

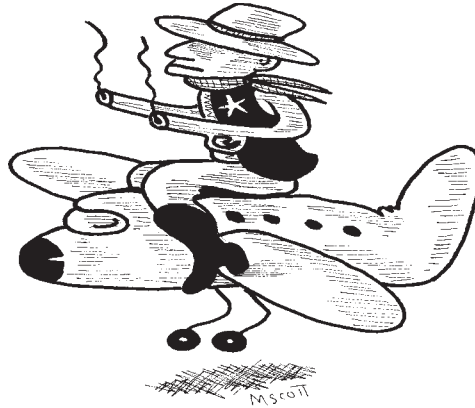
# The Council on Hemispheric Affairs' Washington Report on the Hemisphere

## U.S. and Honduras: The Eternal Security Relationship

When Honduran President Manuel Zelaya visited Washington this past June, he had two security-related requests for President George W. Bush. The first was to seek his aid in converting the Colonel Enrique Soto Cano airbase (also known as Palmerola) into a commercial air cargo terminal, while the second was to interest the White House in deploying a Special Forces unit to the Mosquitia territory in eastern Honduras to help combat drug-trafficking along the Caribbean coast. At the time of Zelaya's visit, there were numerous media reports indicating that a armed forces facility would be built in the Mosquitia, with Washington's help, that would most likely also house a U.S. military presence.

### Honduras' Woes

The Honduran daily *La Tribuna* has quoted Colonel Alfonso Reyes Discua, the commander of the Fifth Infantry Battalion based in the province of Gracias a Dios, as saying: "I believe that the Mosquitia is the main entry for drugs coming into Honduras." The Honduran part of bolsky Mosquitia, situated between the Caribbean and Nicaragua, contains barely 70,000 inhabitants. The region contains dense rainforests and features very few roads and other means of communication with the rest of the country. Its isolated topography accommodates one of Honduras' major inflow points for drug trafficking. The coastal location is regularly used by drug cartels to transport illicit substances coming from Colombia, Peru and Bolivia to the American and Canadian markets, via Mexico. According to the U.S. Embassy in Guatemala, more than 100 tons of drugs



destined for the U.S. pass through Honduras each year. To cope with this drug flow, the Honduran police only has a total of 8,000 officers, which also must deal with the wave of non-drug-related murders and kidnappings. Drug-traffickers are often equipped with state-of-the-art equipment, utilizing "fast boats" far superior to anything in the Honduran navy's inventory. This offers one more example of the Honduran security forces lacking the resources to deal with the threat posed by local as well as external drug rings. As the waxing drug trafficking scenario in the Mosquitia exemplifies, the available number of security forces remain small and too precariously stretched to adequately deal with these major security issues.

### The U.S. Military Presence

The U.S. has been a continuing presence in modern Honduras, primarily at the Soto Cano airbase, which witnessed a series of notorious human rights abuses during the Contra wars of the 1980s. American troops now stationed there include the Joint Task Force Bravo (JTF-Bravo), a component of the U.S. Southern Command (Southcom), which

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## Cuban Oil and Ethanol Could Prosper in Havana's Hunt for Energy Resources

Hurdling over the barriers erected by Washington policymakers, Cuba, with increasing gusto, is turning to its oil and ethanol sectors to achieve energy security, despite the U.S. embargo. Cuba has slowly made progress through the operations of both state-owned and foreign enterprises, and by means of new oil explorations and a stepped-up search for energy alternatives, such as ethanol.

### Cuba Opens its Doors

Cuban oil exploration began in the 1960s, but in the 1970s, two factors led to an increased interest in oil-related matters: the discovery of the Varadero oil field in 1971, and the growing petroleum allocations from the Soviet Union. However, after the Soviet bloc unraveled in 1991, Cuba was cut off from its traditional suppliers, thereby beginning a period of especially harsh energy realities. The Soviet-built Cienfuegos refinery had not been completed and the country experienced a severe shortage of oil. Even though the U.S. tried to rally its allies to impose an embargo on Cuba, Havana energy officials had no choice but to try and side-step such efforts by turning to capitalist markets.

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### *Cuba, from pg. 1*

In 1993, Cuban officials downgraded the country's barriers against investments by permitting foreign firms to participate in the island's energy sector. In order to encourage foreign investment in hydrocarbon extraction and production, the state-owned Cubapetroleo (CUPET) adapted its operations in accordance with the globally sanctioned Production Sharing Agreements as a way to demonstrate its respect for the immutability of contracts with foreign entities. The 1995 Foreign Investment Act was introduced to encourage and regulate foreign investors. The measure allows private enterprises to enter into joint ventures with the state, and also assures limited and selective scope for investment opportunities. Despite state-regulated premiums of at least 50 percent on duties payable to the Cuban treasury, an number of international oil operations believe that profits still can be made.

