

The New York Times
March 6, 2007

Bush to Set Out Shift in Agenda on Latin Trip

By Larry Rohter

SAO PAULO, Brazil, March 5 -- President Bush arrives here on Thursday with an energy partnership plan to create jobs and decrease poverty and inequality, a marked shift in Washington's priorities for Latin America aimed at countering the challenge posed by President Hugo Chavez of Venezuela.

Since 1990, when Mr. Bush's father was in the White House, United States policy toward the region has focused on free-trade agreements and related economic measures, with a secondary emphasis on drug interdiction.

But the growing leftward and anti-American trend in regional politics, led by Mr. Chavez who plans a countertour to coincide with Mr. Bush's trip has led to a modified agenda and a renewed effort to rebut complaints by Latin Americans that the president has ignored their concerns in favor of the campaign against terrorism.

"When something isn't working after 15 years, that's a sign there are insurmountable obstacles and it's time to change direction," said Rubens Ricupero, a Brazilian diplomat and former secretary general of the United Nations Conference on Trade and Development, in an interview here. "This is a very intelligent initiative on the part of the U.S., because there's no point in tying the whole relationship to something that has only produced frustration and stagnation."

The Bush administration has also signaled a new willingness to consider including workers' rights guarantees in trade accords. [Page C1.]

Mr. Bush's trip will be his longest to the region. But his promises of American support and assistance are likely to fall short of what Mr. Chavez, with his oil wealth, has been delivering recently.

On Monday, in a speech in Washington to the United States Hispanic Chamber of Commerce, Mr. Bush said ties between the United States and Latin America had helped advance peace and prosperity in the Western Hemisphere. But he also appeared to acknowledge the need to reach out more to America's southern neighbors. "The fact is that tens of millions of our brothers and sisters to the south have seen little improvement in their daily lives," Mr. Bush said, "and this has led some to question the value of democracy."

Mr. Bush's first stop will be here in Brazil's industrial capital. He and the president of Brazil, Luiz Inacio Lula da Silva, are expected to sign a memorandum of

understanding for a recently negotiated program that calls for the countries to promote the production and use of ethanol, a renewable fuel that Brazil manufactures from sugar cane. Mr. da Silva, a former labor leader who controls the leftist Workers Party, is also scheduled to visit Mr. Bush at Camp David at the end of the month.

But the convergence of strategic interests of the Western Hemisphere's two most populous countries clearly goes beyond energy. Brazil fancies itself, not Venezuela, as South America's natural leader. It has also recently shown signs of alarm at Mr. Chavez's substantial arms purchases and irritation with his involvement in neighboring Bolivia, including providing military assistance and support for the nationalization of Brazilian-held energy assets there.

"I don't think Brazil will accept the idea of being any type of American surrogate in the region, or to moderate or contain Chavez," said Felipe Lampreia, Brazil's foreign minister from 1995 to 2001. "But the United States wants to bolster Lula as a counterweight, to show that you can have a leftist government with a strong focus on social issues, income distribution and poverty reduction, without being radical."

Mr. Bush will be sending much the same message at his second stop, Uruguay, which signed a trade and investment framework agreement with the United States in January. There, he and President Tabare Vazquez, a physician who leads a leftist coalition called the Broad Front, plan to meet at the presidential ranch to commemorate Uruguay's emergence, with American help, from a fiscal crisis in 2002 and to discuss how to expand commercial ties.

Dr. Vazquez's government includes former Tupamaro guerrillas; the guerrilla group kidnapped and killed an American official in Montevideo in 1970. But Dr. Vazquez, like Mr. da Silva, has migrated toward the center and largely abandoned the kind of fiery rhetoric that is Mr. Chavez's specialty.

"One must be pragmatic," Dr. Vazquez said in an interview last year. "Uruguayans want jobs that provide dignity, an adequate salary, and security. To have that, you must have economic growth, which is achieved only through production and investment."

