and talks positively of the party, but doesn't engage in mass politics."

But Viana said such problems were the byproduct of success and should not be interpreted as evidence of a lack of purpose or direction. "It's not the party that has an identity crisis," he said, "it's just some people in the party who have that problem." — *New York Times News Service*

The Brazilian Workers' Party may have become a victim of its own success.

repeated warnings that he would be punished unless he withdrew and supported Mr. da Silva's favourite.

Even though the Workers' Party has the largest delegation, both candidates ended up losing, with the winner, Severino Cavalcanti, coming from a small Right-wing party. His surprise victory in February has been widely interpreted as a sharp rebuke by small parties that are allied with the Government but are angered by what they see as arrogance and disdain in the way the Workers' Party treats them.

"I lost but it's the government's defeat," said Luiz Eduardo Greenhalgh, who was the party's choice. Nonsense, Mr. da Silva replied, still stinging from the vote. "The Government didn't compete for the post, it was the party," he said.

Additional fireworks can be expected next month, when the party

Francisco de Oliveira, a sociologist who was one of the founders of the party but is now a critic, accuses Mr. da Silva of abandoning basic party principles, especially on economic issues, in his eagerness to win power after losing his first three runs for the presidency.

Mr. Oliveira and other analysts on the Left blame what they see as excessive pragmatism for the party's setbacks in October's municipal elections. In that vote, the party picked up posts in medium-size cities in the interior where it had been weak in the past but it was defeated in two of its traditional urban strongholds, Sao Paulo and Porto Alegre.

In the October election, voters in the city of Fortaleza, population 2 million, were treated to the odd spectacle of Mr. da Silva's team supporting the Communist Party candidate over its own party's nominee. But the

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Confidential & Private

"Global world needs rule of law"

Central & Latin America

The first Chilean head of state to visit India, President Ricardo Lagos, spoke to Siddharth Varadarajan of The Hindu about the anti-neoliberal mood in Latin America, the trial of the former dictator, Augusto Pinochet, and the need for a world that recognises cultural diversity and the rule of law. Excerpts:

Question: Given the enormous distance that separates Latin America from South Asia, what is it that India and Chile can do for each other?

Ricardo Lagos: That reminds me of my visit to China when President Jiang Zemin told me, 'You are from such a faraway country, I assume you have something very important to tell me!' But seriously, beyond the historical things and the multilateral issues, India is an emerging country, extremely important as an economic force. Chile is a small country with only 15 million people but our path of development has been to integrate with the world. Trade accounts for more than 65 per cent of our GDP, and if we add services, that's 80 per cent. In other words, India has a huge internal market but when you are a small country, you see the world. And we would like to be here.

On the other hand, the fact that you too are an open economy means the possibility of investment in and using Chile as a springboard to go to other countries. Quite a number of European firms are now going down to Chile, because they can go free of tariff to the U.S.; and on the other hand, some Americans are coming to Chile because they can go to Europe tariff free. So Chile is offering to India the market of the Europeans, Americans, Canadians and Mexicans, with whom we have free trade agreements and zero tariffs for most products.

At the same time, societies are more than economies. There are cultural issues, the design of public policies to help the poor, where we can learn from each other. I think it is time to say globalisation is not just about business but about some other things...

There has been in India recently a certain re-evaluation of the different dimensions of globalisation, a feeling that we tended to ignore Latin America, Africa. In the past year, we have seen the creation of a very promising new forum linking India, Brazil, and South Africa. Do you see that kind of initiative as something Chile could connect with?