### **The Global Appeal for Cuban Petrol**

Cuban oil production has been on the rise. Domestic production of crude increased to 80,000 barrels per day in 2006, up from 18,000 barrels per day in 1992. The Varadero reserve is the largest of the oil fields, holding approximately three billion barrels of oil. There is also an additional projected reserve of 2.8 billion barrels lying untouched in the Gulf of Mexico, just within Cuba's Exclusive Economic Zone (ZEEC). Between 2000-2001, investors from a number of nations, including the United Kingdom, Canada, France, Spain and Sweden, had secured exploration rights in the area.

Although the cost of drilling has risen sharply, foreign companies are still looking to capitalize on untapped resources. Spain's Repsol YPF discovered oil in 2004, but chose not to drill, as it did not believe that

tapping the fields would produce profitable returns. However, its exploration team continues to do test drillings in its deposits in Cuban waters. Repsol recently aligned itself in a joint venture with Norway's Norsk Hydro and India's ONGC Videsh to explore six offshore blocks where quality oil deposits were found two years ago.

In January 2005, CUPET signed a deal with China Petroleum & Chemical Corp (SINOPEC) to explore the province of Pinar de Rio for possible deposits. More recently, on October 9, Petrovietnam, the Vietnamese state-owned firm, agreed to Havana's terms. The above multinationals seek to emulate Canadian oil giants Pebercan and Sherritt International, which have been the most fortunate in reaching out for the island's oil riches. These companies have been co-producing 60 percent of all Cuban output along with CUPET. Aside from Canada's good fortune, the rush for Cuban oil is a strange sight, given the high tariffs that are applied in addition to the uncertain prospects whether prime grade crude will be found in commercially viable amounts.

### **Cuba's Relationship with Venezuela**

During the Non-Aligned Movement Summit held in Havana, from September 11-16, Venezuela's President Hugo Chávez, predicted that Cuba could one day be elevated onto the roster of nations belonging to the Organization of Petroleum Exporting Countries (OPEC). Since April 2005, the Chávez regime has played an expanding role in helping Havana overcome multiple restrictions imposed by the U.S. on the island, which have made it difficult for Cuba to access global energy sources. Cuba now buys approximately 100,000 barrels of oil a day from Venezuela at highly discounted prices; much of this is bartered away for the services of thousands of Cuban health care personnel and other skilled professionals. Very exciting to Cuban officials, Caracas also has been helping to re-activate and expand the capacity of the Cienfuegos refinery. With the global shortage of refineries, due to the high cost of building environmentally-sustainable production facilities, Cuba's relationship with Caracas puts it in an advantageous

position in several aspects. Havana can rely upon the quick delivery of large shipments of crude that will guarantee the operation of its refinery at full capacity, allowing Havana to reap optimum benefits.

### **The Venezuelan Alliance Stimulates Competition**

Washington is apprehensively watching the growing friendship between Havana and Caracas, as Venezuelan assistance effectively nullifies the U.S. attempts to asphyxiate Cuba's economy. In August, U.S. Director of National Intelligence, John Negroponte, mystified many by creating a special intelligence office to deal with pressing matters concerning Venezuelan and Cuban relations. As the Bush administration carefully monitors this relationship, Caracas officials have voiced their misgivings in regards to Washington's heightened scrutiny. In an interview with COHA, a Venezuelan government official said that the nature of U.S.-Venezuelan relations "has become a competition, but it is not our objective to push the U.S. onto the sidelines. Cuba needs our help. We need to be careful with the most powerful nation in the world." It will be interesting to see U.S. security strategy impacting the future of the region. If Cuba's position as an oil producing nation gradually strengthens, its vulnerability to hostile U.S. acts, such as the embargo, will diminish. While it is possible that stepped-up political frictions may deepen regional tensions, the U.S. oil industry's lust for black gold may, to the contrary, lessen negative political ties between the two countries.

