

# **BUSINESS AND POLITICS IN THE MUSLIM WORLD**

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### **Report Summary/Argentina**

Once again Argentina and United Kingdom are getting dispute on the issue of Falkland. U.K government has given a contract for the drilling in the Falkland Island and Argentinean government is claiming it its territory. In 1980 both countries fought war on this island and 1,000 soldiers lost their lives in that air and naval war. An Argentinean minister has told that Argentinean government cannot bear the violation of its sovereignty and this is the matter of the challenge of Argentina's sovereignty. Argentinean government has protested with the U.K embassy in Argentina over this issue. The reason to occupy in this island is a billion dollars oil reserves here. Falkland Island government said that it would oppose Argentina's arrival in this island for oil exploration.

A memorandum of understanding (MoU) to cooperate in the peaceful uses of nuclear energy has been signed between Russian state nuclear company Rosatom and Argentina's Ministry of Federal Planning, Investment and Services. Prior to this both of the countries have signed an agreement on the cooperation of nuclear energy in 1990. Similarly Argentina and Jordan signed an agreement in 2009 for the peaceful use of nuclear technology. Moreover Canadian government made an agreement with the Atomic Energy Commission of Argentina to work peacefully on nuclear technology.

### **Report Summary/Brazil**

A local newspaper of Sao Paulo reported last week that Brazilian government has decided to buy 36 Rafale fighter aircraft from France at \$6.2 billion. In this report it was told that Brazil's president and defense minister are involved to make this deal. But when the defense minister was asked about this he denied of this agreement. Next day trade minister of France told media that no doubt French made jets are very good for the next generation of Brazil and the government of France is hopeful that Brazilian government will prefer its jets. But the president of Brazil told that Brazil still have not finalized its decision of purchasing French fighter jets though Brazil is planning to upgrade its air force. France and Sweden are in competition in making jets.

Brazilian government has announced extra bonus for the police and other security officers who will serve their duties during Olympic Games 2016. They would be provided extra trainings and taught some courses of human rights, community policing and progressive use of force, non-lethal weapons and crisis group. These courses would be free of costs for them and

are offered by the National Network for Advance Studies in Public Security. The main purpose of these courses is to make FIFA World Cup of 2014 and 2016 Olympic Games a peaceful event.

Brazilian congress has proclaimed food security as well along with social, housing, work, child and citizen security. The president of senate said that the government of Brazil is now having satisfaction by providing all kind of protection for its citizens and security system has been among the world's best systems.

The U.S government has appointed a new ambassador to Brazil this week. The new ambassador has filibustered in praise of Brazilian president and told that his government is hoping for the deepen ties between both countries. He also said that there was a need of an ambassador for an important country like Brazil so the government has appointed him. The new ambassador will manage a meeting of U.S and Brazilian president in Brazil as Obama is going to pay a visit to Brazil to strengthen their relations.

Brazilian government has issued the license to build the hydroelectric dam in the Amazon rainforest area. It is \$17 billion project which will fulfill all of the power deficiencies of the country. It is the world's third largest dam at Xingu River. The issue had been controversial due to the Indians residents of that area but now government is accommodating them by re housing, The company which will get this project, it will have to fulfill 40 conditions as conducting more studies, building local infrastructure, and picking up the cost of re housing an estimated 12,000 people who would have to be relocated.

The finance minister of Brazil told that Brazil is in the position to create 1.6 million jobs in 2010. The economy of Brazil is raising quite smoothly which indicates towards more prosperity by creating more jobs and the target of government is 1.6 million jobs in 2010 for the Brazilians. He said it is just a forecast but the outcome can be more than this.

### **Report Summary/Mexico**

Installment of virtual fence at US-Mexican border was the project of Bush administration in 2005. The total cost of this project was \$6.7 billion and it was going to be complete in 2011. But now the project has been delayed till 2014 due to some little technical faults. By making this virtual fence the illegal immigrants of Mexico and drug smuggling were to control and it was covering a border area of 2,000 miles. The video cameras and scanners are to be installed and deployment of border security patrol forces at the southern border of US by the US government. The US government blamed to the contractor for its delay but it is said that in 2014 it would be ready.

Mexican security forces raided in a rural area of Chihuahua state of Mexico which is considered the centre of narco and drug cartels and captures some members of drug cartels and also some headless bodies were found in a shallow grave. Forces have also found modern weapons during this raid. The members of drug cartels who are captured told that they are employee of Sinaloa drug cartel and earning U.S \$772 roughly. Also this drug cartel is employer of teenagers and children who are also earning \$40 to \$80 for their work.

Mexico's war against drug cartels has taken the lives of 16 school children last week when they were celebrating the birthday party of one of their fellow. There has been a long debate on it in the congress of Mexico and the ruling and opposition parties have pointed fingers on each other to declare the guilty of it. So this war has been much complex and Mexican citizens and soldiers are losing their lives. US government is spending huge amount on this war as last year it spent \$10 billion to finance the war on drugs. And the number of amount is ten times more than what was spent on the pressing issues like health, transportation and education.

As far as journalists are concerned in this war, they claim that they are very much unsecure in performing their duties. Many of their companions have lost their lives on their duties. And according to the Committee to Protect Journalist, 89% of the crimes against journalists are still unresolved and the figure is higher than this in the case of citizens. Citizens of Chihuahua state are protesting frequently against the government because it is not doing much efforts to combat the crimes.

Due to a heavy rain in the neighboring state of Mexico City almost 33 people have lost their lives and 3,500 have been homeless. President Felipe Calderon also visited the victim area and vowed to help displaced families, including offering them food, medicine and cash allowance to buy new furniture.

Trucking dispute between US and Mexico is going to resolve in the US congress once again. Mexican trucks were allowed by the NAFTA agreement between US, Canada and Mexico in 1995. Trucking groups in the U.S. have said the Mexican trucks aren't safe. Mexico says the vehicles are regularly inspected at the border, and that the violation of the Nafta trade agreement amounts to U.S. protectionism.

Deputy Finance Minister of Mexico said that the GDP may increase up to 3% than the government's forecast in 2010. According to the central bank, Mexico's economy shrank worse in Latin American countries last year and the most shrank in 2009 which was the most worse shrank in its economy since 1932.

### **Report Summary/Venezuela**

President Hugo Chavez went to Cuba to seek help from his friend Castro to overcome on the electricity crisis in Venezuela. Cuba itself is not sufficient electricity producer in the region and it is still importing oil from Venezuela. Chavez says the shortage of electricity is the lack of rains which is a natural cause. But critics say that the government did not build extra dam by undertaking emergency situation so it is the government's fault. The energy minister said that the government is going to spend \$15 billion over the next five years to increase electricity production. Venezuelan government is importing energy savor bulbs to introduce in the country and a government notice is issued for the malls and markets to run their business in the day specified times. Due to the electricity crisis, the government has also made a plan to invested \$6 million to create solar energy.

