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Argentina

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Report Summary/Argentina

Argentina is pressing Britain to adopt the way of dialogue over Falkland Island issue. The foreign minister stated that Britain should come and sit with us to clear its situation over the island; and Argentina is ready for a diplomatic peaceful dialogue. In 1982 both Argentina and Britain went for war over the same island and Argentinean soldiers lost in that war so the military government had to go. Argentinean president is holding a conference regarding the Britain oil companies' arrival for oil exploration in the Falkland Island in that conference 25 Latin American and Caribbean countries will take part. As in the past the Latin American and Caribbean countries have backed Argentina on the issue. Falkland Island is oil rich island and 450 kilometers from the Argentine coast or mainland.

The defense minister said that the government will take every necessary steps to protect the island which is its legitimate right. The foreign minister is also planning to meet the chief of UN and condemn the Britain's arrival in the island. The Times magazine has reported that a file

has prepared by the UN and would be discussed in the session. The president of Venezuela has also told Britain angrily: "Give the Malvinas back to the Argentine people." He said that the bad situation of oil in Britain is forcing its government to take such steps which are flouting international law. He also said that both English and Yankees are covetous and very much willing to grab the oil fields in this region as it has largest oil reserves in the world. But the president of Britain said that he will talk to Argentina and discuss over this issue.

The British government is protecting the Falkland Island and the sovereignty of British government over the island fully. The defense minister of Britain has said that the government of Britain has sent two ships of soldiers and one oil ship to the island which will protect the island internally and externally. British government claims its sovereignty over the Island which is granted to it by the United Nations and international law. Argentinean government doesn't accept it and consider Falkland Island its territory. The British government says that the international community should say 'No' to Argentina because many countries are having islands near to their countries but they don't claim them their territories.

The World Bank has given US\$229 million loan for the Republic of Argentina to prevent the current pandemics such as influenza etc. 21 states of Argentina are suffering in Swine Flu and have been caused more than 600 fatalities. More than 1.2 million cases have come before among them 12,000 have to hospitalized. Argentina had to close its schools and other such institutions when the Swine Flu pandemic appeared there last year.

Report Summary/Brazil

As the time is passing, the Worker's Party candidate Ms. Dilma Rousseff is getting popularity in the public. Mr. Serra who belongs to PSDB is leading over Ms. Rousseff but she is narrowing the gap over Serra day over day. As according to Ibope survey, Rousseff jumped 25% from 17% and Serra leads 36%. Mr. Lula thinks who has been the most popular president in Brazilian history considers that Rousseff will get advantage of his popularity and reforms in the country. It is said that may Ms. Rousseff get benefit of President Lula's efforts uplifting the country as he has created almost 100,000 jobs for the people of Brazil; hence it is not quite sure.

When the president Lula was asked a question that he is bring Ms. Dilma Rousseff as an interim president and he plans to contest presidential elections or not. The president said he will not contest election now but his nominated candidate Rousseff will contest again in 2014. Lula remained president of Brazil with 80% favor of Brazilians.

Ms. Rousseff is actually a Bulgarian originated whose father migrated to Brazil and got marry with a Brazilian woman. Rousseff was born in 1947 who is a 62 years old lady. She belongs to a upper-middle class of Brazil and she had been the chief secretary of president Lula. Prior to this she was an energy minister of Brazil but when her predecessor was accused of vote buying and it was proved, she became the chief secretary due to her abilities. She is an economist basically. She belonged to the leftist radicals' group when military was ruling in Brazil in 60s. She is alleged of taking part in militant group against military but she refuses. She is considered an iron lady and she is very confident and optimistic in this election for her success.

Brazilian president visited Mexico to attend a meeting of Latin American and Caribbean countries with Brazil's foreign minister. He said there that the international community should

not impose sanctions on Iran due to its work on nuclear program but the international community should prefer talk. He said while sanctioning and keeping in isolation Iran is not the solution of this problem. He said Brazil is trading almost one billion dollar per year and importing nothing and he is going to pay a visit to Iran in this May. He also said that peace in the world doesn't mean to leave a country in isolation. The foreign minister of Brazil said there UN and IAEA should hold a dialogue with Iran over the controversial issue. Iran says that it is developing its nuclear issue for civilian purposes but international community isn't satisfied. The president Lula said that Iran should also find a solution of this controversial issue.

It is said that first time that the Caribbean are in the itinerary of president of Brazil when he attended Caribbean and Latin American countries' conference in Mexico. In this conference all of the countries of Caribbean and Latin America participated except USA and Canada. This conference is to discuss the issues of the region and their solution. After this the president visited Cuba, Haiti and El Salvador. He made an agreement with the government of Cuba to invest in Havana that its state run oil company Petrobras will drilling there to find oil.

President Lula spoke in favor of Venezuelan president Chavez when he told a Brazilian newspaper that President Hugo Chavez is not practicing an autocratic regime but it is a democracy in Venezuela. He said President Chavez is criticized due to favoring Iranian nuclear program and his behavior. But Chavez is right from his side as he is practicing democracy but it is of different type. He was asked about Brazilian democracy then he said "It is a hyper-democracy. My government is the quintessence of democracy".

The president of Brazil stressed on Honduras' government to join OAS again and adopt a process of national reconciliation. He said he is hopeful that the new government will form a truth commission over the last year crisis when the military coup took over the country and deposed the elected president Manuel Zelaya. With the takeover of military coup, many of the Latin American countries disconnected the relations with Honduras' government and now the president of Brazil has told the newly elected president for reconciliation. Deposed president Manuel Zelaya was staying in Brazilian embassy at Honduras but now he took political asylum in Dominican Republic.

Swedish king and queen are paying a state visit to Brazil in the month of March. The president of Brazil has invited them between March 23 to 26. The queen was born in Sao Paulo state of Brazil and had been living there between 1947-1957. They will be accompanying a business delegation and Goran Hagglund, minister of health and social welfare.

The agriculture ministry and USDA estimated that the crop of soybean will grow this year. The reason behind the more growth is told the favorable and appropriate weather. USDA estimated of 1 million metric tons to 66 million while the Brazil's official estimate was more high as 66.7 million tons, up 1.6 million tons from the January estimate.

Report Summary/Mexico

Mexico's war against the drug cartels could not win the heart of people despite it a wave of anger against the government policies emerged in a new style which can be seen in the recent surveys. Buendía & Laredo conducted a survey and found that 50% of respondents thought the

government offensive against drug traffickers has made the country more dangerous, while only 21% thought it had made it safer. Another 20% said it had had no effect and 9% gave no comment. Half of respondents also said they personally felt threatened by criminal violence, up from 35% who said they felt threatened in a 2008 survey.

Caribbean and Latin American summit held in Mexico, in which the president of Mexico declared that the Caribbean and Latin American countries should form an alliance without Canada and USA. The purpose of the formation of this alliance is to solve the domestic problems of the region and to decrease the influence of US from the region. The summit also discussed the Argentina's dispute with Britain over Falkland Island and showed their favor for Argentina. Also the matter of Honduras discussed in the summit. Many countries of Latin America are still raising a question about the legitimacy of the current government which was formed under the de facto president.

The chairman of Mexican senate spoke in favor of president of Cuba and against the cruel policies of USA over Cuba. He said that Washington should finish the economic sanctions on Cuba as this is a cruel policy. He also said that his legislation is united in this issue and favoring Cuba. He said both countries, Cuba and Mexico will increase their relations in this year by promoting trade and tourism.

Marcos Fastlicht is a businessman of Mexico and heads an organization dedicated to the uphill task of promoting citizen participation in crime-fighting said, "For the very, very first time, people, civil society as a whole, have come together and decided, this is enough". The killings of 15 teenagers in Juarez city of Chihuahua have disturbed the residents of the state much. People are saying that Calderon's war against drug cartels has made Juarez the world's most bloody city, as before he deployed forces here, the killings were lesser than as today. The activists of Juarez are also shouting on the violation of human rights in the city. They claim that most of the human rights violation cases happened in last six months by the security forces.

The Amnesty International has demanded Mexican government to investigate the death of US video journalist who was killed in Oaxaca protests in 2006 when he was covering the protestors and police. 17 other people had been killed in this protest and the journalist was also gun shot while covering.

So in this all scenario, it is assumed that it would be hard to win the seat of governorship of Chihuahua State for President Felipe Calderon's party. As the protests are happening there every day and people are losing their lives or are becoming the victims of security forces which are deployed by the government, they want to stop the war and resignation of Calderon. The mayor of Ciudad Juarez said that the main thing is to take people under confidence then start war which has not take. But the president Calderon is not willing to stop the war and call back its forces.

The allegation on Mexican government is this it is not capturing or crack downing the Sinaloa but only the Familia Michoacana drug cartel. It is said that La Familia is the weakest drug cartel in the country while Sinaloa is the most powerful and broad network nationwide and outside the country. Sinaloa is accused of 45% of crimes and killings in the country and the largest exporter of drugs to US. Few years back the government of Mexico had arrested the leader of Sinaloa cartel but in spite of maximum security of police he remained successful to

escape from the prison in 2001. If the forces are arresting any of their members, they are just in a very small number. So the government is accused of backing this powerful cartel.

Mexico's government has allocated funds for the building of national infrastructure like bridges, railways, airports and highways. For this purpose, 4 billion pesos (\$2.37 billion) will be allocated which will be utilized in 42 projects for 2010. The director of the fund known as Fonadin, told in an interview with Bloomberg that last year 22.1 billion pesos were spent in 23 public-private infrastructure ventures. The president said that the more projects will allocate more job opportunities for the Mexicans.

The year 2009 was the worst in Mexico's decade economically. Mexico's official estimate was 6.9% but it went 6.5% which is less than government estimate. The economy of Mexico went worst in all Latin America countries this year.