### **The Dimming Prospects for Helms-Burton Mischief**

Many U.S. political allies and trading partners, such as Canada and almost all of Europe, have systematically defied the Helms-Burton Act by investing in Cuba. This legislation prohibits officials and stockholders of foreign corporations doing business in the U.S. from investing in Cuban property formerly owned by Cuban-exiled nationals. Now U.S. oil industry CEOs are eagerly seeking involvement in Cuban energy production. On June 28, Republican Representative Jeff Flake, introduced an amendment to the "Deep Ocean Energy Resources Act." This proposed legislation, which would allow U.S. oil firms to drill on

Cuba's outer Continental Shelf, now awaits action in the Senate. If U.S. reforms continue to occur in the direction of market liberalization with Cuba, Washington could stop sulking over the US\$1.7 billion dollars in foreign investments that have entered the Cuban energy sector since 2004, and allow its nationals to participate in the growing investment climate now occurring there.

### The Cuban Ethanol Industry

The Castro regime has long been aware of the decreasing role to be played by fossil fuels and the importance of cutting greenhouse gas emissions. As a result, the government is now promoting alternative energy resources, such as the island's nascent sugar ethanol industry, which focuses on producing an alcohol-based substance made from fermenting and distilling sugarcane. Cuba can offer investment opportunities in its once highly developed sugar sector, which has fallen upon hard times as a result of mismanagement and insufficient inputs, as well as proper maintenance.

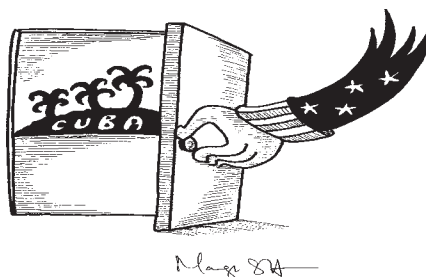
Cuba's 500 hundred year-old sugar industry was once the world's largest, but since 2003 it has dismantled 71 out of its 156 sugar factories on the grounds of obsolescence and inefficiencies. A nation that once exported 10 million tons of sugar per year is projecting that only 1.5 million tons will be produced in 2006, of which a meager 1 million tons will be exported. Despite the recent down-scaling of the sugar industry, the daily *Jamaican Gleaner* reported that high sugar prices in the world market could lead to a revenue bonanza for Cuba. Not surprisingly, this has led to the government's decision to bolster the industry. Luis Galvez of the Cuban Research Institute for Sugar Cane Derivatives says Cuba has 17 distilleries with the potential of producing up to 180 million liters of ethanol annually.

Given the relative strengths that Cuba's sugar industry possesses, ethanol is perhaps the most logical solution to Havana's search for energy alternatives. Use of the product is increasing around the world, since it reduces the per gallon cost of gasoline and the consumption level of fossil fuels. Beginning with the Brazilian ethanol initiative to develop commercial amounts of the fuel by the 1970s, nations around the world, such

as Canada, the U.S., China and Australia are now starting to mix gas with ethanol as well. Considering highly motivated sugar and corn producers, excessively volatile oil prices and pressure from environmental groups to curb greenhouse emissions, ethanol production will certainly emerge as a prosperous industry, putting Cuba in a front-seat position to reap huge profit.

### Venturing Out

Cuba is beginning to increase investment in the ethanol industry and Havana may finally see some significant returns after spending over US\$1 billion on oil and gas production efforts since 1991. While other developing countries are beginning to tap into Cuban energy resources to satisfy their own economies, Cuba is further venturing out into capitalist-dominated, fast-growing alternative energy fields, to develop new possibilities for its perennially straitened economy.



**-Danielle Ryan**

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was formed in 1983 under the original name of Joint Task Force 11. At the time, handsomely bribed Honduran officials routinely closed their eyes to the fact that U.S.-backed Contra insurgents were staging sorties into Nicaragua from Honduran territory, while Tegucigalpa refused to even acknowledge such covert operations. While it is not entirely clear how many U.S. troops were stationed at Soto Cano and other Honduran-based military installations during the 1980s, conservative estimates place that number at anywhere between 2,000 to 5,000 troops.

### John Negroponte's Honduras

Among the U.S.-trained Honduran troops were members of the sinister Battalion 3-16, who along with the then-U.S. Ambassador John Negroponte's conspiring, were accused of scores of kidnappings and human rights abuses against Honduran anti-Contra dissidents. In 1999, NACLA's Report on the Americas announced that three mass graves and prison cells had been discovered at the former Contra military base of El Aguacate, near the Nicaraguan border. This facility had been built by U.S. troops in 1983. It is believed that the Contras used the grave sites to dispose of the prisoners they had executed on political grounds. In a January 1984 issue of *The Nation*, Professor William LeoGrande, explained that: "[Washington's] efforts to destabilize Nicaragua have had the perverse effect of destabilizing Honduras, where civilian authorities have been reduced to rubber-stamping the militarization of their country under General Gustavo Álvarez Martínez." Indeed, a strong argument can be made that very little good – if any at all – came out of the U.S. presence in Honduras during the 1980s. The alleged "communist threat" posed by the Sandinistas eventually cost 30,000 lives and caused economic ruin in both Nicaragua and Honduras, in what had become a U.S.-induced civil war.