I think India, Brazil, and South Africa are part of a broad-

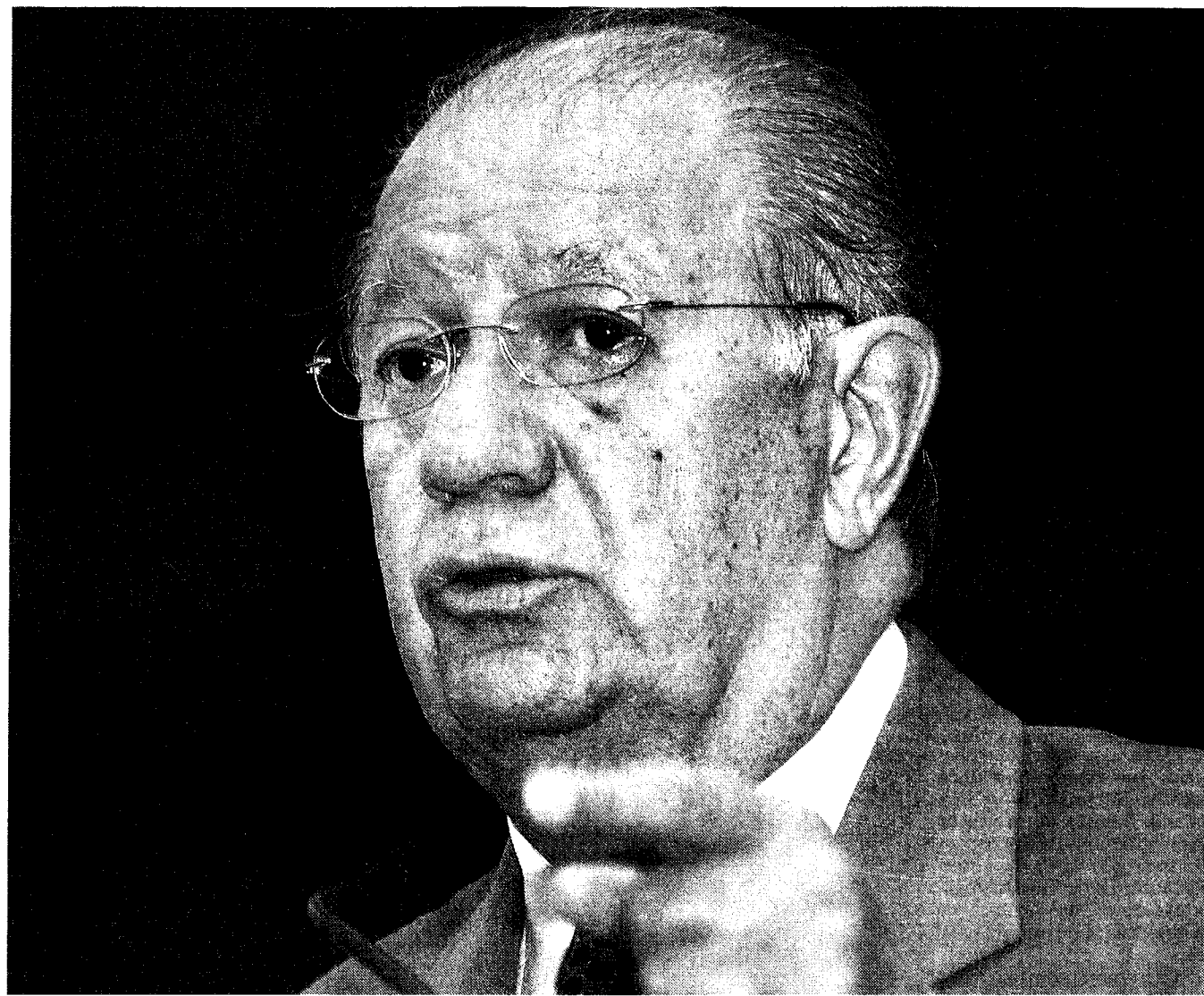
er coalition — the so-called G-20 and still counting — of countries that went together to present similar views in the Doha round of trade talks at Cancun. Now, there are the negotiations in Geneva and I think the time has come to present similar views. There are the questions of anti-dumping laws, agricultural subsidies, and intellectual property rights. It's there that we are going to be discussing these things... So that's an area where, if globalisation is going to be here as it is, you need some rules. Globalisation without rules means that the rules are going to be imposed upon us. I don't want that. And from that point of view, India, Brazil, and South Africa are the major countries providing some leadership in this question. We feel part of that group.