The factor of bad economy is told the less production of sugar in the year. Mexico's Agriculture minister said that Mexico is the sixth largest sugar producing country in the world but due to heavy rains during harvesting of sugarcane crop shrank the country's economy. The rain not only destroyed the sugar cane crop but also corn. Corn's output fell 12 % this year.

Report Summary/Venezuela

A top Roman Catholic leader of Venezuela said that the government is destroying political believes of people in Venezuela. He said that government has adopted the policy of nationalization of private property and it is not practicing the socialization. But when the president of Brazil was asked a question by a local newspaper about Hugo Chavez's behavior, he defended him and said that I believe that Venezuela is practicing democracy but that is different from Brazil's democracy.

An opposition leader of Venezuela said that the opposition party can come to power by getting benefit of Venezuela's current energy crisis. He said it is very bad for an oil rich country that it is suffering in energy crisis and now the country's students and some other groups have been united on this issue. Another opposition leader said that economic growth has decreased and social inequality, inflation and unemployment have been increased but it is presented opposite. The opposition is thinking that it can get benefit of current crisis and there can be a political shift in the country. The ban on an opposition media TV channel has also caused the popularity of Chavez.

As far as Venezuela's energy shortage is concerned, Colombia had offered Venezuela to get energy from it. But Venezuelan government has rejected Bogota's offer and consider it suspicious. The energy minister of Colombia said that Colombia is producing more energy than it produces so Venezuela can get from it but the energy minister of Venezuela said that Venezuela will come to produce energy as it demands soon and it is not in need of getting energy from Bogota. But the president Chavez said that he is evaluating over the offer. Ecuador also offered energy supply to Venezuela like Colombia but the government of Venezuela did not respond to the offer. Chavez has said that somewhere electricity is sabotaged by his opponents as they cut the cables.

The Colombian minister of mines and energy told that a commission of the Colombian Ministry of Mines and Energy, the Commission for Energy and Gas Regulation (Creg) and Isagen (a state-run power generation and marketing company) is traveling to Caracas to discuss over the energy issues. He said that Colombia can supply energy to Venezuela for several months.

Honduran security minister visited Colombia and said that most of Venezuelan aircrafts which are coming to Honduras are involved in drug trafficking. He was saying that those aircrafts are holding Venezuelan flags over them. Both Venezuelan and Mexican drug cartels are smuggling drugs but Mexican drug cartels are bloodthirsty due to their killings. The governor of Venezuela said that FARC is involved in drug smuggling to Colombia which is backed by Venezuelan government. And he said that he has many proves that the leader of FARC is in Venezuela. Chavez has not recognized newly elected Honduran president and he says that Manuel Zelaya is the legitimate president of Honduras.

Chaves condemned the military coup in Niger and requested international community to reinstate the constitutional order. On Falkland Island issue he said on a radio program Queen is making trouble in Falkland but Venezuela is favoring Argentina and supporting it if any country invades it. He warned Queen that if Britain attacks on Argentina, Britain should not think Argentina is alone or this is 1982 because Venezuela will support Argentina fully.

He was saying since financial crisis overlapped Britain and other western countries, both English and Yankees have become desperate of oil. He also said they are urging to control over this region as this is the world's richest region in oil. Firstly Britain was exporting oil but now it is trying to control such regions by violating international law. On the other hand, the Prime Minister Gordon Brown said that Britain is not violating the international law but Falkland Island is its region. If a land is near to any country it doesn't mean it his land.

The trade minister of Venezuela said that in spite of getting expensive stuff, Venezuela is importing its basic things like clothing, food and some others from other countries. Since the tensions increased between the both countries, Venezuela stop importing basic things from Colombia and searching other countries. The president of Colombia has said to its traders to search another market to export their stuff. The foreign minister of Colombia also said that Bogota is willing to do a decent talk with Caracas if Caracas is willing. But he also said that he asks for the explanation of Venezuelan helicopter over Colombia.

Venezuelan government is forming a peasant militia in the agriculture based regions to protect small peasants from the landlords. President Chavez said that it is the duty of the state to protect them. He said that the peasant militia will also be ready to face any kind of foreign invasion especially as US can attack on Venezuela to control its oil reserves but US has denied such kind of intentions it has. The landowners said that the government is actually forming its militia to use against the landlords and as landlords are alleged of killing of poor peasants it is not true that all landlords are involved in it. if anyone is involved in it, the government must bring his case before and punish him.

Detailed Report/Argentina

Buenos Aires (AFP) - Argentina pushed hard Saturday for a new diplomatic offensive aimed at pressing Britain to negotiate the status of the disputed and potentially oil-rich Falkland Islands.

"Britain should sit down and have a dialogue about sovereignty to overcome this anachronistic colonial situation," Foreign Minister Jorge Taiana said from Mexico where he was preparing for a Rio Group summit.

Though the two countries went to war over the South Atlantic islands in 1982, with Britain affirming its control, Argentina still claims ownership of the archipelago, which has been held by Britain since 1833.

"Argentina will dialogue diplomatically and peacefully," Taiana told the state news agency Telam ahead of the summit where President Cristina Kirchner now will try to rally regional support for her stand on the islands.

Argentina says Britain, a UN Security Council member, is skirting UN resolutions calling for dialogue on the dispute. It says UN resolutions recognize the territorial dispute and urge dialogue to settle it.

Taiana was to meet UN chief Ban-Ki Moon Wednesday to encourage talks, Argentina's UN envoy Jorge Arguello has said.

And Argentina's president Monday will ask the Rio Group of regional allies at their meeting in Mexico to condemn oil exploration Britain has approved in the Falklands, Argentine media reported Saturday citing unnamed government sources.

About 25 Latin American and Caribbean leaders will be at the gathering near Cancun. The Rio Group in the past has backed Argentina in its territorial claim.

Using the islands' Spanish name, Venezuelan President Hugo Chavez on Friday addressed Britain saying: "Give the Malvinas back to the Argentine people."

British Prime Minister Gordon Brown said in London Friday he was "confident" diplomacy could resolve a standoff with Argentina on the Falklands, as islanders voiced disappointment at tensions over oil drilling.

"The diplomacy between us and Argentina is one that I think will be successful," Brown said, insisting that Britain was acting within international law.

"I think the work that's being done will avoid any tension".

Argentina and Britain engaged in a brief but bitter war in 1982 over the archipelago.

Argentina's defeat resulted in the collapse of the military regime that ruled the country at the time, helping usher in a return to democracy.

The latest round of verbal skirmishes were triggered by Argentina's decree that ships traveling through its waters to the Falklands -- home to 3,000 islanders, 1,000 British soldiers and 500,000 sheep -- require an Argentine permit.

According to Britain's Geological Society, oil fields around the Falklands could produce up to 60 billion barrels of oil, or as much as the North Sea crude reserves which contributed to 25 years of British prosperity.

The Falklands archipelago currently earns 60 percent of its income from fishing.

Argentina says that its "jurisdictional waters" are up to 200 nautical miles (370 kilometers, 230 miles) off its coast.

The Falkland Islands lie 450 kilometers from the Argentine coast or mainland, beyond the 200-nautical mile limit but within a continental shelf area that Argentina claimed before the UN last year.

Argentina's foreign minister is to meet UN Secretary-General Ban Ki-moon as tensions rise over British oil exploration off the Falkland Islands, it has emerged.

Argentinean foreign minister Jorge Taiana requested the meeting.

The Times newspaper said a resolution was also set to be tabled in the UN General Assembly condemning Britain for allowing Desire Petroleum's Ocean Guardian to begin drilling 60 miles north of the islands after Argentina announced new shipping controls.

Defense Minister Bill Rammell said the Government will take "whatever steps are necessary" to protect the islands, which had a "legitimate right" to develop an oil industry within their waters.

Ocean Guardian was towed 8,000 miles from Scotland to the south Atlantic isles for the exploration.

Argentina formally objected to the move and tightened shipping regulations in the region.

Latin American and Caribbean nations backed Argentina's claim of sovereignty to the islands as the dispute gathers pace.

At the Rio Group summit of 32 countries hosted by Mexico, Argentina presented a statement quoting Mexican President Felipe Calderon as saying that "the heads of state represented here reaffirm their support for the legitimate rights of the republic of Argentina in the sovereignty dispute with Great Britain".

Argentinean president Cristina Fernandez ruled out any plans to try to keep the British boats or rigs out. "We do not believe in methods like blockades," she told reporters.

Argentina invaded the Falklands in 1982, before a UK taskforce made up of some 100 ships seized them back in a war which claimed the lives of 255 British servicemen and women and more than 600 Argentines.

Venezuelan President Hugo Chavez said on Friday Britain's "desperation" for oil was leading it to flout international law in the Falkland Islands, and called on the British to return the islands to Argentina.

The Socialist Venezuelan leader said he supported Buenos Aires' protests over planned drilling in the Falklands, where companies including U.K.-based Desire Petroleum are planning to look for oil and gas in nearby offshore areas.

"The British are desperate for oil since their own fields in the North Sea are now being depleted," Chavez said in a televised speech. When will England stop breaking international law? Return the Malvinas to Argentina!"

Argentina still lays claim to the British-controlled South Atlantic Islands, known as the Malvinas in Spanish.

Britain, which became a large oil exporter in the 1970s following massive oil finds in the North Sea, has seen its output decline. It has been a net oil importer since at least 2007, according to U.S. Department of Energy figures.

While the Falklands are not an oil producer now and hold no proven reserves, oil companies are betting offshore fields may hold billions of recoverable barrels of oil.

Argentina led an unsuccessful military campaign in 1982 to eject the British from the islands.