Today, Soto Cano houses between 350 to 500 U.S. troops belonging to the 612<sup>th</sup> Air Base Squadron and the 1<sup>st</sup> Battalion, 228<sup>th</sup> Aviation Regiment. Since the closing of major American facilities in Panama over the last decade, the U.S. has relied more and more on smaller bases across the hemisphere, like Honduras' Soto Cano. With the departure of the U.S. Army's 228<sup>th</sup> Aviation Battalion from Fort Kobbe, Panama, many aviation assets of U.S. Army South (USARSO)- Southcom's army component - were moved to Soto Cano. These include a command and control element, including CH-47 "Chinook" and "Medevac" helicopters, as well as UH-60 "Blackhawks." Since the end of the 1980s, the troops serving at Soto

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## Rafael Correa: Ecuador's Comeback- Kid's Most Important Victory

The astonishing comeback of Rafael Correa from what appeared to be a definitive first round defeat marks one of the most extraordinary reversals of the political fate of a would-be South American leader within recent memory. Correa's victory also represented a significant triumph for the average Ecuadorean who refused to be gulled by Álvaro Noboa's well-fueled, so-called populist, but essentially patronizing, campaign. In a poor country like Ecuador, Noboa's unseemly out-of-pocket money handouts were little less than a hardly-concealed effort to buy an election. Meanwhile, Correa ran an issue-oriented campaign centered on alleviating the dead-end plight of the nation's poor.

As important as any other aspect of Ecuador's presidential race was that it represented a stinging defeat for Washington's Latin American policy, which already had hit rock bottom during the Bush presidency. Key U.S. policies, such as free trade, privatization and market integration, anti-drug trafficking, an increased regional military presence, and the pursuit of a strategy of attempting to isolate Cuba and Venezuela, were rebuffed. Meanwhile, the White House was touting recent elections in Mexico and Peru as a sharp defeat for the "Pink Tide" left-leaning South American governments (Brazil, Venezuela, Bolivia, Uruguay, Argentina and, to an extent, Chile). Despite these wins, the more recent victories of left-leaning candidates Daniel Ortega in Nicaragua (after a blatant intervention in his presidential race charted by U.S. Ambassador to Managua, Paul Trivelli), and Rafael Correa in Ecuador, appear to represent a stinging rebuke for Washington's regional goals.



A collateral victor in Ecuador's elections was Venezuela's president, Hugo Chávez, who recently won his own reelection bid. Although Chávez was somewhat self-restrained in not wanting to get involved in the Ecuadorean race, the same was certainly not true about Correa, who lavished repeated complimentary references on the Venezuelan president throughout his campaign.

In Mexico and Peru, Chávez earlier had inadvertently played the role of a poison pill, and proved fatal in his ability to strike dead his kindred political spirits in other countries through guilt by association. In Ecuador, to the contrary, he proved to be an imposing plus factor in Correa's strategy, frustrating the red-baiting tactics of the State Department's Nicholas Burns, a key administration functionary when it came to Chávez bashing.

The Correa victory is meaningful because his campaign was pegged in favor of an autonomous path to development, including a more muscular Latin American definition of its sovereignty than was the case with Ortega's perplexing campaign in Nicaragua. Ortega's bid was muddled by his two-tier policy of presenting himself as both a friend of business, the Church, and Washington's free trade policies, while at other times he projected himself as a prospective candidate for Pink Tide dissent, so that his victory must be perceived as a challenge to U.S. hegemony.

There was nothing ambiguous about Correa's victory, which must be seen as yet more evidence that the U.S. continues to pay a heavy price for the near fatal damage done in the hemisphere to its good name during Otto Reich's and Roger Noriega's archly controversial reigns as State Department's Assistant Secretaries for Western Hemispheric affairs. The arrogance and intolerance with which the two ideologues responded to Latin America's opposition to the Iraq war and their insistence that their brand of extremism be disseminated throughout the continent, alienated some of Washington's

## Oaxaca's Quandary: The Rise of a New Mexican Revolution?

On December 1, before a chaotic Congress, Felipe Hinojosa Calderón was stealthily sworn in as Mexico's 65<sup>th</sup> President amidst a ubiquitous political unrest that made his way to the podium equal to a gymnastic accomplishment. The bitter confrontations between deputies from both *Partido Acción Nacional* (PAN) and *Partido de la Revolución Democrática* (PRD) over the control of the podium demonstrated the escalating scope of the disorder which was once confined to Oaxaca's city's limit. The Oaxaca crisis originally started out as a peaceful, teachers' strike in the town's main square last May. It then rapidly drew allies from civil-society organizations, indigenous communities and leftist activists who then morphed into a roiling mass movement that spiraled out of control after its more radical wing began to use the movement's banner to cloak its own complex agenda. President Calderón has undoubtedly inherited a political crisis that threatens the success of his presidential term.