Mr. Bush's itinerary also includes stops in Colombia and Guatemala, two countries where political scandals have recently erupted, weakening the pro-American governments there. He will end his trip next week in Mexico, where the agenda is sure to include immigration, a constant source of tension in relations between the two neighbors.

As a candidate in 2000, Mr. Bush vowed that "should I become president, I will look south, not as an afterthought but as a fundamental commitment." But after the Sept. 11 terrorist attacks, the United States quickly relegated Latin America

to the ancillary role it played during most of the cold war, creating openings that Mr. Chavez, China and even, more recently, Iran have moved to exploit.

Now, however, "there is a sense that things are not going well for the U.S. in the region," said Peter Hakim, president of Inter-American Dialogue, a Washington-based policy research and advocacy group. "There has probably never been so much anti-Americanism and so little confidence in U.S. leadership since the cold war."

That trend has been aggravated, he said, by the emergence of "such a vehement and reasonably effective adversary" in the form of Mr. Chavez.

An overwhelming majority of government officials and academic analysts in Latin America take it as a given that the United States has been jolted into action by the inroads Mr. Chavez has made. But American officials dispute that notion.

"We are aware of the shortcomings of the Venezuelan government and the kind of unhelpful role it has played in certain countries in the region," Deputy Secretary of State John D. Negroponte said in a recent interview. "I think the president's intent is to accent the positive, and talk about the positive, things we want to get done in the relationships with the countries that he is visiting rather than to call undue attention to this issue, which is Venezuela."

And when asked at a press briefing Monday if Mr. Bush's trip was "an anti-Chavez tour," Stephen J. Hadley, the national security adviser, said, "It's really not."

But Mr. Chavez is acting as if the trip, which he mocks as doomed to failure, is aimed solely at combating his influence, and has responded with a maneuver of his own. While Mr. Bush is in Uruguay on Friday and Saturday, Mr. Chavez plans to be leading anti-Bush demonstrations just across the River Plate in Buenos Aires, Argentina, where he has cultivated an increasingly friendly relationship with that country's Peronist president, Nestor Kirchner.

There, as elsewhere in the hemisphere, Mr. Chavez has used Venezuela's oil riches to win friends and influence. He has bought more than \$1.5 billion in Argentine bonds, flown poor slum residents to receive medical care abroad and proposed a new regional development bank to make low-interest loans.

In contrast, American assistance for the region has lagged far behind. Mr. Hadley said that the United States has nearly doubled aid to the region since President Bush took office to \$1.6 billion annually, although he acknowledged that figure was slated to drop next fiscal year. But recent research by the Washington Office on Latin America, a group that is often critical of American policy in the region, found that the largest portion of money has gone to Colombia for military and

counterdrug assistance, that Congress has consistently trimmed aid requests, and that not all funds authorized have been disbursed.

On Monday, Mr. Bush announced several relatively small new initiatives that he would ask Congress to finance. They included \$75 million for a new education program promoting study in the United States, \$385 million for programs promoting home ownership for low income families, and the development of a health care training facility in Panama to serve all of Central America.

"In the short term, Chavez has more to offer because our aid is peanuts," said Riordan Roett, director of the Latin American studies program at the Johns Hopkins School of Advanced International Studies in Washington. "We're talking hundreds of thousands of dollars, and he's tossing around a billion here and a billion there."

Mr. Bush's shift away from an almost exclusive focus on free trade, with its calls for austerity and sacrifice in return for access to the American market, also reflects domestic political realities. His trade promotion authority expires in July, and there are doubts about Congress's willingness to approve free trade agreements that have been signed with Colombia, Peru and Panama.

"It would not be realistic to expect much" from Mr. Bush's visit, said Mr. Lampreia, the former Brazilian foreign minister. "But there is a fresh look at Latin America, very much derived from the fact Chavez is there, and a new approach that is positive, which is a good thing."

Thom Shanker and Jim Rutenberg contributed reporting from Washington.

© Copyright 2007 The New York Times Company