Police used tear gas, plastic bullets and water cannons on the student protestors who gathered in Caracas to protest against the government. When the chief of police was asked of this

action against the peaceful demonstration of students, he replied that they did not get permission from the government. They were protesting against the government policies of ban media channels which are against government. Chavez warned the protestors in a televised speech that they continue staging protest because their protests won't weaken the government but he cannot bear the violence. While at the same day the supporters of Chavez also gathered in the city's another point and celebrated the day of dignity for the 18<sup>th</sup> anniversary coup lead by Chavez.

In spite of these entire crisis in Venezuela as water shortage, electricity crisis and the devaluation of Venezuelan Bolivar majority of people are still favoring the government. According to poll firm Venezuelan Institute for Data Analysis (IVAD), 20.1 percent held Venezuela's President responsible; 11.4 percent attributed the problems to state governors and 6.2 percent to Mayors. In this situation a human rights US based NGO has raised voice against the 29 political prisoners in Venezuela. Venezuela has been the second Latin American country after Cuba which is having most political prisoners.

The European parliament has discussed the issue of Venezuela's recent situation and the violation of human rights. Last week two student protesters died in a reaction from the government security forces and the TV channels are banned which are speaking against government. By undertaking these issues European parliament is discussing the recent situation of Venezuela. In the crucial time of Venezuela, a bishop has requested to make a national understanding in the country. The bishop said that both opposition and ruling parties of Venezuela should make a consensus on controversial issues of Venezuela so that there would be an environment of peace and harmony in the country which is in the benefit of all.

Venezuelan government has accused US government that the US government is doing efforts to destabilize Venezuelan government by accusing Chavez as thuggish leader. The Venezuelan ambassador to US told US senators who are calling Venezuelan government is being lead by an autocratic leader and the US government is supporting the opposition and anti-democratic groups in Venezuela by giving such statements.

Twitter is becoming problem for Chavez as he has already banned five TV channels which were opposing and criticizing Chavez's government. Twitter which is an internet social blog is becoming popular in Venezuelan community where his opponents can criticize government's policies freely. So twitter is forming a community against the government and the famous community is created by the students of Venezuela. Now the community is becoming a big challenge for the government. This is why the government is planning to ban the social web blogs so that there would not be a situation of revolution by the students like Iran. Venezuelan President Hugo Chavez has launched his own radio show so he can broadcast direct to the nation.

### **Detailed Report/Argentina**

Critics of Argentina's government have two main explanations for the behaviour of Cristina Fernández de Kirchner's administration: cunning conspiracy or bumbling incompetence. Two bits of evidence suggest the truth lies somewhere in between.

First, Martín Redrado, the governor of the Central Bank, was pushed out on January 29th, after a battle with the president over the bank's dollar reserves. Ms Fernández ostensibly wanted to use the cash to reassure foreign investors about Argentina's creditworthiness. If so, her government has achieved the opposite with its bullying of Mr Redrado, who was making a stand for central-bank independence—something investors tend to like. That his replacement will be Mercedes Marcó del Pont, an economist said to be close to the presidency, is also a discouraging sign.

Second, it emerged that in 2008, when the global financial crisis was at its height, Ms Fernández's husband and predecessor as president, Néstor Kirchner, sold \$2m worth of pesos and bought dollars. There was nothing illegal about this, and Mr Kirchner did declare the transaction. But the trade hardly expressed confidence in the government's economic management.

Ms Fernández justified her raid on the reserves by saying that the Central Bank had more than it needed, because they exceeded the size of the monetary base. Economists disagree about what is an appropriate target for the reserves, but Mr Redrado's view is that a highly dollarised emerging economy like Argentina's needs an abundance of Treasury bonds (the form in which most reserves are held) as insurance. Even if Ms Fernández might find support from some economists for her argument, her plan to swap the dollar reserves for a non-transferable government bond would not.

Argentina's economy is on course to rebound this year and grow at 3-5%. But the government is spending money so fast that this growth will not finance current spending on its own, says Daniel Marx, a former finance minister. Ordinarily, a government faced with a shortfall would turn to domestic and international bond markets. But this has been difficult since Argentina defaulted in 2002.

Yet if the government was just in search of cash, the timing is odd. It could have funded itself from domestic sources, such as the pension funds that it took over in 2008, Banco Nación (a public bank) and the Central Bank itself, without having to look further afield, says Daniel Volberg of Morgan Stanley, an investment bank. The evidence therefore points to a miscalculation by a president who rejects checks on her power and has given up listening to anyone outside her coterie of advisers.

This week Argentina revealed it's preparing to fight for the islands' sovereignty once again but this time over oil reserves worth billions.

Argentina is whingeing again", observed one oil and gas expert this week noting that the government in Buenos Aires had sent a stiff note to the UK Embassy protesting against a planned exploration programme around the Falklands Islands.

The tone of that remark has curious echoes of the response on that bizarre day in March 1982 when a group of scrap metal workmen landed on South Georgia and raised the Argentine flag. It seemed ludicrous. No one took it seriously, except in the Foreign Office.

Yet two months later nearly 1,000 servicemen in total had died on both sides and the Falkland Islands had seen the biggest air and sea battle since the Second World War.

Back then it was our government making a strongly-worded complaint, but now it is Argentina which is apoplectic about plans to begin exploratory drilling around the Falklands.

“What they are doing is illegitimate,” raged their foreign minister Jorge Maiana. “It’s a violation of our sovereignty. We will do everything possible to defend and preserve our human rights.”

A British diplomat noted: “It’s a war of words at the moment but Falklands watchers are wondering whether this could cause the conflict to kick off again.”

There may be up to 60 billion barrels of oil lying beneath the South Atlantic, on a par with the world’s largest oilfield in Saudi Arabia.

Four major British companies are involved and £327million has been raised for this initial exploration that is causing the Argentines such pain.

“I’m sorry that the Argentines are protesting at oil exploration within British waters,” says Sir John Nott, defence secretary at the time of the conflict. “I’m sure they’ll have the good sense not to be provocative again.”

It’s true that, unlike in 1982, the Falklands are well defended with four Euro fighter jets, at least two warships and an infantry company. But military chiefs doubt that Britain could mount a full-scale defence of the scale undertaken during Margaret Thatcher’s finest hour.

The entire world knows that Britain is overstretched in Afghanistan and Iraq. This could be the perfect time to be “provocative”. Some Westminster insiders have wondered, jokily, whether another blow-up in the South Atlantic could help Gordon Brown’s fortunes in the way that the 1982 war helped Mrs Thatcher’s popularity ratings.

But let’s not look for too much humor. Let’s remember how we laughed about those scrap metal merchants as the Argentine flag was raised on British territory.

The MoU was signed on 3 February by Nikolay Spasskiy, deputy director general of Rosatom, and Julio de Vido, Argentina's minister of federal planning, investment and services.

In particular, the MoU states that Rosatom will provide Argentine counterparts with technical information with which to analyze the possibility of constructing Russian VVER nuclear power plants in Argentina. In addition, Rosatom agreed to form a joint working group with Argentine authorities to determine the extent of possible participation of Argentine industry in the implementation of Russian projects.

The MoU also provides for cooperation in research and development in the nuclear fuel cycle. A technical visit of Argentine professionals to Russia is scheduled to take place in the first half of 2010.