I was in Venezuela recently for a conference at which there were a lot of scholars and artists from Latin America. I got a feeling of a new confidence in the region linked to the fact that after a long period, there are five or six progressive governments in the continent — Lagos in Chile, Nestor Kirchner in Argentina, Lula in Brazil, Chavez in Venezuela, and, of course, now Uruguay. What accounts for this turn to the Left? Is it because of Latin America's negative experience with neoliberalism?

There is a sense in the region that we tried to do everything. That during the 1990s, under the so-called Washington consensus, we were supposed to be open to trade, we were supposed to have an independent monetary policy, no fiscal deficit, private quite a number of firms. Now, most Latin American countries did all those things. Nevertheless, growth didn't arrive, and in those cases where you have growth, this didn't mean poverty was being reduced. The only exception, to some extent, has been Chile. And you know why? Because, in addition to the Washington Consensus, we had quite a number of very specific policies.

You mean social welfare programmes?

Yes, for the poor. In education, for example, we discriminate. Equal opportunity in



Ricardo Lagos... speaking up for small nations. — AP

education means you have to discriminate in favour of those schools that are far away, in rural areas, poorer people. There's no question. We have computers now in 90 per cent of our schools but, needless to say, for many kids the computer in the school is the only computer. Also, one of our programmes was to target women-headed households. Ninety-five per cent of them are poor so to target them is very easy. So, in a housing programme, for instance, the priority was these households. With our targeting, we have managed to reduce those in poverty, by our own definition, from 40 per cent of the population to 18 per cent.

So I have a feeling that what happened in the region is that there is a move away from neoliberalism. People discovered that growth is not enough. And that if you don't have these kind of very concrete — I am not talking about populist policies — straightforward public policies that are essential. This is not to say that in some cases, you couldn't have a privatisation or a build-operate-and-transfer scheme. We introduced, for instance, private money in our highways. Well, I can build a highway through a toll system

but the money could be better used to build a school or help the fishermen, bringing water for the rural poor. Almost everyone in rural areas has drinkable water but let me tell you, this is only public money because the peasants cannot afford that part of the story.

Given the ideological affinity among several of the Governments in Latin America, is it possible to have a certain coordination of policies? Mr. Chavez and Mr. Kirchner are talking of building Petrosur to link South America's oil companies. How does Chile view these kind of pan-Continental initiatives?

I think that geography will tell you need some kind of physical integration in terms of highways, roads, and telecommunications. Needless to say we have a tremendous reservoir of hydroelectric energy in the southern part of Chile. If some other country has gas or oil, and it is possible to have pipelines and trans-electric cables, that is possible. Already, we receive a little gas from Argentina and provide electricity.

These kinds of things are essential. But it is also necessary to have some kind of coordination in terms of our own economic policies. Because what is the purpose of integration and reducing barriers if you are going to devalue your currency by 50 per cent? So I think we need physical integration like energy, transportation etc., and integration of macroeconomic policies.

How are Chile's relations with the U.S.? As a member of the U.N. Security Council in the run-up to the invasion of Iraq, Chile surprised many by refusing to go along with America's plans to get the U.N. to sanction the war...

You see, everybody assumed we were going to say yes because we were in the middle of trade negotiations with the U.S. Exactly, so did Chile incur a penalty for its opposition to the war?

I would say no, but our opposition to the war has to do with something much more essential. It is not only a question of ethics, but in this kind of world that is global, you are going to need some kind of rule of law. It is impossible not to have that. And the only way is by the United Nations and the multilateral institutions.

This is the reason that nine months after the non-resolution on Iraq, when there was a

resolution on Haiti, 72 hours after the resolution asking for troops, we sent troops there. So, without the Security Council, we say no, and within a unanimous vote of the council, we say yes. This is the only way for small countries if we are going to be living in a more civilised world.