Earlier this week, Buenos Aires formally objected to British-led drilling plans near the Falklands, and said it would require all ships from the islands to obtain permits to dock in Argentina.

Chavez said he spoke with Argentine President Cristina Kirchner earlier Friday to voice his support.

The leader of OPEC-member Venezuela, among the largest oil exporters in the Western Hemisphere, often claims foreign powers including the United States are covetous of Venezuela's own massive oil reserves.

"The English are desperate, the Yankees are desperate and here we have the biggest petroleum reserves in the world," Chavez said.

British Prime Minister Gordon Brown said Thursday that international law allows British firms to drill the area, and expected dialogue with Argentina would resolve the dispute.

"It is perfectly within our rights to be able to do this. I think the Argentineans actually understand that," Brown told local radio on Thursday.

Asked about a newspaper report that defense chiefs in London had sent extra warships to the region, Brown said: "We have made all the preparations that are necessary to make sure that the Falkland Islanders are properly protected."

Buenos Aires said in 2007 any energy companies that had operated in the islands would be barred, fined or thrown out of Argentina.

Each year a well-rehearsed performance takes place at the United Nations Special Committee on Decolonization. Argentina's government protest that Britain's sovereignty over the islands it calls the Malvinas is a colonial injustice, and that the principle of territorial integrity demands that they be reunited with the mainland. Representatives from the Falkland Islands counter that they have a right to self-determination; that they have no wish to be part of Argentina; and that they do not consider themselves to be a colony of Britain anyway. Most of

the time the argument gets no further than that. After going to war over the islands in 1982, Britain and Argentina have enjoyed diplomatic relations for 20 years now. But the arrival of an oil exploration rig in the Falklands this month will give new fuel to dispute that dates back to 1833.

On February 16th Aníbal Fernández, the presidential chief of staff, announced that ships sailing between Argentina and the Falklands would henceforth require a permit. Earlier the government barred a ship which it said had previously called in the islands from loading a cargo of pipes. (Techint, the Argentine manufacturer of the pipes, said they were destined for the Mediterranean.) Cristina Fernández de Kirchner, Argentina's president, said she would "work unceasingly for our rights in the Malvinas, for human rights." A spokesman for the British embassy in Buenos Aires said that the application of laws in and around the Falklands was a matter for the islanders, and that Britain had no doubts over the sovereignty issue.

Exploratory wells were drilled in the waters of the Falklands in 1998. While suggesting there might be oil, further exploration was not seen as profitable at the low price then prevailing. Subsequent seismic surveys and the surge in the price of oil prompted Desire Petroleum, a small British company, to hire the rig, which will drill up to ten wells for it and Rockhopper, another British outfit. Most will be in the north Falklands basin, with perhaps one or two in the south Falklands basin, which has not yet been explored at all. By the end of this year the 2,500 islanders will have a better idea of whether the Falklands are to become like Saudi Arabia with penguins.

If recoverable oil is found, it will be doubly galling for Argentina. Since the war, income per head in the once-poor islands has substantially overhauled that in the would-be motherland. While the Falklands have grown rich on squid (and more), Argentina's long decline has continued. Because Ms Fernández's government, like that of her husband and predecessor, Néstor Kirchner, is unfriendly to foreign oil companies, its own oil and gas industry is steadily shrinking.

Ms Fernández is deeply unpopular, thanks to rising inflation and evidence that the first couple have grown rich while in office. But her outrage over the Malvinas plays well at home, even if few Argentines believe that it will achieve much. When Mr Kirchner suspended charter flights to the islands and banned Argentine scientists from taking part in a binational commission on fishing, he was applauded for this. With a presidential election next year, the only thing that will pour oil on the dispute is if the wells prove to be dry.

The Ministry of Defense says it is 'maintaining' British force levels in and around the Falkland Islands amid Argentine efforts to control shipping in the region.

His comments follow an Argentine government decree to tighten controls over shipping ahead of British efforts to start oil and gas exploration off the islands' waters.

According to The Sun newspaper, a new naval task force comprising two ships and an oil supply tanker has been sent to the South Atlantic isles.

But speaking on a radio phone-in, the Prime Minister said he did not expect to need to send a taskforce to the area.

The MoD said the UK's existing "deterrence" in the Falklands was not being increased, but "maintained".

A spokesman said: "The Government is fully committed to the South Atlantic Overseas Territories which include the Falkland Islands.

"A deterrence force is maintained on the islands. That deterrence force comprises a wide range of land, air and maritime assets which collectively maintain our defense posture.

"We have a permanent presence in the South Atlantic including one frigate/destroyer, a patrol vessel, a survey ship and a replenishment vessel. We also have 1,076 service personnel on land."

Argentina's president, Cristina Fernandez de Kirchner, issued a decree covering all ships that enter the country's waters, which Buenos Aires regards those as covering the entire South Atlantic continental shelf.

The Foreign Office shrugged off the demand, insisting that the seas around the Falklands were controlled by island authorities and would not be affected by the decree.

As the issue escalated, Sir Nicholas Winteron, chairman of the all-party Falklands group, said he would seek a meeting with senior officials at the Foreign Office when Parliament returned from recess next week.

He dismissed Ms Fernandez's decree as "pathetic and useless" as Argentina had no jurisdiction over the seas around the Falklands.

The Foreign Office said Britain was ready to co-operate with Argentina on South Atlantic issues and was working to develop relations between the two countries.

"Argentina and the UK are important partners," said the Foreign Office spokesman.

Despite being ejected from the islands which they know as the Malvinas after a two-month occupation and war in 1982, Argentina continues to claim sovereignty over the Falklands.

The dispute over the territory has flared up recently because of interest in possible oil reserves.

Several British companies are poised to begin exploration using an offshore rig, while Desire Petroleum has licensed six areas where it predicts 3.5 billion barrels of oil and nine trillion cubic feet of natural gas can be recovered.

Argentina discovered that the Falkland islanders are British and wish to remain British. Many countries around the world have islands close to their shores that are not under their control. Truly democratic countries accept the right of peoples to self determination. If the offshore islanders wish to remain independent, they should be allowed to do so in peace.

Yesterday we learned that Argentina wishes to claim the seas around the Falklands, pressurizing the Falkland islanders yet again over sovereignty. The international community with one voice should say "No". The UK government should make clear its resolve to look after the Falkland islanders, who are united in wishing to remain under British protection.

Washington DC, February 23, 2010 - The Board of Directors of the World Bank approved today a US\$229 million loan for the Republic of Argentina to support an emergency project for the prevention and management of influenza type illness and strengthening of the epidemiological system.

The project will contribute with Argentina's effort to monitor, prevent, and control the A/H1N1 influenza pandemic, as well as other preventable diseases. In 2009, Argentina was hit hard by H1N1 influenza with more than 600 fatalities from 21 provinces and more than 1.2 million cases of influenza-like illness of which some 12,000 needed hospitalizations.

“By enhancing its epidemiological monitoring capabilities, the Argentinean health system will be better prepared to prevent a potential outbreak of influenza in 2010” said Pedro Alba, World Bank Country Director for Argentina, Paraguay and Uruguay.

The Project would strengthen the capacity of Argentina’s epidemiological health surveillance system: (a) to prevent, monitor and evaluate influenza activity and (b) to control epidemic waves of A/H1N1 influenza. It will do so by:

- (i) Expanding and improving the quality of the epidemiological surveillance systems,
- (ii) Increasing coordination with the animal health epidemiological surveillance system,
- (iii) Implementing media campaigns for prevention,
- (iv) Vaccinating 8.5 million people,
- (v) Improving access to ambulatory antiviral treatment for symptomatic patients,
- (vi) Improving the response capacity of hospital-based services,
- (vii) Using laboratory tests for epidemiological purposes, and
- (viii) Conducting specific operational research activities related to the pandemic, to establish the trend and the evolution of the disease.

To prepare for the 2010 virus season, Argentina’s National Immunization Commission (CONAIN) has recommended that a strategic stockpile of 8.5 million H1N1 vaccines be built as soon as possible. The World Bank is financing the purchase of these vaccines and other key activities under the government’s strategy.

In 2009, the Bank collaborated immediately with Argentina during the first A/H1N1 outbreak through the rapid processing of approximately US\$7.5 million from the emergency component of the Essential Public Health Functions Project, which was specifically designed to address emergencies and epidemic outbreaks.

The economic impact due to the H1N1 outbreak last year was significant due to local social distancing measures such as school closures and work furloughs. In mid-July 2009, many districts in Argentina declared health emergencies, prompting many people to stay at home, with restaurants, clubs, and theater attendance falling sharply. The National Ministry of Health reports that retail sales were down 16% compared to the same period in the previous year.

The Emergency Project for the Prevention and Management of Influenza Type Illness and Strengthening of Argentina’s Epidemiological System would be financed by a US\$229 million fixed-spread emergency Loan with 30 years maturity and a grace period of 5 years.

Detailed Report/Brazil

Luiz Inácio Lula da Silva, president of Brazil, has made it no secret he wants voters to see October’s presidential election as a plebiscite on his eight years in power.

As the most popular president in Brazilian history he hopes his own success will be transferred to Dilma Rousseff, his chief minister, whose candidacy was endorsed at the weekend by his Workers' party (PT).

But the election seems to be taking shape as a plebiscite of a different kind: on whether the state should take a bigger or smaller role in the economy.

Both Ms Rousseff and Mr Lula da Silva have played down suggestions they are preparing for a big increase in the state's role.

"There will be no going backwards, no adventures," Ms Rousseff said at the PT's annual conference at the weekend.

But Mr Lula da Silva, while warning the opposition would brand her as a "statist", supported a bigger role for the public sector.