The memorandum was signed at the end of a nine-day visit to Argentina by a delegation from Rosatom. During their stay in Argentina, the Russian delegation visited the construction site of the second reactor at the Atucha nuclear power plant, as well as the CONAUR fuel fabrication plant.

An agreement on cooperation in nuclear energy was signed between Russia and Argentina in October 1990. In December 2008, Rosatom and Argentina's Ministry of Federal Planning, Investment and Services signed a joint statement on nuclear cooperation.

In September 2009, Argentina signed a nuclear cooperation agreement with Jordan covering cooperation on basic research and applicable areas; the production and use of radioactive isotopes; the exploration of metallic minerals; the design, construction and operation of nuclear power and research reactors; fuel components and materials; and, the processing of radioactive waste. Also that month, AECL of Canada signed an agreement with Nucleoeléctrica Argentina SA and Argentina's National Atomic Energy Commission (CNEA) to extend a number of existing cooperation programs related to Candu 6 reactors and the development of the Advanced Candu Reactor (ACR-1000). In November 2008, Argentina signed a bilateral agreement with Algeria for cooperation in the peaceful use of nuclear energy.

Two nuclear power reactors are currently in operation in Argentina: Atucha unit 1 and Embalse unit 1, both pressurized heavy water reactors (PHWRs). Atucha 1 is a 335 MWe PHWR supplied by Siemens, which started up in 1974. Embalse 1 is a 600 MWe Canadian-supplied Candu 6 reactor, which began operating in 1983.

Construction of the second unit at Atucha - a Siemens-supplied 692 MWe PHWR - started in 1980, but was suspended in 1984 due to lack of funding. Construction resumed in 2006 and the unit is scheduled to begin operating in 2011.

The Falkland Islands said it would oppose any Argentine company exploring for oil and gas in its waters, amid a diplomatic row between the UK and the South American nation over drilling in the disputed territory.

“We’ve discussed what we would do in the circumstance that an Argentine company requested a license and it would be unlikely that one would be given,” said Emma Edwards, in charge of the islands’ eight-member assembly’s minerals portfolio.

Argentina called on UK embassy officials earlier this week to protest the imminent start of drilling near the islands by London-based Falkland Oil & Gas, Bloomberg reported.

The islands lie about 480 kilometers (298 miles) off the Argentine mainland in the Atlantic Ocean.

The South America nation has claimed sovereignty since losing the war the two countries fought in 1982.

Argentine companies would only be accepted for oil and gas licenses in the areas as minority partners in joint ventures with companies from other countries, according to Edwards.

The Falkland Islands legislative assembly is empowered to pass legislation and each member is elected as an independent as no parties are represented in the body, according to the Falkland Islands government website.

A partnership led by the Argentine unit of Spain's Repsol YPF plans to start exploratory drilling in the Argentine-controlled waters of the Falkland basin in the second half of the year.

Brazil's Petrobras and Argentina-based Pan American Energy are also part of the venture.

The drilling will take place 289 kilometers off the coast of the Argentine island-province of Tierra del Fuego.

UK-based Desire Petroleum plans to start drilling in British-controlled Falkland waters once a rig called the Ocean Guardian arrives.

Desire Petroleum will lease the rig to companies such as Rockhopper Exploration and Falkland Oil & Gas to drill their own offshore wells in the area.

The rig is expected to arrive at the islands on 17 February, according to Bloomberg ship-tracking data.

### **Detailed Report/Brazil**

Sao Paulo (Dow Jones)-The Brazilian government has decided to acquire 36 Rafale fighter aircraft made by France's Dassault Aviation SA (AM.FR) for \$6.2 billion, local newspaper Folha de S. Paulo reported Thursday.

The report cited an unnamed source close to the government as saying that the acquisition was decided by Brazil's President Luiz Inacio Lula da Silva and Defense Minister Nelson Jobim.

Officials at the presidential palace and defense ministry couldn't be immediately reached for comment by Dow Jones Newswires.

Earlier this year, the Brazilian Air Force concluded a technical report that evaluated proposals from Dassault, Sweden's Saab AB (SAAB-B.SK) and Boeing Co. (BA).

Brasilia, Feb 4 (Reuters) - Brazil's Defense Minister Nelson Jobim denied on Thursday that the country had reached an agreement to buy Rafale jets from France's Dassault (AVMD.PA: Quote, Profile, Research).

Jobim, who spoke at an event in the capital Brasilia, said the government was still undecided.

A local newspaper had earlier reported Brazil had agreed on a price to buy 36 Rafale jets.

Rio de Janeiro, Feb 04: Brazil's government has underlined its commitment to 'samba security' at the 2014 World Cup and 2016 Olympic Games by doubling pay for willing police and security officers.

One of the greatest concerns raised abroad about Brazil's capacity to host both events has been the security risk both to visitors and to the competitions.

National Olympic president Carlos Nuzman - who was also host bid leader - had promised the International Olympic Committee in Copenhagen last autumn that this issue was being addressed. Now President Lula (Luiz Inácio Lula da Silva) has supported those words with actions by signing into law a decree providing for a bonus payment to public security officials who will serve during both events.

To receive the grants, the police officers must attend at least one course per year offered through the National Network for Advanced Studies in Public Security, which involves 66 institutions of higher education. The courses are free of charge and focus on issues such as community policing, human rights, progressive use of force, techniques for non-lethal weapons and crisis management.

Minister of Justice Tarso Genro said the grants represented a structural change in the remuneration of public security servants in the country.

He added: "The most important investment is in personnel, in the men and women who work at the very end. This strategy translates into more qualified training as well as better pay—a fundamental aim of our programme for the World Cup and the Olympics."

Genro said the World Cup payments would begin in July 2010, directed to those host city police officers and firefighters who would be directly involved in security operations. The value range from \$295 in 2010 to \$534 in 2014. The Olympic Grant will be a flat-rate \$640 for all civil and military police officers, firefighters, and municipal guards in Rio de Janeiro.

New U.S. Ambassador Thomas Shannon presented his credentials to Brazilian President Luiz Inacio Lula da Silva on Thursday and vowed to boost bilateral ties, Xinhua News Agency informs.

Ties between the United States and Brazil are a global relationship, Shannon, whose nomination was filibustered by Republicans in Congress for eight months, told reporters. Shannon downplayed the effects of the delay of his nomination, saying the U.S.-Brazil

relationship was too important to be affected by the absence of an ambassador. The new ambassador is expected to be a key player in U.S. policy toward Brazil and Latin America at large.

U.S. President Barack Obama will pay an official visit to Brazil in the middle of the year. Obama waited until congressional approval of Shannon's nomination to announce this visit.

The Brazilian Congress has proclaimed food security as a new constitutional right of all citizens, along with health, housing, work, social security, and child protection.

The inclusion of food among Brazilians' basic rights was approved in a legislative session Thursday in which Senate President Jose Sarney said that the country "now has the satisfaction of having a constitution with the world's best social-rights provisions".

Separately, President Luiz Inacio Lula da Silva has said he intends to send Congress a bill this year proposing that the far-reaching social programs his government has implemented since 2003 be adopted as law.