The U.N.'s high level panel has made recommendations about reform, including the Security Council. There's been some disappointment largely because they have felt the veto system cannot be changed. India feels the expansion of permanent membership should come with veto power but Latin American countries have tended to favour doing away with vetoes altogether. How does Chile view the question of...

The time has come to update the U.N. Charter. It represents the world as it was in 1945. I think it is necessary to have more permanent members. There are two proposals and we will be with whichever receives more backing.

I think it's improbable that countries with a veto will not veto the proposal to abrogate the veto! In that case, why not have a system of contra veto?

One country says 'I veto', and two others say, 'I veto your veto'. That could be a practical solution, but we are open to any suggestions. What I wouldn't like is that because of the question of the veto, we don't introduce reforms that are essential, not just in the U.N. but also in economic institutions like the World Bank and IMF.

There's a perception that Chile prefers to remain aloof from regional integration in South America and reach its own understanding with the U.S. on trade. In the context of the ongoing debate, don't you think it prudent to postpone discussion on the Washington-proposed Free Trade Area of the Americas (FTAA) till such a time you have greater coherence of policies among South American countries first?

Every country has different realities. As I said, 65 per cent of our GDP is represented by exports and imports. Do you know how much it is in Brazil? 22-23 per cent. Argentina has something similar. Because these countries are so huge, the internal market is very important for development. The way you address the issue of trade is different when you have such a huge market.

So Chile does not want to become a full member of Mercosur?

I'm in favour of Latin American integration. And I think this is essential. But how are we going to integrate if I have 14 per cent tariff and I have 6 per cent? Should I increase my tariff? That's impossible. Should they reduce? In the long term, they are planning that. So the question of integration has to do with what is the reality in the different countries. Why don't we have integration in the political arena? The Ministers of Health and Education meet twice a year among Mercosur countries. I say if a customs union is essential to be a member of Mercosur, then I cannot be a member. I'm only an associate member. But if there are many other things and not only a customs union, I will be a full member. So it is not that Chile would like to go alone.

I would say there are very few countries that have been able to see what happened in the past... In November 2004, a presidential report was issued — the result of a high-level committee's investigation into what happened with the political prisoners, the torture. It's had a tremendous impact on public opinion, first because the report was released, and second that the Chilean Government will be paying pension for life for all the 28,000 people who were recognised as political prisoners in that report. This tells us about the strength of political institutions in the new Chile.