"They're going to say Dilma is a statist," he told the conference. "Be prepared. Not that that's a bad thing. It's good. Obviously you won't want to nationalize tire repair shops, bars and pizzerias. But [about] things that are strategic, that aren't working and need to be put to work better, we must not be afraid of taking decisions that are important for our country."

Jim O'Neill, chief economist at Goldman Sachs and one of Brazil's most vocal champions on financial markets over the past decade, sees no problem with some of the government's more leftwing policies.

By the end of this year the Lula administration will have created about 100,000 new public sector jobs. This, says Mr O'Neill, helps secure "buy-in" for the administration's more orthodox economic policies.

And the proposed creation of powerful state companies in telecommunication and energy – a reversal of policies in the 1990s – could help secure investment in infrastructure that the private sector could not undertake alone.

But an overall expansion of the state's role in the economy? "That won't work," he says. "A bigger state will crowd out the private sector. If you want lower real interest rates you have to reduce the role of the state."

When Mr Lula da Silva was approaching victory in the 2002 election, Brazil's borrowing costs rose sharply as investors worried a leftwing government would push public spending to unsustainable levels.

But Mr Lula da Silva kept in place the orthodox pillars of Brazil's newfound macro-economic stability introduced by Fernando Henrique Cardoso, his predecessor: a floating exchange rate, steady reductions in public debt and inflation targeting managed by the central bank.

Now, many investors feel that such policies are so firmly entrenched that it hardly matters who wins in October. That, says Mr O'Neill, is a mistake.

"It worries me that people think this election doesn't matter," he says. "People are getting carried away."

Mr O'Neill is famous as the man who coined the acronym Brics – for Brazil, Russia, India and China – which he believes will dominate the global economy by the middle of this century.

He remains firmly optimistic about Brazil, which he reckons could grow by up to 7 per cent this year, compared with a market consensus of 5.5 per cent.

But he stresses his predictions for the BRIC countries are a matter of "could" rather than necessarily "will" and that success depends on governments choosing the right policies.

As he told the FT during a seminar to launch a BRIC Policy Centre in Rio de Janeiro this week, he had no view on who would make the best next president of Brazil, so long as that person ensured macro-policies stayed in place.

The opposition centrist PSDB has yet to declare its candidate. José Serra, the PSDB governor of São Paulo, is its most likely choice. He is expected to argue for a smaller, more efficient state.

But he has frustrated many in his party by refusing to say whether he will run before next month. He is a high-profile former minister and has led opinion polls since last year. But Ms Rousseff has been steadily closing the gap.

Until the opposition shows its hand, she will have the debate over the role of the state to herself.

Cancun, Mexico (AFP) – Brazilian President Luiz Inacio Lula Da Silva said the global community, in its quest for peace, should avoid isolating Iran over its controversial nuclear program.

Lula, whose country has friendly ties with Iran, spoke at a summit of leaders of Latin America and the Caribbean at a joint press conference with the event host, Mexican President Felipe Calderon.

"Peace in the world does not mean isolating someone," Lula said.

"I'm going to Iran in May to buy things from them. Brazil exports to Iran are worth one billion dollars a year and imports nothing from them," Lula added.

Brazil, which has its own nuclear energy program, supports Iran's stated quest to have a peaceful nuclear energy program.

The United States and leading world powers suspect Iran is enriching uranium to make nuclear weapons under cover of its civilian energy program, a charge Tehran denies.

Brazil has steadfastly said it does not want to see international sanctions on Iran over its nuclear program, and does not adhere to US and European fears that Tehran is seeking nuclear weapons.

Brazilian Foreign Minister Celso Amorim recently said that his country supports talks between Tehran and the UN nuclear watchdog agency, the International Atomic Energy Agency (IAEA), before deciding on sanctions.

In November, Lula in Brasilia urged visiting Iranian counterpart Mahmoud Ahmadinejad to find a "just solution" with the West to Tehran's contested nuclear program, and reiterated that Brazil backed Iran's declared quest for "peaceful nuclear energy in full respect of international accords."

Brasilia, Feb 19, 2010 (Xinhua via COMTEX) -- Brazil on Friday stressed the importance of Honduras's return to the Organization of American States (OAS) and said the government of Porfirio Lobo should adopt measures to ensure national reconciliation.

The Brazilian government wants to resume dialogue with Tegucigalpa, presidential spokesman Marcelo Baumbach told a press conference ahead of President Luiz Inacio Lula da Silva's upcoming trip to Mexico, Cuba, Haiti and El Salvador next week.

Honduras was suspended from the OAS after the coup d'etat that ousted President Manuel Zelaya on June 28.

Porfirio Lobo, who was elected in regularly scheduled presidential elections in November, took office last month, but his government has not been recognized by many countries in the region.

Support for Honduras' return to the OAS will be the main point of Brazil's position at the second Summit of Latin America and the Caribbean and an annual Rio Group Summit to be held in Cancun, Mexico on Feb. 22 and 23.

Baumbach said the Brazilian government wants to discuss the situation in Honduras with countries that maintained a common stance during the Honduran crisis last year.

Brazil hopes that Honduras would take actions, such as the establishment of a truth commission to investigate what happened during the political crisis last year, and the possible return of former President Zelaya to the country, in which way a national reconciliation may be initiated, Baumbach said.

President Lula hopes that any solution to the current crisis "will not set a precedent of support for coup plotters in Latin America," Baumbach said, "It is very important that this does not happen." Zelaya, who flew to the Dominican Republic in January after four months holed up inside the Brazilian embassy in Tegucigalpa, told reporters in Santo Domingo: "We recognize that president Lobo won the elections, but we condemn the origin of those elections."

The ruling Brazilian Workers Party of President, Luiz Inácio Lula da Silva, officially nominated Dilma Rousseff, his Chief-of-Staff, as his preferred successor in the top job in the country.

Rousseff's unanimous nomination was made during the 4th Congress of the Party in the presence of da Silva and several of his ministers.

Rousseff, 62, is of Bulgarian origin. She was born in Brazil on December 18, 1947. The daughter of a Bulgarian immigrant lawyer and a Brazilian mother, Rousseff was raised in an upper-middle class household in the Southeastern city of Belo Horizonte. She has a degree in economics.

Rousseff has been da Silva's Chief of Staff since 2005 while the position is considered equal to the one of a Prime Minister since Brazil doesn't have a Premier.

Rousseff was promoted as Chief of Staff after her predecessor resigned amidst accusations of vote buying. At the time she was Brazil's Energy Minister.

Rousseff quickly proved her leadership abilities; she is credited of helping the President to carry out his social programs for assistance to the poor along with providing effective control over infrastructure projects for billions of USD.

In the beginning of 2009, Rousseff publicly admitted doctors had removed a cancerous tumor from her chest. She began chemotherapy for lymphoma and in the fall announced the cancer was gone.

Rousseff, however, is behind in the polls compared to her main rival Jose Serra, the current Governor of the Eastern province of São Paulo. She says she never imagined she would face such challenge in her life, but added she has confidence in her own abilities.

Rousseff is running on promises for more flexible labor market and labor unions' laws along with a plan to reform the retirement system, and the pay scales such as introducing bonuses based on performance.

Rousseff recently appeared in public, during the Rio de Janeiro carnival, in the company of pop diva Madonna and her family. In another effort to gain popularity, she underwent several plastic surgeries, and lost weight and began wearing contact lenses, instead of glasses, according to a France Press report.

Dilma Rousseff, called the Iron Lady, is known for her strong will and the habit to openly scorn the Brazilian ministers. She belongs to the generation of leftist radicals during the turbulent 1960s, when Brazil was ruled by a military government. A committed socialist, she joined an armed militant force after the 1964 coup d'état against President João Goulart. The military dictatorship lasted until 1985 when Tancredo Neves was democratically elected president.

Her alleged participation in the 1965 armed robbery of a São Paulo governor's safe has been highly controversial in Brazil. Although she denies ever participating in an armed attack, the Brazilian press has repeatedly reported her involvement in the now infamous robbery.

Her radical politics saw her arrested in 1970 by the military authorities. She was then held captive for three years and allegedly tortured with electrical shocks. Rousseff says she doesn't regret her militant past.

Brazil's President Luiz Inacio Lula da Silva stressed the importance of the relationship between Brazil and the Caribbean nations on Monday.

The president kicked off his visit to Mexico, Cuba, Haiti and El Salvador on Sunday. It is the first time that Caribbean nations are included in the president's itinerary.

The president's first stop was Mexico, where he stayed till Tuesday to participate in the Second Caribbean and Latin American Summit. Lula reminded that the first meeting was held in December 2008 in Brazil's Bahia state.

"It was the first time we managed to gather all (Latin American and Caribbean) countries without the participation of the United States and Canada," he said.

The summit is an important forum to discuss the common problems of Latin American and Caribbean countries, strengthen their political and cultural relations, as well as increase investments and trade, he added.

In addition, Lula said he will discuss several investments during his visit to Cuba. Brazil's development, industry and trade minister, Miguel Jorge, is already in the country to discuss agreements. The president also stressed Brazil's state-owned oil and gas giant Petrobras' work in Cuba.

"Petrobras will build a fuel factory in Havana and is preparing studies to make drilling tests in order to find oil in Cuba," he said.

Brazilian President Luiz Inácio Lula da Silva defended on Friday his government's decision to support the Venezuelan Administration headed by President Hugo Chávez and his moderate tone towards suspicions about the true goals of the Iranian nuclear program.

Lula dismissed accusations against Venezuelan President Hugo Chávez, who has been described as the head of an authoritarian regime. The Brazilian leader said that he considers that the Andean country has a democracy although it is different to Brazil's democracy.