According to the centre-left president, his goal is to ensure the preservation of social "conquests" made during his time in office, which will conclude Jan 1, 2011, when he hands over power to the winner of the Oct 3 presidential election.

France is confident that Brazil will choose French-made Rafale jets as its next generation fighter planes, trade minister Anne-Marie Idrac said on Friday.

"Brazil's decision is not confirmed. We have indeed information that gives us reason to be confident," Idrac told reporters on the sideline of a news conference on trade figures.

"We think our plane has so many qualities that we have reason to be optimistic," she added.

Idrac was speaking one day after Brazil's Defense Minister Nelson Jobim denied his country had reached an agreement to buy Rafale jets from Dassault Aviation (AVMD.PA), and that his government was still undecided.

A local newspaper had earlier reported Brazil had agreed on a price to buy 36 Rafale jets.

The Rafale is in competition with the Gripen NG made by Sweden's Saab (SAABb.ST) and the Boeing Co (BA.N) F-18.

Brazilian President Luiz Inacio Lula da Silva reaffirmed Friday that his government has not made any final decision regarding the purchase of new fighter jets.

The Ministry of Defense is still scrutinizing the current proposals to modernize the Brazilian Air Force, said the president.

The statement is a response to an article published by the local newspaper Folha de Sao Paulo, which said the government had already decided to buy 36 Rafale fighters from France in an agreement worth 6.2 billion U.S. dollars.

In an interview with the local Jornal do Comercio, Lula insisted that the decision will take into account the technology transfer to be offered by the bidding competitors.

The F/A-18 Super Hornet from the U.S. Boeing and Swedish Saab Gripen are also participating in the bidding, which opened in early 2009. It should have been closed last December, but the final decision was postponed to the first half of this year.

"One of the main exigencies is the company's commitment to promote the unrestricted transfer of all technology," said Lula.

He stressed the decision on the jets shall consider the need for national defense policy as "an axis of development and technological autonomy."

When greeting his French counterpart Nicolas Sarkozy in Brasilia last September, Lula agreed to negotiate with Dassault due to "the extent of technology transfer proposals and assurances from the French side."

The two countries also form a strategic alliance in aeronautic cooperation where both "have important and complementary advantages."

However, a report by the Brazilian Air Force released last year recommended the Swedish aircraft. Brasilia considers it a risky option, since the Gripen has only been developed very recently and is basically a prototype.

The Brazilian government granted an environmental license to the controversial 11,000-MW Belo Monte hydroelectric dam in the Amazon rainforest on Monday in hopes that the \$17 billion project will help the country cope with growing demand.

Concern has been voiced about the project's impact on the environment and on native Indians. The initial project was abandoned in the 1990s amid widespread protests both in Brazil and around the world, reported the [BBC](#).

Brazil's Environment Minister Carlos Minc said 97 square miles of land near the Xingu River in the northern state of Para would be flooded by the Belo Monte dam, a fraction of the 1,900 square mile in the original plans, which had involved four hydroelectric dams.

The environmental license will require the company selected, after a bidding process, to build the dam to fulfill some 40 requirements, including conducting more studies, building local infrastructure, and picking up the cost of re housing an estimated 12,000 people who would have to be relocated. It has been estimated that the winning bidder could pay some 1.5 billion reais (\$803 million) to fulfill these demands.

When it is completed, Belo Monte would be the third largest hydroelectric dam in the world, after the Three Gorges in China, and Itaipú, which is jointly run by Brazil and Paraguay. Among utilities expected to bid to build the dam are Brazil's state-run Electrobras.

A total of 1,600,000 formal jobs will be created in Brazil in 2010 if the economy can reach the expected growth rate of more than 5 percent, Finance Minister Guido Mantega said Thursday, Xinhua News Agency informed.

If realized, the figure would represent a growth of 60 percent over 2009, when 995,000 new jobs were created.

"The forecast of 1,600,000 jobs is conservative. It will probably be more than that," the minister said.

A survey conducted among business leaders from around the world at the just-concluded World Economic Forum in Davos, Switzerland, indicated that Brazil is better-positioned for job creation this year, the minister said.

He also highlighted the steady wage increase in Brazil, which is expected to hit 6 percent this year, giving a strong boost to consumer spending.

### **Detailed Report/Mexico**

Phoenix, Arizona -- An ambitious, \$6.7 billion government project to secure nearly the entire Mexican border with a "virtual fence" of cameras, ground sensors and radar is in jeopardy after a string of technical glitches and delays.

Having spent \$672 million so far with little to show for it, Washington has ordered a reassessment of the whole idea. The outlook became gloomier this week when President Barack Obama proposed cutting \$189 million from the venture.

Ultimately, the project could be scaled back dramatically, with the government installing virtual fences along a few segments of the nation's 2,000-mile southern boundary but dropping plans for any further expansion, officials said.

"The worst that happens is that we have a system which gives us some value but we conclude that it's not worth buying any more of it," said Mark Borkowski, the government's director of the project at U.S. Customs and Border Protection.

The first permanent segment of virtual fence — a 23-mile stretch near Sasabe, Ariz. — was supposed to be turned over to the Border Patrol by the main contractor, Boeing Co., for testing in January, but the handover has been delayed by problems involving the video recording equipment.

The Bush administration launched the project in 2005 to help secure the border against illegal immigrants, drug smugglers and other intruders. It was conceived as another layer of protection, in addition to thousands of Border Patrol agents and 650 miles of real fences.

The system was supposed to let a small number of dispatchers watch the border on a computer monitor, zoom in with cameras to see people crossing, and decide whether to send Border Patrol agents to the scene. Although there are sensors, cameras and radar at many points along the border, they are not connected to cover large expanses.

Originally, the virtual fence was supposed to be completed by 2011; that date has slipped to 2014, largely because of technical problems.

Among other things, the radar system had trouble distinguishing between vegetation and people when it was windy. Also, the satellite communication system took too long to relay information in the field to a command center. By the time an operator moved a camera to take a closer look at a spot, whatever had raised suspicion was gone.

The Homeland Security Department and Boeing said the early problems were fixed, but other glitches keep popping up. The latest: a software bug that causes video recording devices to lock on to the wrong cameras, hindering agents trying to collect evidence against illegal border-crossers.

The government is trying to negotiate a deal with Boeing to let the Border Patrol begin using the first permanent stretch of virtual fence at night while the contractor is still working on it. Otherwise, the Border Patrol might have to wait until late summer or early fall to take control of the section.

In ordering a reassessment of the project on Jan. 8, Homeland Security Secretary Janet Napolitano said that the delays were unacceptable and that the government needs to consider more efficient and economical options. She did not elaborate.

"Americans need border security now — not 10 years down the road," Napolitano said.

As for the possibility of the project being scaled back by government officials, Tim Peters, a Boeing vice president, said: "They really need to come up with the right calculus, and we'll

support that answer and look to be their preferred contractor to build whatever portion of what that calculus is."

Both Boeing and the government officials said the technical problems stemmed from an erroneous belief that the first-of-its-kind virtual fence could be put together relatively quickly by tying together off-the-shelf components that weren't designed to be linked.

Borkowski said the government shares blame with the contractor for the delays.