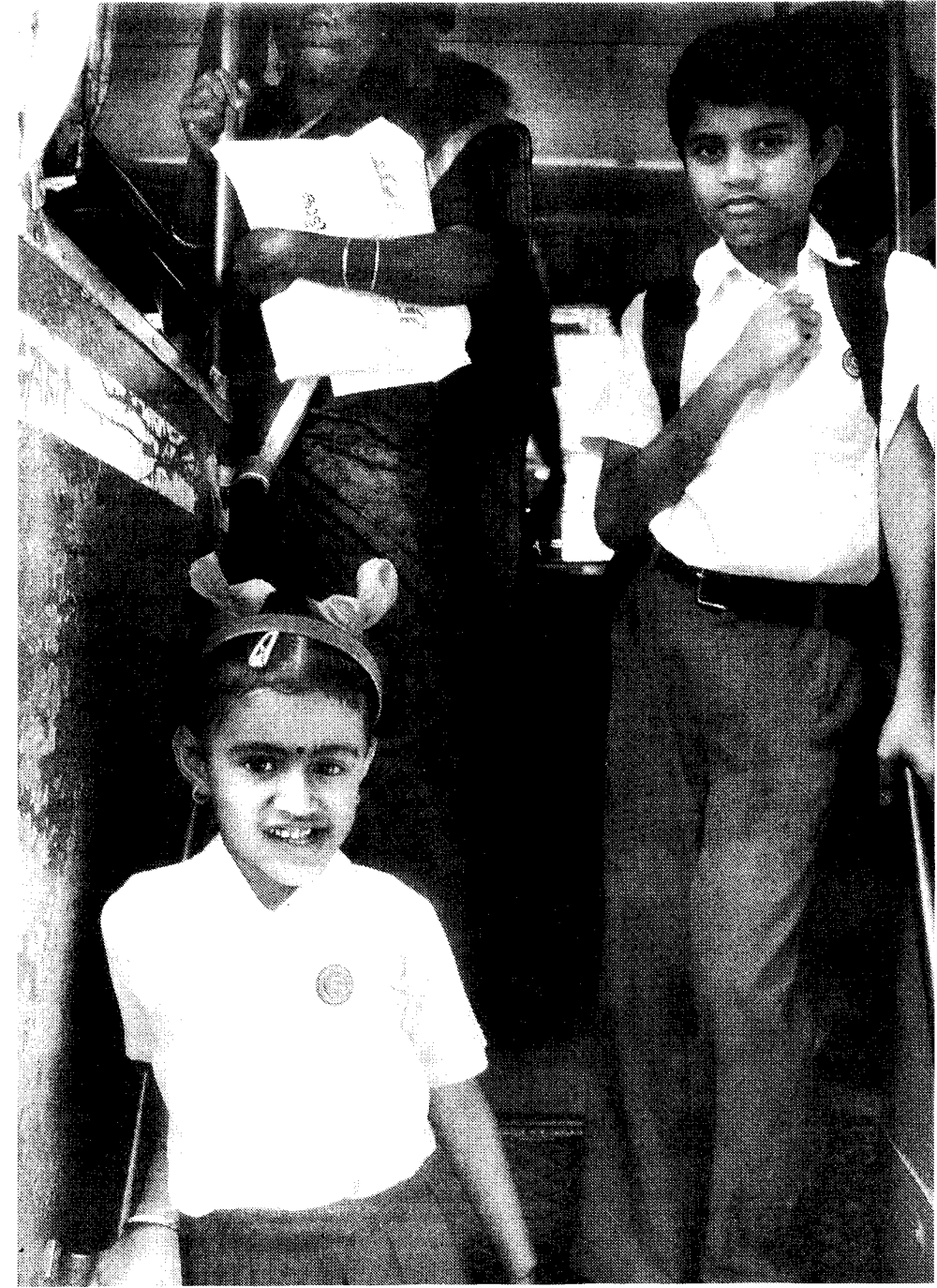
Is there any possibility that the drive to have full accountability for 1973 might at some stage lead to a request from Chile for the right to interview or interrogate officials from the United States who were involved on the coup, torture techniques, disappearances. One sometimes hears calls for Henry Kissinger's prosecution.

Well there has been some talk of that but all this is up to the tribunal. If they, if someone being prosecuted says 'I received orders or training or whatever it is, then it would be up to the tribunal to make a decision to ask for some foreign people to appear.

Turning to a domestic issue,

Commerce & crisis hit Wayanad students

By P. Sainath



Anushree is a seasoned commuter at age five. She spends hours each week on the bus going to school. Her father, a labourer at a rice mill, wants the best education for her that he can get. — Photo: P. Sainath

WAYANAD (KERALA): At age five, Anushree is the youngest commuter on the bus. The Class I student spends 12 hours a week this way. That too, crossing the State border twice each day. She journeys from Kutta in Karnataka to school in Mananthavady, Kerala, and back. She travels on these crowded buses with schoolgirls only a few years older keeping an eye on her. By the end of each week, she's logged nearly 400 km on that bus.

For those from outside Kerala, Anushree's story is astonishing. Her father is a Malayalee casual labourer based in Kutta, presently working in a flour mill in Tholpetty on the Kerala border. In Wayanad's ongoing agrarian crisis, he'd be lucky to find work 15 days in a month. Yet, he wants his daughter to have the best education she can get. For him, that's an English-medium school in Mananthavady.

This costs much more than sending her to just any school in Kutta. But a better school for his daughter is important to the man who could go days without work. And he spends even more to send her there spotlessly turned out. A moving and inspiring act. But this is Kerala where people place an enormous value on education. For girls, too.