"I believe that Venezuela has a democracy," said Lula succinctly, when he was questioned on the issue in an interview with the Brazilian newspaper O Estado de Sao Paulo. Following this answer, the journalist asked him: "And the Brazilian democracy, how would you describe it?"

"It is a hyper-democracy. My government is the quintessence of democracy," Lula said.

Brasilia, Feb 19, 2010 (Xinhua via COMTEX) -- Brazilian President Luiz Incio Lula da Silva will meet with Cuban leader Fidel Castro on Wednesday for a meeting of "friends" during which they will discuss aspects of international politics, Lula's spokesman Marcelo Baumbach said Friday. Da Silva will arrive in Havana on Tuesday evening, coming from Cancun, Mexico, where he will attend the Rio Group Summit. Castro and Lula da Silva are friends since the early 1980s, when the Brazilian former union leader founded the Workers' Party (PT), through which he became Brazil's president since 2003. "The meeting that President Lula will have with President Fidel Castro is a visit of a friend to another, during which they will discuss current issues concerning international politics," the spokesman said. After this meeting, Lula will be present at the closure of the Working Group Brazil-Cuba on Trade and Economic Affairs, and in the evening he will have dinner with Cuban President Ral Castro.

Lula's visit to Cuba next week will conclude the cycle of visits that he paid to the Caribbean country during his two terms as president. "This is his fourth visit to Cuba made during his government. In this period relations between Brazil and Cuba grew strongly," said Baumbach. Trade between the two countries reached 330 million U.S. dollars in 2009, with a high balance in favor of Brazil, around 223 million dollars. The South American country, recalled the spokesman, approved credits to Cuba amounting to about 950 million dollars, out of which 350 million will be invested in purchasing food; another 600 million dollars, in the production of rice

and sugarcane, in the expansion of Mariel port and in the construction of a road. "Participation in the work of Mariel port, vital to expand Cuba's infrastructure and increase foreign trade, shows Brazil's determined efforts in Cuba's development and trade liberalization," he said. After his visit to Cuba, Lula da Silva will travel to Haiti, where he will present an aid plan for rebuilding the capital, Port-au-Prince, devastated by an earthquake on Jan. 12. Lula will then head towards El Salvador, where he will be greeted by his counterpart, Mauricio Funes.

Sao Paulo, Feb 19 (Reuters) - Brazil's President Luiz Inacio Lula da Silva has no plans to run for office in 2014 and says his chosen successor has the right to stand for re-election should she win this October's poll, O Estado de S. Paulo newspaper reported on Friday.

Lula, whose second term ends in December of this year, told Estado in an interview that "there is no chance" he would run again, when asked about a possible bid in 2014.

Lula's ruling Workers' Party is expected to endorse his chief of staff, Dilma Rousseff, as its candidate for the October presidential election at a convention this weekend.

"Whoever is elected president has the legitimate right to be a candidate for re-election," Lula told Estado.

Some analysts had suggested Lula chose his chief of staff Rousseff as an "interim" president so he could run again in 2014. With an approval rating of around 80 percent, Lula is the most popular president in Brazil's recent history.

The former union leader, who ran for office and lost three times before being elected in 2002, said in the interview he "thanked God" for not winning the 1989 presidential election because he and his party weren't politically mature at the time.

Lula said he didn't want a stronger state participation in the Brazilian economy, back-tracking on statements he made when the government adopted strong economic stimulus measures during the 2008/09 financial crisis.

But he argued in favor of large public companies.

"I have no problems with private corporations that meet their targets, but there are private companies that do less than they should," Lula said.

"So, yes I do want to create a mega energy company in the country. I want a company that is multinational, that has the ability to borrow funds abroad, to implement projects abroad and inside here."

The government would also work to "induce" investments in certain segments of the economy, like broadband Internet and power distribution, he told Estado.

Rousseff's policies would not be much different from his own, Lula said.

After taking office in January 2003, Lula won the support of investors with market-friendly policies after decades of left-wing rhetoric. More recently the government has become more proactive in the economy, boosting the role of state banks and energy companies.

Brasilia, Feb 18 (Reuters) - Sao Paulo state Governor Jose Serra, the principal opposition candidate in Brazil's Oct. 3 presidential election, holds a large but narrowing lead over the ruling party contender, an opinion poll showed on Thursday.

Serra of the opposition PSDB party had 36 percent of voter intention, down two percentage points from November, according to a survey by polling firm Ibope.

President Luiz Inacio Lula da Silva's chosen candidate, his chief of staff Dilma Rousseff, jumped to 25 percent from 17 percent in November.

Lula's ruling Workers' Party is expected to endorse Rousseff as its candidate at a convention this weekend.

The poll was commissioned by the Sao Paulo Trade Association and published in its Diario do Comercio newspaper.

A survey by polling firm Census published on Feb. 1 had shown Serra's lead shrinking to only 33-28 percent against Rousseff.

"[Serra] is still the favorite. Without campaigning his standing remained unchanged," Marcia Cavallari, executive director of planning at Ibope, told the Diario do Comercio. Serra's two percentage point fall was within the margin of error of the poll, she said.

The poll is likely to bolster spirits in the Serra camp, where advisors had become concerned Rousseff was close to drawing even.

Rousseff has been benefiting from a growing economy and Lula's enormous popularity, analysts said.

Latin America's largest economy bounced back from a brief recession in the second quarter of last year and is forecast to grow by more than 5 percent this year.

Neither of the two leading candidates in the October election are likely to stray far from Lula's economic policy, which includes a free-floating currency, inflation targets and a primary budget surplus to service public debt.

The Ibope poll also showed former Ceara state Governor Ciro Gomes, with 11 percent support, down two percentage points from November.

Former Environment Minister Marina Silva, who is expected to run for the Green Party and vie with Rousseff for votes from leftists and women, had 8 percent of voter intention, up from 6 percent.

The survey polled 2,002 people between Feb. 6 and 9.

Brazil's Foreign Minister Celso Amorim said on Thursday he believed that the Iranian government should negotiate with the International Atomic Energy Agency (IAEA) on the controversial nuclear issue.

During a debate at the national conference of the Workers' Party (PT), Amorim said it was essential that Iranian President Mahmoud Ahmadinejad did not provoke fear in the world.

In order to end the current impasse over Iran's nuclear issue, it is necessary to seek dialogue, he said, adding that true nuclear non-proliferation would only be achieved through disarmament.

"There have been several steps towards that (non-proliferation). But it is not possible to do everything at the same time," he said.

The minister stressed that Brazil has signed the Nuclear Non-Proliferation Treaty and that, in its Constitution, Brazil rejects the use of nuclear weapons.

Earlier this month, Iran announced it would begin enriching uranium to 20 percent, causing broad concern that the country may be working on a nuclear warhead. Some countries have been considering sanctions against the Islamic republic, which has denied any interest in nuclear weaponry.

"The only way to find out for sure whether Iran is telling the truth is to sit down around the table," said Amorim, "In a month, those difficulties can be overcome."

He declined to comment on the possible sanctions and said Brazil wanted to contribute to conversations.

Stockholm - Swedish King Carl Gustaf and Queen Silvia are to make a state visit to Brazil in March, the Swedish foreign ministry said Wednesday.

The royals are to be accompanied by a business delegation and Goran Hagglund, minister of health and social welfare.

Queen Silvia's mother was born in Brazil and the queen and her family lived in Sao Paulo between 1947 and 1957.

President Luiz Inacio Lula da Silva has invited the royals to visit from March 23 to 26.

Foreign Minister Carl Bildt recently visited Brazil for talks with his counterpart.

As expected, both Brazil's agriculture ministry and USDA raised their estimates of the Brazilian soybean crop on Tuesday due to continued favorable growing weather.

USDA raised its estimate by 1 million metric tons to 66 million, but Brazil's official estimate was even more optimistic at 66.7 million tons, up 1.6 million tons from the January estimate.

Odds are the Brazilian crop estimate will not grow much larger as CONAB, the supply arm of the Brazilian ag ministry, is already forecasting a record yield on top of record acreage.

CONAB pegged Brazil's average soybean yield at roughly 42.7 bushels per acre up from a January estimate of 42 bushels and last year's yield of about 39.1 bushels.

Detailed Report/Mexico

The no-nonsense government ads flash onto prime-time Mexican TV between soccer games and steamy soap operas. Bullet-filled corpses are shown sprawled on the concrete; ski-

masked special forces are seen storming down residential streets; and bearded bulky capos are dragged before the cameras in handcuffs. "Today these killers are behind bars," says a booming voice-over. "We work using force for your security."

But while the spots boast of victories and progress, a rising chorus of voices across Mexico is complaining that the military approach to Mexico's crime problem is not bearing fruit. Leftists and human-rights groups have slammed the central role of the army and paramilitary police since President Felipe Calderón took office in 2006 and ordered 50,000 troops to fight the drug gangs. But in recent weeks, critics have been joined by some of the government's key allies, including members of Calderón's conservative National Action Party, regional business lobbies and the Roman Catholic Church. Such pressure could affect how the President sees through the drug war during the second half of his term, which ends in 2012.

Most criticism centers on the relentless gang-related violence, which has only worsened, even as thousands of traffickers are jailed or extradited to the U.S. In total, there have been more than 16,000 murders that appear to be drug related since Calderón kicked off the crackdown, with this January being the bloodiest month yet. Doubters now say soldiers may be inflaming the gang killings rather than diminishing them. "Security is not directly or principally related to the ability to use force, the number of police officers, the degree of militarization or the purchasing of weapons," the Mexican bishops conference said in a Feb. 15 letter to the government. "With the passage of time, the participation of the armed forces in the fight against organized crime has provoked uncertainty in the population." Others argue that the violence has mushroomed because the army is directing its attacks at certain cartels, a tactic that only strengthens the rivals of those gangs. Representative Manuel Clouthier, who hails from a prominent National Action Party family, lashed out in a series of interviews this week that the omnipotent Sinaloa cartel of his native state has not been targeted. "In some places they have hit the gangsters. But in my state, everyone can see that the bad guys are being allowed to work," he told TIME. "There is a mafia cabal of criminals, politicians and businessmen and it has simply not been touched." Much of the bloodshed in Mexico is blamed on the efforts of this Sinaloa cartel to expand into new territories. Party leaders and officials swiftly hit back, saying that all criminal groups have been equally attacked.