Ira Mehlman, a spokesman for the Federation for American Immigration Reform, which favors tougher immigration enforcement, said the project has suffered from a lack of oversight.

"We didn't get the border security we were promised," Mehlman said

The Mexican military arrested 10 people associated with the Sinaloa drug cartel after three decapitated bodies were found near Juarez, Mexico, a Mexican military operations spokesman told CNN late Wednesday.

The 10 men are facing homicide charges, Juarez police spokesman Jacinto Seguro told CNN.

Enrique Torres, military spokesman for the state of Chihuahua, which includes Juarez, said troops were deployed to a rural area after receiving a tip, and the three bodies were found in a "narco-grave" -- a type of shallow grave used by drug traffickers to hide bodies of their victims.

The suspects were arrested near the U.S. border in a rural part of Juarez called San Isidro, Torres said.

"In their possession we also confiscated seven firearms -- six large and one small -- 19 magazine clips, three vehicles and 2,000 rounds of ammunition," he said.

A news release from the Mexican government said one of the suspects told authorities the victims were killed because of their suspected ties to "La Linea," more commonly known as the Juarez cartel.

An already-violent turf war between the Sinaloa and Juarez cartels was escalated recently by street gangs that the cartels use to fight for power and territory.

Based on a confession from one suspect and testimony from residents in the area, investigators determined that the three victims were assassinated by someone who has close ties to the Sinaloa cartel, the press release said.

The suspect also told the military that he earned up to 10,000 pesos a week, or roughly \$772, to act as a lookout in San Isidro for cartel members operating in the area, the news release said.

Children recruited as lookouts were being paid between 500 and 1,000 pesos a week, or roughly \$40 to \$80, to work for the cartel, the press release said.

As of Monday, 230 killings had been recorded in Juarez this year, state attorney general's office spokesman Arturo Sandoval told CNN.

Sixteen people -- including 10 teenagers -- were killed in a weekend shooting in Juarez. Authorities said Wednesday that they knew of no link between the arrests of the 10 suspects and that weekend shooting.

In the wake of the massacre of 16 students at a birthday party in Ciudad Juarez, Mexican politicians pointed fingers at each other and stonewalled journalists while civilians all over the country reaffirmed their lack of confidence in their government at all levels.

The massacre of 16 young men gathered to celebrate a birthday party on Sunday January 31, 2010 in a working class neighborhood in Ciudad Juarez left many unanswered questions.

How can a convoy full of armed men move around unnoticed in a city patrolled by 10,000 soldiers and a few thousand more federal and state police? How can they roam around the neighborhood and shoot at a group of young people celebrating a birthday party, get back in their vehicles, and escape in a timely matter just a few minutes before the arrival of the military? And how can a journalist cover a story when the journalist himself fears getting killed --either by drug cartels or the authorities - if he comes too close to the story?

Just this week the trade organization, Reporters Without Borders, issued a communiqué prognosticating another year of “hecatomb” – cattle sacrifice to the gods - for journalists working in Mexico. It came at the heel of the murder of Jorge Ochoa Martinez, 55, an editor of the newspaper El Oportuno, in Chilpancingo, Guerrero, a southern state of Mexico. On January 29th, Ochoa Martinez became the third journalist assassinated in a month; and the 65th since the year 2000. This without counting hundreds of acts of intimidation, some of which are perpetrated by authorities against members of the news media. According to the Committee to Protect Journalist, 89% of the crimes against journalists are still unresolved. A similar percentage, perhaps even higher, can be applied to the killings of civilians in “the war on drugs.”

So who wants to talk about it? Be on record? Present enough evidence for an in depth story?

In-depth coverage in Mexico on any subject is difficult, let alone the underground world of drug trafficking -deeply entrenched for decades in the higher echelons of power. When journalist arrive at a crime scene, they are usually kept at bay, most often hundreds of meters away with no more resources other than their zoom lens and the usual speculative stories from the few

neighbors who would talk. As the bodies are cleared, public officials arrive to declare that they are “launching an investigation.” In Juarez, this has become a daily routine.

Authorities are still busy with a full investigation of the massacre in Ciudad Juarez. But those investigations have already some “miraculous” results. Less than 48 hours after the massacre, members of the Army intercepted a vehicle “that looked suspicious.” They confronted an allegedly armed individual and his companion. They called a press conference soon after and informed journalists that they killed this armed individual in a confrontation and presented his companion who promptly declared that the man killed by the soldiers was the “mastermind” of the massacre of the 16 students early Sunday morning!

Case solved? Not quite.

The press conference lasted less the six minutes, according to news reports, and the man arrested was presented to the press with his “face against the wall.” No question from the press were allowed, and yesterday any charges to the surviving suspect on his alleged involvement in the killings were dropped, even though he declared publicly two days earlier that he had been assigned to be the lookout while the massacre took place.

More often than not, the only fact that the authorities provide is the number of spent jackets left by the killers during their operations.

So far, according to published records and official statements, last year in Juarez there were 2,635 killings, many of them in plain daylight and in front of dozens of witnesses. So far, according to numbers provided by the National Statistics Center from the Attorney General’s Office, known here as PGR, in the whole Chihuahua’s state only 54 suspects had been charged, many of them only with petty crimes and most of them exited faster than the time it took to put them in them in prisons.

Meanwhile, the death toll of the war on drugs has been increasing to the point that a new record was established. More than 16,000 drug-related killings have occurred since December 2006, when President Felipe Calderon declared war on drug cartels.

In Mexico it is not unusual for surviving victims and their family members to decline to testify in Court against their perpetrators, let alone talk openly to the press. It is not unusual that the civilian population fear the “narcos” as much as they fear the Mexican authorities. It has been proven time and again that many of play on both sides.

Case in point: on Feb 4, 2010, three policemen from Mexico City were arrested for allegedly being security guards to the man who shot Salvador Cabañas in the head on January 25th at a trendy disco in Mexico City. Cabañas is a famous soccer player from Uruguay- and a member of the well-known team, Club America.

Understandably, the civilian reactions to the Ciudad massacre on the internet - via facebook, twitters and comments posted in several newspapers' web pages - have been those of scorns and cynicisms and total disbeliefs. As it has been proven in many previous cases, most people's opinion was that the so called suspect was nothing else but a scapegoat -a strategy used too often by public officials to give the impression of effectiveness and rapid response. Some even joked that after the press conference "the suspect was taken to a bar for a few beers" for his effort.

The announcement of the arrest also raised the level of suspicions and disdain toward elected officials from all parties who are now gearing up for a political campaign season that promises to be more dirty than the daily doses of "telenovelas," or soap operas. The PRI (Institutional Revolutionary Party) blamed the violence on the PAN (National Action Party); the PRD (Party of the Democratic Revolution) blamed the PAN and the PRI, the PVEM (Ecologist Green Party of Mexico) blamed everybody else and the PT (Workers Party) blamed Obama and the US Latin-American policies.

What's clear is that two years after Mexican President Felipe Calderon launched with great fanfare his no truce war against the drug cartels, there is hardly one state in Mexico that has not been affected by the violence. Last year Federal and States governments reportedly spent over 110 billion pesos (over 10 billion dollars) to finance the war on drugs. That number is ten times more than what was spent on other pressing issues like public health, education and transportation.