### A Long History of Impunity: PRI's Old Habits Die Hard

The mobilization of a near full-blown revolt was directed against the notoriously corrupt Oaxaca governor, Ulises Ruiz, a high-level *Partido Revolucionario Institucional* (PRI) functionary. The six-month quasi-insurrection can be partly ascribed to the deep-seated venality that continues to flourish in Mexico's southern states. It also reflects a feeling of near-desperation among a disillusioned and impoverished working class that had been oppressed by the once-ruling PRI, an oligarchic mafia which dominated Mexico's political life for over seven decades. Throughout its reign, the PRI successfully contained political competition by erecting a cynical platform that was revolutionary in its rhetoric, while hegemonic in its policies. It ruled via a complex corporatist system and authoritarian methods until Vicente Fox of

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the center-right PAN captured the presidency in 2000.

Even though the PRI began to lose dominance over the Mexican political scene, it has retained control in some of the poor southern states by handing out jobs and perks prior to elections. These clientelist practices executed by the PRI allowed Oaxaca's governor Ruiz to continue to sit on his troubled throne. As a member of the old-line conservative branch of the PRI, Ruiz has ruled despotically since being charged with rigging the 2004 state election.

Ruiz also has been accused of encouraging the creation of paramilitary groups to smash local dissidents. Last June, demonstrators denounced a series of repressive acts committed by state police dressed in mufti.

### An Atypically Peaceful Revolt

Since the 1980s, the teacher's union, represented by the *Sindicato Nacional de Trabajadores de la Educación* (SNTE), has annually staged a convention to coordinate demands for higher wages, improved worker conditions and additional funds for schools in the rural parts of Oaxaca. This year, as teachers' pleas once again went unheeded, a major strike broke out on May 22.

On June 14, Oaxaca's state police, armed with tear gas and automatic weapons, launched a pre-dawn raid to evict the demonstrators. This in turn led to the mustering of various sectors of civil society in repudiation of the corruption allegedly spawned by Ruiz. This mobilization combined 70,000 public school teachers and 350 organizations, which united to form the Popular Assembly of the People of Oaxaca (APPO). The coalition occupied the center of the city, blocked government buildings, erected barricades and organized several marches in which upwards of 800,000 people rallied behind the teachers and their demand for long-term changes that would bring genuine democratic rule to Oaxaca.

In an attempt to provide a vehicle for the expression of APPO's perspectives, protesters seized TV channels and a number of radio frequencies, such as *La Ley*. Thereafter, the coalition's goals went far beyond Ruiz's oust. APPO also called

for a national, non-violent, anti-capitalist movement in which the average citizen actively participates.

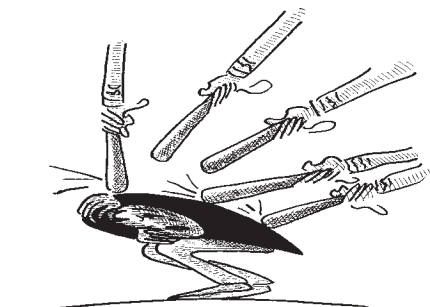


### The PAN's "Dangerous Liaisons"

Although Mexico's central government does not have plenary power to remove a governor from office, the Senate can initiate impeachment proceedings. However, under Mexican law, that would require that the Congress decides that none of the three branches (legislative, judicial and executive) of a particular state government are functioning effectively. When the Senate decided that there were no grounds to impeach Ruiz and nominate an interim governor, an informal alliance between the PAN and the PRI sprung up. The then-incoming President Calderón became convinced of the necessity to forge a working relationship with the PRI, in order to strengthen his presidential mandate. This involvement with the thoroughly tarnished PRI has prevented him from assuming a firm stand against Ruiz, as the party is still a potentially valuable coalition force, holding the third largest number of congressional seats (103). Top PRI officials have been quick to warn Calderón that any overt hostility against Ruiz would jeopardize his presidency. Since the inception of the anti-Ruiz movement in Oaxaca, demonstrators have been calling for the federal government to initiate a mediation process. Former President Fox had long refused to interfere in Oaxaca's strife until the death of American journalist Bradley Roland Will there made headlines worldwide. On October 29, Fox sent 4,500 Federal Preventative Police (PFP) officers to retake the city who shortly

afterwards pushed back thousands of dissidents from Oaxaca's main square.