There are also signs the Mexican public is losing its stomach for the fight. A Feb. 15 survey by Buendía & Laredo found that 50% of respondents thought the government offensive against drug traffickers has made the country more dangerous, while only 21% thought it had made it safer. Another 20% said it had had no effect and 9% gave no comment. Half of respondents also said they personally felt threatened by criminal violence, up from 35% who said they felt threatened in a 2008 survey.

These doubts come as the U.S. continues to throw its weight behind the campaign. Homeland Security Secretary Janet Napolitano signed an agreement for enhanced cooperation in the Mexican capital this week, declaring that "the collaboration between Mexico and the United States has never been stronger." The latest accord follows a hike in funding for the so-called Mérida Initiative to beef up Mexican security forces. In total, the U.S. has pledged \$1.6 billion worth of equipment and training for its neighbor, including eight Black Hawk and 13 Bell helicopters for Mexico's army and federal police.

Whatever the criticism, Calderón himself insists that he will not steer away from his military strategy. Since taking power, he has identified with the fight against cartels as his personal battle more than any other Mexican President, breaking with tradition to don a green army uniform in one address to frontline soldiers. On Feb. 19, he went to the top military school to praise the

efforts of the troops. "To confront these criminals without scruples, the presence of the armed forces has been and is fundamental," he said. It would also be tough for Calderón to send the soldiers back to the barracks while the violence is worsening for fear it would concede a defeat. This quandary has led critics here to regularly compare the conflict to the Iraq war in Bush's second term; it is a war in which the President cannot claim victory, cannot pull out of, and which only gets worse.

Cancun - Latin American and Caribbean nations have agreed to create a new alliance that would exclude regional neighbors United States and Canada, Mexican President Felipe Calderon said at a summit here on Tuesday.

The new bloc "must as a priority push for regional integration . . . and promote the regional agenda in global meetings," Calderon told participants from 32 nations, including 24 leaders, at the end of the two-day summit in the beach resort of Cancun.

The new grouping was expected to serve as an alternative to the Organization of American States (OAS), which includes the North American neighbors and has been the main forum for regional affairs in the past half-century.

Its status, name and organizational structure will be decided on at a meeting in Caracas, Venezuela, next year, Calderon said.

The decision to form the new group was taken as the Cancun summit between the Rio Group and Caribbean Community (Caricom) nations ended Tuesday.

It was a move away from the traditional influence of the United States in the region, and was promoted by regional heavyweights Brazil and Mexico.

Summit participants also united behind Argentina in a dispute over British drilling for oil around the Falkland Islands.

The summit declared "support to the legitimate rights of the Argentine Republic in the sovereignty dispute with the United Kingdom," Calderon said.

After losing a short but bloody war over the south Atlantic islands with Britain in 1982, Argentina is furious over drilling operations which began Monday in the potentially rich seabed around the archipelago.

Argentina says London has violated UN resolutions calling on the parties to take no actions that could aggravate their dispute.

Cuban President Raul Castro was meanwhile one of the first to laud the new regional bloc as a historic move toward "the constitution of a purely Latin American and Caribbean regional organization."

Cuba was suspended from the OAS in 1962 and, although the body last year voted to readmit the communist island, it has not yet complied with conditions to return to the Washington-based body.

U.S. Assistant Secretary of State for Western Hemisphere Affairs Arturo Valenzuela said Monday that the United States did not see the new grouping as a problem.

"This should not be an effort that would replace the OAS," Valenzuela said.

The decision to create a new regional group came amid a fractious left-right divide, and followed a clash Monday between leftist Venezuelan President Hugo Chavez and conservative Colombian President Alvaro Uribe during a lunch.

The region is still struggling for consensus in the aftermath of last June's military-backed coup in Honduras, in which president Manuel Zelaya was toppled.

Porfirio Lobo, who was elected as Honduras's president in voting held under a de facto regime in November, was not present at the summit, and many countries still question his legitimacy.

The new body was expected to include Honduras however and will have a total of 33 nations.

The January killing of 15 young people has created a furor and left some wondering whether it's a tipping point, a moment when Mexicans overcame their fear and fatalism to confront the violence.

Reporting from Mexico City - The slaughter last month of at least 15 young people with no apparent criminal ties has galvanized the Mexican public in ways not seen here in more than three years of bloody drug warfare and has forced the government to enact long-resisted policy changes to combat violence.

Some in Mexico are wondering whether this is their nation's tipping point, a moment when public outrage that has bubbled along finally overcomes the fear and fatalism that largely silenced or intimidated Mexican society.

Led by parents of the victims in the Jan. 31 massacre, citizens of Ciudad Juarez have marched, protested, challenged Mexican President Felipe Calderon and demanded a new strategy for reducing the number of the gruesome crimes that have made their city one of the world's deadliest. Joining grieving parents in their wrath have been civic leaders, entrepreneurs, politicians, educators and priests.

"For the very, very first time, people, civil society as a whole, have come together and decided, this is enough," said Marcos Fastlicht, a prominent Mexico City businessman who heads an organization dedicated to the uphill task of promoting citizen participation in crime-fighting. "And they've said that to Calderon . . . to his ministers . . . that they are not going to take any more" neglect and broken promises.

Calderon, an often aloof leader seemingly impervious to criticism, has responded by apparently heeding the complaints and making the remarkable concession that his military-led offensive against drug cartels has proved insufficient.

He traveled to Ciudad Juarez twice in less than a week, amid noisy street demonstrations demanding that he resign and with key Cabinet ministers in tow, and received long litanies of grievances from the beleaguered public. He quietly took a tongue-lashing from a middle-aged

maquiladora worker, mother of two of the teenagers killed in the massacre, who confronted him at a town meeting.

"President, I cannot welcome you here," Luz Maria Davila started, voice raised; Calderon waved off an aide who moved to whisk Davila away. "We are living the consequences of a war we did not ask for."

It was a highly unusual rebuke from a humble woman in a country that retains paternalistic tendencies and demands a certain reverence for presidential figures.

Almost since its inception when Calderon took office in December 2006, the president's anti-drug policy has been roundly criticized for emphasizing military and police repression and largely ignoring other components of the multibillion-dollar drug-trafficking industry.

Poverty and lack of opportunity send thousands into the ranks of cartel foot soldiers in Ciudad Juarez, just across the border from El Paso. The Mexican city became the extreme, terror-gripped example of the policy's shortcomings.

Even as 10,000 army troops and federal police officers were deployed, Ciudad Juarez last year had a homicide about every three hours on average, and up to half a million residents fled, a quarter of the population. As early as last summer, authorities told *The Times* they were planning to make changes in the strategy for combating organized crime in the troubled city, a pledge made throughout the rest of the year, but never put into action.

Calderon has now been forced to offer a mea culpa and take action. Embracing the citizens' slogan, "We are all Juarez," he acknowledged that his strategy had neglected socioeconomic factors and established a \$50-million fund for new schools, clinics and job-creation programs, while also promising to assign a large contingent of judicial investigators to the city.

"By hearing the demands and the indignation directly," political analyst Alfonso Zarate in Mexico City said, Calderon "has an opportunity to rectify and to act differently."

Skeptics accuse Calderon of moving now because it's an election year. Both the governorship of Chihuahua state, where Ciudad Juarez is located, and the mayor's post in the city are held by Calderon's chief rival party and are up for grabs in voting scheduled in July.

Whatever his electoral calculations, however, Calderon is also keenly aware of the Ciudad Juarez disaster's corrosive political damage to his government, an erosion that goes far beyond the screaming crowds in the border city's streets.

A poll out this week showed a dramatic decline nationwide in support for Calderon's government. An overwhelming majority said violent crime had increased substantially in the last six months, and solidly half the nation said the president's war on drug cartels was failing. The poll by Buendia & Laredo surveyed 1,000 people in face-to-face interviews and has a margin of error of 3.5 percentage points.

And there has been a busy confluence of voices of criticism from segments of society, such as the Roman Catholic Church, that had remained largely on the sidelines.

A member of Calderon's own National Action Party, legislator Manuel Clouthier Carrillo, accused the government of playing favorites in going after drug gangs, leaving the largest and most powerful of them, the so-called Sinaloa cartel led by fugitive kingpin Joaquin "El Chapo" Guzman, untouched. Clouthier was not clear about what Calderon's alleged motives might be, but the suggestion stung and his colleagues are demanding that he retract it.

So far the citizen outcry in Ciudad Juarez has been focused on demands that the government change course and withdraw the army (Calderon refused). It has not addressed residents' own responsibilities in challenging drug gangs.

Many Mexicans have in effect become complicit by failing to speak out. But there were signs of that changing too.

Heriberto Galindo, one of the dozens of community leaders petitioning Calderon in Ciudad Juarez this week, scolded his neighbors for consistently lashing out at the government and army but never the traffickers.

"We have to assume our own portion of blame as well," Galindo said. "It is not always the government that is responsible for the killing of a child."

The only other recent incident that provoked a level of outrage similar to that generated by the deaths of the young people in January was the 2008 kidnapping and killing of a boy from a wealthy Mexico City family, a tragedy that sparked angry marches across the country. But the response quickly lost momentum.