As it is, the recent massacre in Ciudad Juarez is only part of a greater tragedy, and the war on drugs might as well be called the war on the Mexican people.

Mexico City - The government of the Mexican state of Chihuahua said Saturday it plans to relocate for an unspecified period to the border city of Ciudad Juarez in a bid to more directly fight rampant crime there.

Governor Jose Reyes Baeza said the government will remain in the city on the US border until the situation there returns to normal.

Ciudad Juarez is plagued by drug crime and gang violence, and tens of thousands of Mexican soldiers have been sent there in recent years in a bid to bring the crime under control.

The city's residents have frequently demonstrated against the state government in Chihuahua and the federal government in Mexico City for not doing enough to combat crime.

The city with the world's highest murder rate, last weekend saw 15 young people killed in a drive-by shooting at a party.

Mexico City, Mexico (CNN) -- Heavy flooding in central Mexico in the past week has killed at least 33 people and left thousands homeless, the government said Monday.

Schools remained closed in five cities in Mexico's Michoacan state, where the flooding has killed at least 22 people and left more than 3,500 residents homeless, the state government said on its Web site.

Another 83 people still were missing Monday in Michoacan, a state in western coastal Mexico that has been beset by drug violence in the past few years.

A mudslide Saturday killed at least 11 people near the small town of Temascaltepec, in neighboring Mexico state.

Uncharacteristic heavy rain throughout Mexico also has led to flooding in the nation's capital, Mexico City.

Up to 35,000 people nationwide could have been affected, published reports said.

On Sunday, Mexican President Felipe Calderon toured Valle de Chalco, a city in Mexico state.

In Valle de Chalco, on the eastern outskirts of the Mexico City area, officials announced that contaminated water from a sewage network that overflowed Friday will continue to flood the town for at least another 48 hours. The number of affected houses in the city grew from 2,000 on Friday to about 3,000 on Monday, the government said.

Mexico state is bordered on the west by Michoacan and adjoins Mexico City on three sides -- north, east and west.

In Mexico City, officials announced the reopening Monday of 165 of the 174 schools that were closed Friday because of the heavy rain and flooding.

Calderon and other Mexican officials have vowed to help displaced families, including offering them food, medicine, shelter and cash allowances to buy new furniture.

Mexico City (Reuters) - Congress could be moving closer to allowing Mexican trucks to haul cargo through the United States, helping to end a trade dispute hurting some exporters, the U.S. Trade Representative said on Monday.

In March 2009, U.S. lawmakers canceled funding for a test program begun by the Bush administration that allowed Mexican long-haul trucks to circulate in the United States, citing safety and security concerns.

The truck ban prompted Mexico to slap retaliatory tariffs on a long list of U.S. exports, including fruit and industrial goods, worth an estimated \$2.4 billion.

But U.S. Trade Representative Ron Kirk, visiting Mexico this week, said President Barack Obama had pushed Congress to remove the clause cutting funding for the program in recent legislation, a first step toward resolving the dispute.

"We have been able to work with Congress and Obama is very pleased that the language in the 2009 appropriations bill -- that essentially cut off the funding for the demonstration safety program -- was not included in the 2010 appropriations bill," Kirk told Reuters in an interview.

"By removing that prohibitory language, we just now have a green light to engage Congress again more thoughtfully."

Some U.S. businesses -- like paper producers, potato farmers and grape growers -- say they are suffering lost sales because of the duties Mexico imposed and they are pushing the Obama administration to find a quick solution.

"I can tell you that those industries in the United States, our farmers, our ranchers, our other exporters that have been subject of the retaliation, have made their displeasure known to Congress and so there is a sense of urgency," Kirk said.

He said his office's discussions with lawmakers and Mexico will "intensify" over the next weeks and months.

The United States had agreed to allow Mexican trucks to start using U.S. highways by 1995 after signing the North American Free Trade Agreement with Canada and Mexico.

But Mexican trucks were confined to border zones where they must offload goods to be carried by U.S. companies. In 2007, the U.S. government launched a pilot program that allowed a limited number of trucks full access to U.S. roads, while American trucks were also allowed to operate in Mexico.

U.S. organized labor, led by the largest trucking union, the Teamsters, along with highway safety and consumer groups, fiercely opposed the initiative, which was backed by former President George W. Bush.

Feb. 5 (Bloomberg) -- Mexico's gross domestic product may rise more in 2010 than the government's forecast of 3 percent, Deputy Finance Minister Alejandro Werner said in an interview with Bloomberg Television today.

"We're waiting for incoming data to see what we do with our outlook," Werner said during an interview at Bloomberg's London office. "GDP has grown by around 5 percent in the last five

months, industrial production by 7 percent, so I think our GDP might go slightly higher than the 3 percent that we have as our forecast.”

Mexico’s \$1.09 trillion economy was the worst performer in Latin America last year, shrinking 10.1 percent in the second quarter and 6.2 percent in the third quarter from a year earlier. It probably shrank around 7 percent in 2009, the most since 1932, according to the central bank.

The region’s second-largest economy will grow 3.2 percent to 4.2 percent this year, the bank forecasts. Werner said analysts and the International Monetary Fund are forecasting growth of 3.5 percent to 4.5 percent.

### **Detailed Report/Venezuela**

Caracas, Venezuela — President Hugo Chavez has turned to his friends in Cuba for help in tackling Venezuela’s energy crisis, drawing criticism today from opponents who say that the communist-led island is notorious for its own electricity woes.

The socialist leader announced that Cuban Vice President Ramiro Valdes had arrived on Tuesday to head a Cuban team advising Venezuela on its efforts to reduce energy consumption.

He gave few details of what Valdes would do, but the announcement bewildered some.

"It’s laughable that Chavez is looking for help from Cuba," said Aixa Lopez, director of the Committee for People Affected by Power Outages, which monitors the extent of current energy shortages and rationing in Venezuela.

Chavez blames a drought for bringing the country’s crucial hydroelectric reservoirs to their lowest levels in decades, prompting a wave of planned and unplanned blackouts across the country.

Critics acknowledge the lack of rainfall, but blame Chavez’s government for failing to upgrade power generation capacity even as the country’s consumption has soared.

Cuba itself has suffered a series of electricity crises since the collapse of the Soviet Union removed a major source of oil and financing. It now gets much of its imported oil from Venezuela.

The island’s communist government has had some success against once-routine blackouts by upgrading generating capacity and imposing sometimes draconian energy-saving measures.

Even so, Cuban officials last summer were forced to idle some state factories while turning off the lights and air conditioners in many government office buildings, banks, retail stores and other businesses. Officials have hinted even more strict conservation methods will be imposed throughout 2010.

Chavez has experimented with similar measures, ordering some public institutions to close at 1 p.m. and partially shutting down state-run steel and aluminum plants. Officials also are installing tens of thousands of energy-saving light bulbs imported from Cuba.

Cuba is already aiding Venezuela in a cloud-seeding effort the government hopes will ease the drought.