Faced with unrelenting resistance and mounting violence, Congress overrode the Senate's binding limitations and finally voted on October 31 for the "immediate departure of Ulises Ruiz." This abrupt reversal



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(although without any impasse) can be partly ascribed to a growth of Ruiz's critics, including fellow *Priistas*, who now suggest that his resignation would help Mexico.

In addition, a report released on November 16 by the Senate Human Rights Commission found that there was enough evidence to impeach Ruiz and other local officials for their involvement in 98 political abductions, 93 unlawful arrests, 15 questionable deaths and numerous incidents of torture by the Federal police. However, thus far, the federal government has failed to remove Ruiz, who avows to serve out his term, which ends in 2010.

### A Radicalization of Violence and its Implication

The interposition of the PFP in Oaxaca was rancorously received by anti-Ruiz activists, and further contributed to the radicalization of the struggle. The situation now found in the city is increasingly anarchic. The APPO's assembly is in reality far from homogeneous, and aspires to gather in an even broader membership of diverse organizations and unions, often with distinct political perspectives, agendas and visions. As a result, manifestations of solidarity with Oaxaca's protesters spread to the states of Michoacán and Chiapas in early November.

However, some of the more radical groups decided to respond to the prevailing

violence in kind, which has threatened to undermine the credibility of APPO with middle class elements in the immediate area and beyond. Such acts of violence have been seen as a bitter/sweet by-product of Oaxaca's ongoing revolt. Further complicating APPO's desire to conduct a peaceful movement is the new guerrilla group, *Tendencia Revolucionaria-Ejercito del Pueblo*, which recently has launched a campaign to unify the country's revolutionary left into a homogenized movement. The faction created the *Asamblea Popular de los Pueblos de Mexico* (APPM), and offered to work with the EZLN (Zapatista Army), known for the 1994 revolution that it led in the state of Chiapas.

Defeated PRD presidential candidate Andres Lopez Obrador (AMLO) has seen the growing public unrest as an opportunity to win over Oaxaca's angry activists and establish his desired parallel government. His strategy is to press the demands of an impoverished underclass whose long-simmering rage has finally boiled over is risky, and could prove "destructive," according to journalist Sergio Sarniente of *La Reforma*. On November 20, he staged a self swearing-in ceremony that was received with mixed feelings by the public.

### Calderón's Labyrinth of Solitude

The resignation of Ruiz may not necessarily be a total cure for the nation's plight. Even though his departure is the obvious precondition to resume negotiations with the teachers' union and the APPO, it is unlikely that Calderón will have a hand – certainly not a direct one- in forcing Ruiz to step down. In a pragmatic and reconciliatory step, he has called on all citizens to transform Mexico into a country of laws and promised he will seek the political center, fully aware of the necessity of integrating the concerns of the poor into his political agenda.

Calderón has offered to implement a "common agenda." The idea – relatively alien for a country like Mexico – comes from his extensive experience as a legislator. Unlike Fox, Calderón knows that negotiation is the key for successful

reforms. One of his major challenges will be to bring accountability and openness to the political process at all levels, which will include punishing regional *caudillos* who have continued to undermine progress towards Mexico's democratization. In his inaugural address, Calderón acknowledged the "complex circumstances" surrounding his taking the oath of office which will mandate that his administration emphasize public safety, poverty reduction, and job creation. As he began to publicly disclose the names of key members of his Cabinet, the nomination of Francisco Ramirez for the Interior Minister position has raised particular concern among already alarmed PAN and PRD officials. Indeed, Ramirez was governor of Jalisco and was infamous for his heavy-handed tactics and frequent resort to the use of the police against demonstrators, suggesting that the confrontation between the various factors might take more time to resolve.

### -Magali Devic

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oldest closest allies.

During his tenure, Secretary of State Colin Powell yielded to hard-core White House partisans in reluctantly accepting the two Miami-sponsored candidates to serve under him at the State Department. The fact that they at all times conducted themselves not merely as mid-level officials, but as self-perceived overlords -with access to the top tiers of the administration, such as the vice-president's office- allowed them to advance a right-wing agenda outside of the State Department's formal chain of command. This process continued with Secretary Rice's appointment to head the State Department, but with even more gusto, since her congruency with the spirit of Reich's and Noriega's views of the region, if not their antagonistic style, were never in doubt. The Bureau's policy regarding Cuba has continued almost unmodified

under Thomas Shannon, who is the first career foreign service officer under the Bush administration to head up the Western hemisphere bureau. Shannon, unfortunately, perhaps under instructions, has mainly aped the style featured in Bush's first term, with some exceptions. For instance, after Chávez's December 3 victory in his presidential race, U.S. Ambassador to Venezuela, William Brownfield, congratulated Chávez and called for dialogue, a rare step for the U.S. to take.