Three of the many other girls on the bus — Vaishali, Razine and Shruti — also travel quite a distance daily. They are all in Class IX of a Government school. They are Malayalees commuting every day from inside Karnataka on student passes costing Rs.195 for three months. Not cheap. But their parents seek a Malayalam-medium school. Besides, they know that schools in their home State are better. You know this is Kerala when the three girls tell you their preferred sporting events are "hammer-throw, shot put and discus." But also on the bus are young people who have dropped out of college or school. These include Class IX

and X students returning from back-breaking work in the fields of Kodagu. Many from Wayanad have moved to or beyond the border, seeking work in Karnataka. Even the children on the bus have a sense of the crisis gripping Wayanad. "Maybe 20 kids from poor families have dropped out these past two years," says Vaishali. "Four from my class alone." This pupil is also aware of "three suicides amongst farming families" in her neighbourhood.

Two processes have hit Kerala — and Wayanad in particular — very badly. One is the policy-driven commercialisation of education. This has evoked angry protests across the State. And the second is the collapse of Wayanad's economy. For the first time in decades in this education-proud State hundreds, even thousands, of students are dropping out of college and school because their parents can no longer pay the fees. It's worse at the college level.

"Some drop out after spending Rs. 2-3 lakhs," says Fr. A.K. Varghese of the St. George Orthodox Church in Padachira. "In this very parish, 20-30 students have left their professional courses in Karnataka, Tamil Nadu, even Delhi. With agriculture failing, their parents can no longer afford it."

"In my own class," says Prof. Balagopal of St. Mary's College who is on the bus with us, "students find it hard to cope. This year's annual excursion was delayed as less than half the 45 pupils could afford it."

The crash of coffee, pepper, and vanilla prices has made things a lot worse. And rackets linked to the commercialisation of education are thriving. "When coffee and vanilla were booming," says Krishna Prasad of the Karshaka Sangham (Kisan Sabha), also on the bus with us, "people sent their children to expensive institutions in Karnataka. For instance, to nursing colleges that charge over Rs.4

lakhs for the whole course."

Countless students were recruited for such colleges by shady agencies. W.T. Sajith was one of them. "I, and some 3,000 others, went to Bangalore in response to a newspaper advertisement from such an agency," he told us. This was for a B.Sc nursing course.

"The agency assured us bank loans — with no collateral. The 'hostel' turned out to be a tiny home with 18 people packed into it. The college was not recognised by the Indian Nursing Council." The reason for the fake promises was simple. The college needed large numbers of students to gain recognition. Once it did, it demanded exorbitant fees from them.

But with the rural economy in collapse, "no one could pay," says Sajith. "The management used goondas to chase us out. When we wanted our school certificates back, they demanded Rs.15,000 from each of us." The agency had already extracted Rs.60 lakhs from them as "service charge" at Rs. 2,000 per student. (It had also made Rs.3 crores from the college — at Rs.10,000 per pupil recruited. In all, it made Rs.3.6 crore on this single deal.)

In Pulpally, farmer K.P. Varghese's daughter Nisha and her friend Annie cannot meet the demands their college in Karnataka now makes. A college which is "awful, with no teaching hospital attached." All such 'private' nursing and medical colleges basically depend on government hospitals. They will never build the needed infrastructure themselves. But the girls are in too deep, having completed the first year. So they hope to somehow finish the three-year course. But bank loans are out. Banks are linking educational loans to agricultural dues. "I was turned down just this morning," says Varghese, who has pending agricultural loans.

Meanwhile, Kerala now emu-

lates Karnataka. The Government is encouraging the spread of private, high-fee and 'donation based' colleges. But for the State's students, the process is traumatic. It has meant a radical reversal of Kerala's educational policies. Those first introduced in 1957 by the then Nambudripad Government had a dramatic impact. Even the poor in remote parts of Wayanad had access to better schooling. Together with other reforms, that enabled Kerala to emerge as India's one success story in education.