It is possible that once again, the furor -- this time over the killing of the youths in Ciudad Juarez -- could disappear in the ephemera of rhetoric absent concrete action. Already, several Juarez activists are complaining that the issue of human rights, much violated in recent months, was given short shrift in the talks with Calderon.

"The first step is to regain the public's trust," said Ciudad Juarez Mayor Jose Reyes Ferriz, "and that is not done with a government decree."

Havana, Cuba, Feb 19 (acn) Carlos Navarrete, president of the Mexican Senate, called this Friday in this capital the U.S. president Barack Obama to immediately lift the economic, commercial and financial blockade against Cuba U.S.

This people and this nation do not deserve one more year of this unjust policy, told ACN the parliamentary leader in the Melia Cohiba, which hosts the XI Cuba-Mexico Inter parliamentary Meeting, at whose inauguration he sent his regards to Commander in Chief Fidel Castro, President Raúl Castro and the government of the Caribbean nation.

After noting that Obama should gradually or permanently lift the blockade, the legislator said the Mexican Senate will continue alongside the people and the Cuban government in their fight against this criminal policy.

He referred to the unanimity in the legislative branch as to support Cuba against the cruelty of Washington.

He recalled that Mexican Senate passed a resolution condemning the unjust situation in which the White House keeps the five Cuban antiterrorist fighters unjustly incarcerated in the United States.

Navarrete announced for this year, the visit of Mexican President Felipe Calderón to Cuba and the increase of flights between his country and Cuba.

Trade and tourism from Mexico will increase towards Havana and other Cuban places, he added.

Critics of Felipe Calderon, Mexico's president, and his so-called war on drugs have alleged that the Mexican government may be favoring the Sinaloa cartel, one of the country's most powerful drug-trafficking organizations.

Calderon's military-focused strategy has so far yielded little apparent result in a conflict estimated to have cost more than 15,000 lives since 2006.

Accusations of a "corrupt" Mexican government protecting certain cartels have been around since the 1970s, but now some of the country's leading investigative reporters say they have solid evidence showing that authorities are going after other cartels, but not targeting Sinaloa.

"There are no important detentions of Sinaloa cartel members," Diego Osorno, an investigative journalist and the author of a book on the Sinaloa cartel published last year, told Al Jazeera's Franc Contreras.

"But the government is hunting down [Sinaloa's] adversary groups - [and] new players in the world of drug trafficking."

Tiny fraction

The government did recently announce the arrests of two members of the Sinaloa cartel, but experts say the men arrested were not senior cartel leaders.

Edgardo Buscaglia, a leading law professor in Mexico and an international organized crime expert, has analyzed 50,000 drug-related arrest documents dating back to 2003, and said that only a tiny fraction of the them were against Sinaloa members, and low-key ones at that.

"Law enforcement shows you objectively that the federal government has been hitting the weakest organized crime groups in Mexico. The Familia Michoacana, mainly, Tijuana, Ciudad Juarez," he told Al Jazeera.

"But they have not been hitting the main organized crime group, the Sinaloa Federation, that is responsible for 45 per cent of the drug trade in this country."

Joaquin "El Chapo" Guzman - one of the most wanted criminals in the world - runs the Sinaloa cartel. Arrested in Guatemala in the 1990s and transferred to a maximum security prison in Mexico, Guzman escaped in 2001 and has amassed a more than \$1bn fortune by trafficking cocaine, heroin and methamphetamines to the US.

The Mexican government has consistently denied any involvement with Guzman and his cartel, backed up the US drug enforcement agency, which is involved in counternarcotics operations there.

Residents of this border city caught in Mexico's bloody drug war staged a protest march yesterday against President Felipe Calderon and an army crackdown that has failed to curb rampant killings.

Several hundred people chanted for the military to leave Ciudad Juarez, which has suffered more than 4,300 drug gang murders since troops were deployed in the city two years ago in a clampdown that has fanned turf wars between rival cartels.

Tempers flared in this manufacturing city on the U.S. border after gunmen burst into a teenage birthday party last month and killed 13 high school students and two adults.

"Go away, Calderon, resign," shouted Luz Davila, who lost both her sons in the shooting. Davila broke through security during a visit by the president this week to attack him verbally over the incident. Calderon was in Ciudad Juarez on Thursday to pledge money for social programs as a way to stem a culture of violence that goes back years in the city. Critics see him looking increasingly weak against the ruthless trafficking cartels.

Students dressed in army-style garb holding mock cardboard rifles were among black-clad protesters at yesterday's march.

"We are not going to let them continue killing our sons, our youth, our daughters," said Paula Flores, whose son was abducted and murdered a decade ago.

Midway into his six-year term, Calderon is still popular in Mexico but opinion polls show that a drug war death toll of more than 18,000 since he took power in late 2006 is undermining confidence in his vow to beat the cartels.

Feb. 18 (Bloomberg) -- Mexico's National Infrastructure Fund, designed to spur private investment in highways, waterworks and ports, will almost double the number of projects it helps finance this year as the government seeks to bolster economic growth and create jobs.

The fund is authorized to invest 30.4 billion pesos (\$2.37 billion) in 42 projects for 2010, up from 22.1 billion pesos in 23 public-private infrastructure ventures last year, said Federico Patino, director of the fund known as Fonadin. Patino spoke in an interview at Bloomberg's Mexico City office.

"The message in Mexico is that projects won't be detained because of a lack of funding," said Patino, who had worked at the Mexican development bank Nacional Financiera for 28 years before starting Fonadin in 2008.

President Felipe Calderon created the fund to drive investment in roads, bridges, trains, wastewater treatment and other projects to create jobs, expand access to clean drinking water and eliminate transportation bottlenecks. Calderon has pledged \$250 billion of private and public infrastructure spending from 2007 to 2012.

The fund's projects authorized in 2010 will attract total investment of 83.5 billion pesos, including money from companies and Fonadin, Patino said. In 2009, the total investment was 59.4 billion pesos.

About 49 percent of the funds authorized this year will be used to help make the projects profitable. In 2009, such "non-recoverable" funds were 53 percent of Fonadin's investments.

Toll Highways

Fonadin was created by combining toll highways the government took over after the 1994 peso devaluation and an existing infrastructure fund, known as Finfra. The fund began selling packages of toll highways to private companies in 2007 with Empresas ICA SAB's and Goldman Sach Group Inc.'s 44 billion peso purchase of about 550 kilometers of toll highways.

In March, the government will put up for bid the right to build new highways in northeastern Mexico and operate a group of toll roads that include the route from the Monterrey suburb of Cadereyta to the border city of Reynosa, Patino said.

Another highway package that includes the toll highway linking Guadalajara and Tepic may go out to bid in May or June, Patino said. At the end of March, the Mitla-Tehuantepec toll highway in the southern state of Oaxaca will go to bid. The 169 kilometers of new highway, which was supposed to go to bid on Feb. 25, will require an investment of about 10 billion pesos, he said.

The fund is planning a 6 billion peso project this year to build a 200 kilometer pipeline to bring water to Matamoros from Falcon Lake on the U.S.-Mexico Border. At the end of March, the fund will call for bids on a 34 kilometer bus transit project in the city of Guadalajara that's designed to ease traffic congestion. Bus rapid transit projects will follow in Monterrey, Chihuahua, Tijuana and Mexicali, he said.

Bidding will soon be launched for a new airport to serve the Riviera Maya, an area near Playa del Carmen on the Mexican Caribbean coast, he said. Construction on a second container terminal at the port of Manzanillo also will begin soon.

Amnesty International today has urged an investigation into the death of US video journalist Brad Will after the political activist wrongly accused of the killing was released.

The organization welcomed the release of Juan Manuel Martinez after he won an appeal. It also demanded an investigation into the abuses committed by the security forces during violent political protests in the Mexican state of Oaxaca in 2006 when Brad Will and at least 17 others, most of them political activists, were killed.

"This release was long overdue," said Kerrie Howard, Americas Deputy Director at Amnesty International. "Juan Manuel has been used as a scapegoat by the Mexican authorities to claim there has been progress in the investigation around Brad Will's death."

A Mexican Federal Court today ordered the release of Juan Manuel Martinez due to lack of evidence. He had been wrongly detained since 2008. Witnesses to Brad Will's killing have also been falsely implicated and face criminal prosecution.

Amnesty International believes the arrest was the result of a deeply flawed investigation by the Office of the Federal Attorney General (PGR). It insisted Brad Will was shot at close range even though independent forensic tests showed the shot came from a distance.

The need to resolve the case became paramount after the US Congress made it a condition for the release of some of the funding to the Merida Initiative - a major regional bi-lateral security co-operation and assistance program.

“The scape-goating of Juan Manuel amounts to a serious misuse of the criminal justice system which prevented a proper investigation and ensured the real perpetrator of Brad Will’s killing is still at large,” said Kerrie Howard. "Juan Manuel's safety must be guaranteed and he must receive appropriate compensation for the unnecessary suffering he has experienced as a result of his wrongful imprisonment by the authorities."

No one has been brought to justice for any of the killings that took place during the Oaxaca protests in 2006. The PGR looked into seven of these cases, but in February 2008, it informed the families of the victims that the investigations were to be shelved on grounds of lack of evidence.

The family of Brad Will, Physicians for Human Rights, and the National Human Rights Commission have all highlighted the flaws in the PGR investigation, including the use of incorrect forensic evidence, and the failure to conduct a full and impartial investigation.

Background Information

Juan Manuel Martinez was a sympathizer of the Asamblea Popular de los Pueblos de Oaxaca (APPO) Popular Assembly of the People of Oaxaca, an umbrella organization which led political protests in Oaxaca in 2006, and supported an opposition party during municipal elections in Santa Lucia del Camino, near Oaxaca City, in 2007.