A distinguishing characteristic of both Reich and Noriega's incumbancy was the use of the Cuban factor as the irreducible firewall in formulating U.S. policy. For



example, one only needs to point to the shameless antics of the head of the U.S. Interest Section in Havana, Michael Parmly, whose staging of disparaging anti-Castro public antics in downtown Havana may indicate talents that lie in the direction of low theater, whose juvenile placing of offensive signage, such as a replica of the Statue of Liberty and a poster with the "75" scripted on it – in reference to the alleged political detainees – cannot possibly be confused with dignified diplomacy. In this respect, Parmly has much to learn from his Cuban counterparts stationed in Washington. In addition, the conduct of U.S. Ambassador to Nicaragua, Paul Trivelli, who repeatedly has intervened in

the countries political process called upon Managua conservatives to unite behind one candidate in order to block Ortega's victory.

The importance of Correa's triumph can be found both within and outside of Ecuador's provocative political process and deserves being dealt with in each arena. Correa's rhetoric throughout the campaign was to pledge his unyielding opposition towards Washington's free trade model as well as insisting that he would not renew the lease of the Manta air base. If he does not fulfill his platform, he will risk being ousted by the indigenous population as was the case several years ago with the country's last democratically-elected president, Lucio Gutierrez.

What the Correa victory will mean for the future of Latin America's ties to Washington and what role the Pink Tide movement will play in the hemisphere at this juncture, is of the utmost importance. Initially, the Correa victory will provide renewed partisan momentum to the moderate leftist, New Deal-style leadership, which characterizes most of the South American Pink Tide. After setbacks in Colombia, Mexico and Peru, the grouping seemed to have lost its *élan vital*, not counting the more forcefully-argued radical initiatives being put forth by Venezuela and Bolivia. Because of Washington's preoccupation with Iraq and its own mid-term elections, Latin American countries were able to take advantage of the lull and pluralize their relationship with other parts of the world and think globally, not only hemispherically. As a result, we may be witnessing a decline in the centrality of a hemispheric orientation as represented by the OAS, in favor of an increase in importance of an Euro-centric-orientation like the Ibero-America Summit and the budding Brazil-South Africa-India and China ties. Due to timing and Correa's immense personal achievement of overcoming his enormous first round deficit, at the end of the day, his electoral victory may be one of the more important hemispheric political events witnessed in the past several years, as well as the one which should shake up the affected nations by prolonging their reformist initiatives.

**-Larry Birns**

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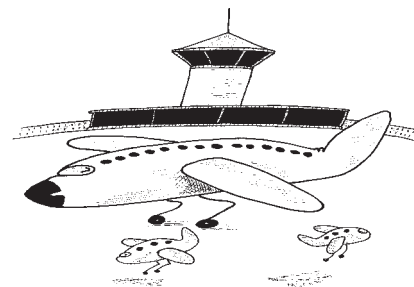
Cano have often been used for disaster relief operations. A *Joint Force Quarterly* article proudly cited how JTF-Bravo had aided stranded Guatemalans and Hondurans after last year's Hurricane Stan and Tropical Storms Beta and Gamma hit the region. The base has long been on Washington's radar screen, as exemplified by President Clinton's trip to the facility in March 1999, and the recent Bush-Zelaya discussions on its future.

### **The Future of Soto Cano and the Mosquitia**

General Romeo Vázquez, chairman of the Honduran joint general staff, declared on July 15 that Honduras would be building, with U.S. assistance, a new military installation in Gracias a Dios. According to Vázquez, the proposed base would house aircraft and fuel supply systems. On July 23, the Honduran Defense Minister, Arístides Mejía, stated that the government plans are not to build a military base so much as "a refueling facility to redirect our response capacity, which would aid the U.S. in dealing with drug trafficking." In spite of these attempts at clarification, there are many skeptics who wonder what kind of end use Washington would have for the new facility.