Valdes, who fought alongside Fidel and Raul Castro to topple dictator Fulgencio Batista in 1959, is a former interior minister and current minister of communications. For more than a decade, he ran Cuba's Electronic Group, overseeing technology projects and skirting the U.S. trade embargo by importing tons of equipment into Cuba through third-party nations.

"The electricity crisis should be resolved by Venezuelans," Lopez said. "I don't think that Mr. Valdez is the most suitable for the job because what's he's done in Cuba is impose rationing. He's not an expert in investment, maintenance and production."

Caracas, Venezuela — Police used tear gas, plastic bullets and water cannons to scatter hundreds of students protesting against the government Thursday, while President Hugo Chavez's supporters celebrated the 18th anniversary of his failed coup as an army officer.

Caracas Police Chief Carlos Meza said authorities broke up the protest because university students had not been granted permission to march. He said the denial was aimed at preventing clashes with thousands of "Chavistas" marching across the capital to mark the botched 1992 military rebellion that Chavez led as a lieutenant colonel.

"They don't have permission to march," Meza said.

Student leaders countered that they have the right to stage peaceful protests, and they said authorities loyal to Chavez frequently deny them permission to demonstrate. Before the protest was dispersed, students chanted: "We're students, not coup plotters!"

"This is one more demonstration of the government's abuse of power," student leader Roderick Navarro said.

Students started leading protests last week after the government pressured cable and satellite TV providers to drop an opposition channel. Students have organized demonstrations in cities across the country, accusing Chavez of forcing Radio Caracas Television International off the airwaves as a means of silencing his critics.

Chavez challenged the students to continue staging demonstrations, saying they won't weaken his socialist government. But he warned them against stirring up violence, suggesting authorities would break up protests that get out of control.

"Don't make a mistake with us. You'll get a firm response," Chavez said during a speech to his supporters at Venezuela's largest military fort.

Thousands of Chavez's backers gathered to listen to Chavez, who hailed the Feb. 4, 1992, military uprising against then-President Carlos Andres Perez as a justified rebellion seeking to topple a corrupt government that ignored the plight of Venezuela's poor.

More than 80 civilians and 17 soldiers were killed before troops loyal to the government quelled the coup attempt, which Chavez commemorates annually.

Caracas, Feb 04, 2010 (Xinhua via COMTEX) -- Thousands of followers and opponents of Venezuelan President Hugo Chavez took to the streets of Caracas on Thursday to commemorate a coup 18 years ago -- for opposite reasons.

Chavez' followers celebrated the 18th anniversary of the coup led by Chavez as the Day of Dignity, while his opponents took the occasion to protest the shutdown of six cable television stations which had refused to air Chavez's speeches.

The 1992 coup was an abortive attempt staged by the military to oust then President Carlos Andres Perez. Though it failed to unseat the civilian authorities, it left a controversy that lasts till the present day and put Chavez, the coup leader, to national spotlight.

The two groups gathered at different locations in the capital city and marched separately.

Chavez's followers assembled at the Venezuela Square, all dressed in red, for a march along main avenues of Caracas. They caused hours-long traffic jams and ended the march at the Defense Ministry building.

The opponents gathered at the Brion de Chacaito Square in the east of Caracas and marched to the National Assembly building in the center of the city.

This was the second time in two weeks that Chavez's followers and opponents marched on the same day.

Caracas (Venezuela) - Venezuela accused the United States on Thursday of portraying President Hugo Chavez's government as thuggish in an effort to entice the opposition to try to topple the socialist leader.

Venezuela's ambassador in Washington, Bernardo Alvarez, took issue with an intelligence report presented to US senators earlier this week that described Mr Chavez as an autocratic leader who uses repression to stifle dissent.

In a letter sent to the Senate Intelligence Committee's chairman, Senator Dianne Feinstein, Mr Alvarez rebuked the findings of the report, saying it 'is full of politically motivated and cynical accusations'. Mr Alvarez called it part of a US campaign 'to criminalize our government and encourage groups within Venezuela's opposition to seek anti-democratic paths to take power'.

US officials have repeatedly denied they would support any attempt to unseat Mr Chavez through anti-democratic means, and Venezuela's opposition leaders insist they want to remove the former paratrooper at the polls.

Mr Chavez vehemently rejects allegations that his government has sought to silence criticism, including using trumped up criminal charges to imprison or intimidate outspoken political adversaries. – AP

Monsignor Ovidio Pérez Morales, the former president of the Venezuelan Plenary Council and member of the Venezuelan Conference of Bishops made a call for peace, understanding and dialogue following the protests and threats made in recent weeks.

Pérez Morales believes that the country can not continue "splitting" and "self-destructing" because Venezuela can not progress if it is divided into "two parts" and with permanent confrontations.

In his view, it is necessary to rebuild coexistence, regardless of whether the parties involved do not share the same political ideology. "People do not have to abandon their convictions, but to establish a compassionate communication and reach a minimum of national understanding," the Archbishop told El Universal during an interview.

The European Parliament (EP) plans to discuss and take a position next Thursday on human rights situation in Venezuela following the closure of the private TV network RCTVI and the deaths of two students in protests carried out after the Venezuelan government decision.

The plenary in Strasbourg (France) will discuss the issue at the initiative of the European People's Party (EEP), a Conservative group which is the largest parliamentary bloc in the Chamber, and of the Liberal and Democrat groups.

According to parliamentary sources, the motions that these political groups will submit to the EP will criticize the government of President Hugo Chávez, since this is the usual position of these political parties regarding Chávez administration. The Venezuelan government has been condemned several times by the European Parliament, Efe reported.

The Internet is making it harder for dictators around the world to go about their daily business. Mass deception, control of the media, absolute power, that sort of thing. From Italy to China and, indeed, Australia, the people in power are finding it increasingly harder to control the flow of information. The poster child for the social web revolution is none other than Twitter and, while its actual impact on the life of those oppressed may be exaggerated, it at least focuses the world's attention to the places that need it the most. This week's fashionable country in need

was Venezuela and the free Venezuela hash tag was a trending topic for much of the week. President Hugo Chávez, as you can imagine, wasn't thrilled.

Actually, he's downright furious that the terrorists threatening the country's stability and economic growth would turn to such capitalist tools as Twitter. He became increasingly disgruntled with anything having to do with social networks and the Internet as a whole and says that using any online medium to criticize his, elected, rule over Venezuela is nothing short of terrorism.

It looks like Chávez is taking at least one lesson from the US government, for which he doesn't have the kindest words on most occasions, 'when in doubt, blame terrorism'. The speech comes after increasing tensions in Venezuela have resulted in street violence. A couple of weeks ago the president ordered the shut down of five cable TV stations which refused to air his speeches. This set off a wave of protests in the country which have been met with violence from the police.

Students protesters are increasingly turning to Twitter to organize and spread news and Chávez is fearing this may turn into another Iran situation. His plan is now to regulate the Internet in the same way he does the local media, attempting to stop any sort of negative commentary about his rule. Whether or not he succeeds remains to be seen, but as Internet censorship is becoming increasingly popular in, seemingly, democratic countries it's not too hard to imagine him pulling it off.