Meanwhile, the agrarian crisis goes down to the school level in Wayanad. "Parents are appealing for tuition fee waiver in school," says Fr. George Vertikatt. He is Procurator at the Catholic Bishop's House in Sultan Bathery and is in charge of one of Wayanad's best English-medium schools. "The school is losing money. But people who paid easily earlier are now really hard up."

Churches have played a hugely positive role in education here. But new dilemmas crop up. Church-run schools have always helped poor children. Yet church-linked bodies also own many high-fee institutions at the higher levels. So a few of those who fight for debt relief for Wayanad farmers also own colleges from where the children of those farmers drop out for want of money. Some are a little defensive about this.

"Modern institutions need lots of money to run," says Fr. Baby Elias. He is with the Mar Basil Church, Cheyambam. Fr. Elias feels the Government is wholly to blame. "They won't spend a paisa on the education sector. Nor do they ensure remunerative prices for farmers. That's why children are dropping out."

At the Mananthavady depot, Anushree waves goodbye as she makes her way to school. As Wayanad's crisis deepens, the five-year-old is fighting a larger battle than she knows.

Basu and a different ballgame

By Malabika Bhattacharya

KOLKATA, JAN. 29. It was a different ballgame altogether, unlike the one he knew for more than 28 years: the former West Bengal Chief Minister, Jyoti Basu, was captain of a football team in his youth, much before he spearheaded one of world's longest-serving communist governments.

Mr. Basu was quite hooked to football in his younger days, he said at a book release function here on Friday.

Walking down memory lane, the CPI (M) Polit Bureau member, said he was leader of a football team once. "When I was staying at my Hindustan Park residence (in South Kolkata), I was the captain of a club called Black & White." Mr. Basu reminisced while releasing a book on football authored by former footballer, Shanto Mitra.

Mr. Basu continued with the game even when he was studying in college. St. Xavier's. He ended his affair with the ball when, in a flash of wisdom, he realised that too long an involvement with the game might lead to a lasting injury.

But his love for football never ceased. Still an avid watcher of the game, he, however, finds it difficult to accept the local clubs packing up their teams with foreign players. "How do we project our image abroad if we fail to create new players? We still hire players, it's unfortunate."

Looking back to the days of the Raj, he says he misses the kick he would get then when "the sahebs (British)" lost the match. "Where is that football?" he asks.

Among those footballers who are still fresh in his memory are Umapati Kumar, Balaji Chatterjee and Samad. "They had their own style. I was drawn to them."

India, Chile sign agreement

By Our Diplomatic Correspondent

NEW DELHI, JAN. 20. India and Chile signed a framework agreement for economic cooperation today that will lead to a Preferential Trade Agreement (PTA) this year. The idea was to eventually agree on a Comprehensive Economic Cooperation Agreement.

A joint statement issued after discussions between the visiting Chilean President, Ricardo Lagos, and the Prime Minister, Manmohan Singh, said that two other agreements in the field of agriculture were also signed.

"The two sides agreed on the urgent need for reforms of the

United Nations and expansion of the Security Council to reflect the realities of the international situation. India thanked Chile for its support to India for permanent membership of the U.N. Security Council," it said.

Multilateral system

"Both sides agreed on the importance of a sound, transparent, equitable and rule-based multilateral trading system. The two sides agreed to join forces to achieve a balanced outcome of the Doha Development Agenda, particularly in the area of agricultural reform, and agreed to continue to coordinate their positions as members of the G-20, in order to ensure that the con-

cerns of the developing countries are duly considered," the statement said.

Mr. Lagos and Dr. Singh noted with satisfaction that bilateral trade between India and Chile had grown significantly in recent years — reaching \$ 42 million in 2004. "Of special interest to the two sides are the pharmaceutical and biotechnology fields in which Indian proficiency could be used to mutual benefit. The two sides are also agreed to explore possibilities for cooperation in mining, forestry, agriculture and education," the joint statement added.

Dr. Lagos, who came to New Delhi from Mumbai, will visit Bangalore on Friday.