Given its isolated geographical position, the denseness of the surrounding rainforest and the scant population in its immediate area, large numbers of troops could be housed in the Mosquitia in relative obscurity. The future fate of a new facility in the Mosquitia will, in enlarge part be determined by Washington's long range intentions for the region, as well as for the intended uses of Soto Cano. Certainly not much effort was put into trying to ascertain the preferences of the indigenous coastal communities that make up the Mosquitia's main populations. If Soto Cano is converted into being Tegucigalpa's new international airport and as a mixed-use facility, its strong points cannot be denied. The facility is located in the commercially strategic, central department of Comayagua, which

is an important area for agricultural production. However, it is uncertain if a decision will be made anytime soon regarding the future of the project. On October 9, Mejía observed that it would require a huge amount of work to convert the military airbase into a commercial airport, with costs ranging anywhere between US\$100m-US\$200m and would take much longer to construct than initially anticipated.



In theory, an American military presence could help Honduras' anti-drug efforts by fortifying the country's ability to deploy its resources more effectively. Washington's strategy to battle drug trafficking is to destroy trade routes and processing facilities, but what some see as an ideal scenario might not easily become a reality. Should a base be opened in the Mosquitia, the U.S. will demand autonomy concerning the operations it carries out from there – something that the Zelaya government would be incapable, or at least not inclined, to back. For former area U.S. diplomat Ernesto Uribe, an option would be to turn over Soto Cano "to the Honduran Armed Forces and [for them to be] given a yearly grant to maintain the runways and ground facilities in case the U.S. ever needs to make use of it." It would seem as if Soto Cano's future, as well as Washington's security strategy for Central America, are two issues that will not be likely resolved anytime soon.

**-Alex Sanchez**

**Chile**

On November 10, Chilean foreign minister, Alejandro Foxley, along with his Australian counterpart, Alexander Downer, formally announced that they have commenced two-way free trade talks. A resulting agreement will expand the already promising commercial relationship; in 2005, Australia exported US\$165 million of goods to Chile, while the South American nation exported US\$65 million to Australia. Both countries have already demonstrated their commitment by initiating memorandum concerning the development of their mining, technology, and defense industries as well as in their healthcare sector. For example, on November 13, an agreement was signed to collaborate on research regarding technologically advanced medical products, which Santiago will then use in its *Plan AUGE*, a new initiative aimed at tackling the 25 most frequent health problems currently affecting Chileans. Foxley seeks to use the arrangement to attract greater Australian investment to Chile in order to create high quality jobs and to gain access to the sizeable and lucrative Asian market in which Australia is a major factor.

- Norma Espinosa

**Grenada**

According to a November 28 statement issued by the Grenadian Health Minister, Ann David-Antoine, homosexuality and prostitution remain criminal acts and her government is unwilling to change the marginalized status of those engaging in such acts despite recommendations made by international bodies. The UNDP recently advised the small Caribbean island nation to decriminalize homosexuality and prostitution, but the health minister responded that, "Every sovereign country has to take on board its own cultural situation, the faith and religious situation within the country." Of Grenada's approximately 90,000 inhabitants, 53 percent consider themselves Roman Catholic, a formidable faction which advocates of change will have to confront in order to be successful. The UN recommendation came in a report issued a few months after a September conference held in Barbados, in which the main issue on the agenda was HIV/AIDS prevention. Due to the taboo nature of homosexuality and prostitution in Grenada, some fear that the HIV infection rate may climb as long as a lack of education

- Ryann Bresnahan

**Nicaragua**

By the end of the year, Mario Alonso, the former president of the Central Bank of Nicaragua, will present draft legislation to the National Assembly, which would allow private investor's to build a proposed canal through Nicaragua. In the lead-up to the October presidential elections, outgoing President Enrique Bolaños announced the project, which would take twelve years to construct at an estimated cost of US\$18 billion. Nicaraguan officials argue that their country should be favored over Panama as the cheaper option for megaships plying between the Eastern U.S. and Japan, which could save them an estimated US\$2 million and 34 days of transport time. On October 22, the now presidential-elect, Daniel Ortega, assured Panama's President Martín Torrijos that his nation's canal would not compete with Panama's. A Nicaraguan canal would accommodate ships that are too large to travel via Panama's canal, which is currently being expanded to handle ships with a 130,000 dead-weight tonnage capacity. The alternative canal would run across the south of Ometepe Island in Lake Nicaragua between the Atlantic and Pacific coast, permitting vessels up to 250,000 of tonnage to pass through. As environmentalists voice concern over the likely damage to Nicaragua's coastal areas, Managua argues that the country will benefit from the growing demand for wider canal access as vessels of great tonnage are expected to increase from 900 to 3,000 by 2019.

- Danielle Ryan

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