Venezuela's government says it will spend \$15 billion over the next five years to increase electricity production.

Energy Minister Ali Rodriguez said Saturday the projects will add 15,000 megawatts by 2015.

Venezuela imposed power and water rationing in December because a severe drought is threatening to drop water levels behind the important Guri Dam to critical lows. The dam supplies most of the country's electricity.

Critics have accused President Hugo Chavez of failing to invest enough in electrical projects to meet growing demand.

What little is left of Venezuela's democracy has taken a literal beating from President Hugo Chávez's uniformed goon squads -- again.

Police used a variety of weapons, from water cannons to plastic bullets, last week to disperse hundreds of student protesters who refuse to knuckle under to an increasingly desperate and unpopular president determined to remain in power at all costs.

While the president and his followers were celebrating the anniversary of the failed 1992 coup that first brought him to national attention, the students were protesting the deterioration of their

country. It wasn't the first time that Mr. Chávez has resorted to force to quell peaceful political opponents, but the frustration level inside the country is rising as Venezuela's political and economic situation goes from bad to worse.

Rolling blackouts, currency devaluation and price inflation (the worst in Latin America), water shortages and scarce commodities -- this is what 11 years of a Chávez presidency have produced.

#### Dismal energy program

As if to underline the utter befuddlement of Mr. Chávez's inept government, an advisory team from Cuba, of all places, was brought in to improve the dismal energy program. Cuba? That's like asking Scott Rothstein for advice on legal ethics.

The problem with PDVSA, the oil company, as Venezuelans well know, is that Mr. Chávez turned it into a sinecure for political cronies, destroying its once admirable efficiency and productive value. Only by putting the experts back in charge can it hope to recover, but President Chávez is not about to hand authority over to anyone who is not a known loyalist.

The problems at PDVSA are emblematic of what's wrong with Venezuela and why his Bolivarian revolution is in trouble. Mr. Chávez has run the economy, and the country, into the ground, but that hasn't stopped him from making trouble wherever he can.

As the streets of Caracas were in turmoil, the U.S. director of national intelligence, former Admiral Dennis Blair, was giving Congress an unvarnished assessment of Mr. Chávez's presidency that underlines the danger he represents to the entire region.

He has cultivated friendships in all the wrong places, beginning with Iran, spent \$6 billion to buy weapons from Russia, and provided covert support to the terrorist Revolutionary Armed Forces of Colombia (FARC).

#### Pressure Chávez

All of this spells disaster for the people of Venezuela -- and the hemisphere. It can be avoided only by the concerted effort of other countries in the region to pressure Mr. Chávez to moderate his behavior and adhere to the rules of democracy.

Isn't that what the Organization of American States is for? Mr. Chávez has undermined, if not destroyed Venezuela's once vibrant, if imperfect, democracy. He has bullied his neighbors, fueled a regional arms race and brought political tensions inside the country to a boiling point. The region's leaders shouldn't wait for domestic bloodshed or a cross-border conflict to move them to act.

Only two out of 10 Venezuelans put the blame on President Hugo Chávez for the country's problems. According to poll firm Venezuelan Institute for Data Analysis (IVAD), 63.2

percent of Venezuelan held accountable the different bodies of the Executive branch of government for domestic troubles; 20.1 percent held Venezuela's President responsible; 11.4 percent attributed the problems to state governors and 6.2 percent to Mayors.

With regard to confidence in President Chávez, 51.6 percent had little or no confidence; another 21.6 percent said that they had little confidence and 30 percent no confidence at all. Meanwhile, 15.7 percent was highly confident, 20.2 percent trusted the president and 11.7 percent was somewhat confident.

With respect to political allegiance, 36 percent said they support President Chávez, 33.4 percent was against Chávez, 26.1 percent was independent, 1.9 percent was not interested in politics, and 2.6 percent did not know/did not respond.

As for the Venezuelan economy, 62.5% considered that the devaluation of the Venezuelan bolivar was not favorable. About the causes of the power crisis, 39.8 held the President responsible; 25.8 percent blamed nature, particularly El Niño meteorological phenomenon, 11.3 percent blamed people and their lack of conscience.

On water supply problems, 32.2 percent said that the problem can be attributed to scarce rains whereas 24.6 percent held the government responsible.

A Venezuelan human rights watch based in Miami voiced concern on Monday about the growing number to 57 political prisoners in Venezuela in 2009, and also noted "fast deterioration" of human rights.

"This puts Venezuela as the second country with more political prisoners and a deplorable human rights situation in Latin America and the Caribbean, after Cuba," Patricia Andrade, the head of Venezuela Awareness Foundation, said.

The NGO released on Monday its annual report entitled "Human rights practices for political reasons in Venezuela." According to the paper, the Venezuelan government "escalated repression" and criminalized protests to silence dissenting voices.

The report noted that there were 29 detainees for political reasons in 2009, in addition to 28 political prisoners in 2008. However, some of them were released under alternative measures, EFE reported.

"The final number of political prisoners as of December 31, 2009 was of 32 people," they stated.

The Venezuelan president, famed for his love of high-profile media opportunities, said that the programme on state radio was a way of talking directly to the people.

According to The Times, the first edition of Mr Chavez's show discussed Venezuelan-Argentinian relations, the World Boxing Championship, the 200th anniversary of Latin American independence, and the launch of a new supermarket chain.

The state radio station, Radio Nacional de Venezuela, reported that the program "De repente con Chávez" - Suddenly With Chavez" - was "guerilla communication" for the government to advance its ideas and messages.

"Sometimes I am awake at three in the morning, working or revising papers, and there are people who listen to the radio at this hour," Mr Chávez said, suggesting he could sing them "romantic songs".

Mr Chavez already broadcasts a weekly television show, "Aló Presidente" (Hello President), in which he addresses social problems and topics of the day.

In one edition he promised to personally resolve a land dispute after a caller rang the show to complain, and in another he spoke at length of his stomach problems. Broadcasts can often last for over five hours.

Announcing the new show, Venezuelan newspaper El Universal noted that "neither the promised seven hours of radio or television programs, nor the channels which are frequently interrupted for him, are sufficient".

Mr Chavez's dominance of the airwaves has come under severe criticism by opponents.

Last month, protests erupted across Caracas after the Government closed down the anti-Chávez channel RCTV after it refused to cut to a presidential speech.

Venezuela announced plans to invest more than \$6 million in solar power as the government declares a formal electricity emergency.

Venezuela's Foundation for the Development of Electric Service announced plans to invest \$6.2 million to install 1,531 photovoltaic systems throughout the country.

Jesus Marerro, the national director of the so-called Sewing Light program, said the plans include installations on schools, community centers and water purification centers, Venezuela's El Universal newspaper reports.

The plans come as Venezuelan President Hugo Chavez signed a formal electricity emergency as the country struggles with rolling blackouts.

Chavez said during his radio program that pervasive drought was causing problems for his country, which relies on hydropower for much of its energy needs, the BBC reports.

"The truth is, it's an emergency," he said.

Consumers during the emergency face stiff penalties if they use more than 500 kilowatt-hours per month. Discounts are available for low-energy consumers.



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