US video journalist Brad Will was filming a confrontation between protesters and local police when he was shot.

The government says Mexico's economy contracted 6.5 percent in 2009, one of the worst performances in decades.

The figures from the National Statistics Institute are slightly better than initial government estimates of a 6.9 percent contraction in gross domestic product.

Mexico suffered the worst repercussions in Latin America from the U.S. economic downturn. Mexico sends 80 percent...

Feb. 18 (Bloomberg) -- Mexico, the sixth-largest producer of sugar in the world, lowered its forecast for production of the sweetener to 4.5 million metric tons because of heavy rain during the harvest, said Agriculture Minister Francisco Mayorga.

Previously, the ministry had forecast output for the crop year that began Oct. 1 in a range from 4.5 million tons to 4.9 million tons, Mayorga said in an interview in Mexico City today. The North American country produced 5 million in the previous crop year.

Mexico may import 600,000 tons of sugar this year, the most in about 16 years, according to the country's Chocolate and Candy Makers Association. Imports rose in 2009 after the worst drought in about 70 years cut domestic output. Heavy rain at the beginning of this year's harvest damaged sugar cane crops.

"As the harvest progressed the goal of 4.9 million is frankly difficult to get," Mayorga said, adding that last week's harvest reports prompted the lower forecast.

The International Sugar Organization forecast a global deficit of 9.4 million tons of sugar, helping push prices to a 29-year high on Feb. 1.

Raw-sugar futures for May delivery climbed 0.35 cent, or 1.3 percent, to 26.47 cents a pound at 2:23 p.m. on ICE Futures U.S. in New York. Prices more than doubled in 2009, as adverse weather curbed output in Brazil and India, the world's largest producers.

Import Quotas

Mexico imported 390,000 tons of sugar last year and has established 250,000 tons of import quotas for the current year. The country's economy ministry has said it may decide in May whether to set additional import quotas.

Mexico's corn output fell 12 percent to a "little more" than 20 million tons in 2009 from the previous year, Mayorga said. Production of the grain may be in a range of 23 million tons to 24 million tons this year, he said.

Mexico, the world's second-largest importer of coarse grains, may import as much as 6.5 million tons of corn in 2010, Mayorga said. Japan is the world's largest importer of course grains such as corn.

The Foreign Agricultural Service of the U.S. Department of Agriculture said Mexico may import 9.8 million tons of corn in the year that began Oct. 1, according to a Jan. 4 statement.

Detailed Report/Venezuela

Monsignor Ovidio Pérez Morales, a top member of the Venezuelan Bishops' Conference, said that the system the national government wants to impose by destroying private property and merging all social classes into only one class "is leading to collective oppression, and to nationalization rather than socialization (sic)."

"If the government wanted to impose socialization, there would be no problem. (However) behind this, there is nationalization: a government that controls everything, including politics, economy, culture, and education. The State is not an amorphous institution, it is formed by concrete human beings who rule government agencies and control the society. Historically, this been shown to be doomed to failure," the Catholic Church leader said.

He highlighted that it is essential and crucial "to build national unity, the unity of all Venezuelans without distinction of race, creed, and political beliefs."

An energy crisis in oil-rich Venezuela is putting pressure on President Hugo Chavez and that -- with protests over media regulation and falling oil output -- is opening the door for a possible political shift, an opposition activist said.

"We can win if we present the right candidates, and if we go knowing that this is David against Goliath, because that's what the show for an election in Venezuela (is) going to be," Leopoldo Lopez, a former district mayor of Caracas, Venezuela, told CNN's Christiane Amanpour on Wednesday.

The opposition hopes to take advantage of the pressure facing Chavez by tapping into key constituencies such as students, community leaders and union leaders, Lopez said.

Venezuela is in the midst of an electricity crisis so deep that one of its own government agencies, the National Electric Corporation, warns of a national energy collapse by May if something is not done.

As a result, rolling blackouts have been used to conserve energy. During the past several months, Chavez himself has taken to the airwaves, urging Venezuelans to change their incandescent light bulbs to energy-saving bulbs and to save water by taking three-minute baths. The government also made plans for a possible partial state of emergency.

The electrical crisis exposes years of under-investment in infrastructure and is one of the reasons voters could shift toward the opposition.

But Bernardo Alvarez Herrera, Venezuelan ambassador to the United States, disagreed.

"When you see the situation in Venezuela these days, it's far from being ... the worst situation in the last decade of Venezuela," Alvarez Herrera told Amanpour. "If you talk about economic growth, if you talk about social inequality, if you talk about inflation, employment, et cetera, the situation is not what has been presented."

The reason for the energy shortage, Alvarez Herrera said, is the drought that has created low levels at the country's most important hydroelectric dam.

"Seventy-five percent of electricity come from hydro," he said. "And we need to adjust that. So we are facing a challenge, but not the kind of collapse of crisis that it has been presented."

The government is investing more than \$1 billion this year to shore up its electricity-producing capacity.

In addition to the electricity crisis, protests over the suspension of an opposition-leaning cable channel and falling oil output also leave questions about the future of and Chavez's 11-year presidency.

The combination of situations opens the door for opposition candidates in the country, even as Chavez throws his considerable weight around, Lopez said.

Meanwhile, the heated protests and counter protests between Chavez's detractors and supporters can be a problem in itself, Michael Shifter, vice president of the Inter-American Dialogue, told Amanpour.

"Both sides are at each other, and you can't manage an economy, you can't bring a society together if you have that level of confrontation, and that ... I think, is the core failing of Hugo Chavez," he said.

Shifter continued, "Chavez is popular because he has an emotional bond with a lot of Venezuelans, and he put his finger on a legitimate grievance in Venezuela, inequality and justice. The problem is, he can't solve the problem. He can't deliver results."

Colombia's offer to supply Venezuela with electricity as it struggles with a severe energy crisis is suspicious, Venezuela's energy minister said Wednesday, though he said his nation would consider a serious proposal.

Energy Minister Ali Rodriguez said that Colombia's conservative government has not yet made a formal offer to sell electricity to Venezuela, and said he suspects Bogota could be seeking to embarrass President Hugo Chavez's socialist government.

"It's very suspicious," Rodriguez told Union Radio. "It could be a political move, trying to put Venezuela on the defensive."

Colombia's energy minister, Hernan Martinez, said Sunday that Colombia is producing more electricity than it consumes and he raised the possibility of selling power to Venezuela. Venezuelan Vice President Elias Jaua spurned the offer on Monday, saying his country would "power up its own electricity system."

Chavez blames energy shortages on a drought and low water levels at Guri Dam, which supplies about 70 percent of Venezuela's electricity. Critics accuse Chavez of failing to invest enough in electricity production amid rising demand over the last decade.

Rodriguez called Martinez's statements vague and said Venezuela has not received "a concrete offer" from Colombia. If Colombia makes a serious offer, Chavez's administration will consider it, he said.

Long-standing tensions between Caracas and Bogota have worsened in recent months, mostly over Colombia's agreement to give the U.S. military more access to its military bases -- a deal that Chavez calls a threat to Venezuela.

Óscar Álvarez, Honduras' Minister of Security, said in Bogotá that authorities from the Central American country have detected between 250 and 300 drug trafficking routes, with most of the aircrafts departing from Venezuela and run by the Mexican cartels.

"According to data we have examined, most of the flights take off from Venezuela and most of the planes that land in Honduran territory or are detained or burnt after the drug is unloaded have the Venezuelan flag," the Honduran Minister said at the end of a two-day visit to Colombia, where he signed a new agreement with the government of President Álvaro Uribe to share "successful" experience in the areas of security and fight against the organized crime.

According to the Honduran minister, his country had not witnessed for many years such an increase of landings of drug trafficking aircrafts using the Venezuelan flag.

"Until some years ago, there were only Colombian cartels. Now we have detected the presence of Mexican cartels. The problem is that Mexican cartels are extremely violent and bloodthirsty," Álvarez said. He highlighted that these mafias have begun to hire hit men all over the country, Efe reported.

Álvarez said that his country has become a logistical stopover for drug shipments sent to the United States due to its infrastructure on the Atlantic Ocean.

Venezuelan President Hugo Chavez said on Friday Britain's "desperation" for oil was leading it to flout international law in the Falkland Islands, and called on the British to return the islands to Argentina.

The Socialist Venezuelan leader said he supported Buenos Aires' protests over planned drilling in the Falklands, where companies including U.K.-based Desire Petroleum are planning to look for oil and gas in nearby offshore areas.

"The British are desperate for oil since their own fields in the North Sea are now being depleted," Chavez said in a televised speech. When will England stop breaking international law? Return the Malvinas to Argentina!"

Argentina still lays claim to the British-controlled South Atlantic Islands, known as the Malvinas in Spanish.

Britain, which became a large oil exporter in the 1970s following massive oil finds in the North Sea, has seen its output decline. It has been a net oil importer since at least 2007, according to U.S. Department of Energy figures.

While the Falklands are not an oil producer now and hold no proven reserves, oil companies are betting offshore fields may hold billions of recoverable barrels of oil.

Argentina led an unsuccessful military campaign in 1982 to eject the British from the islands.

Earlier this week, Buenos Aires formally objected to British-led drilling plans near the Falklands, and said it would require all ships from the islands to obtain permits to dock in Argentina.

Chavez said he spoke with Argentine President Cristina Kirchner earlier Friday to voice his support.

The leader of OPEC-member Venezuela, among the largest oil exporters in the Western Hemisphere, often claims foreign powers including the United States are covetous of Venezuela's own massive oil reserves.

"The English are desperate, the Yankees are desperate and here we have the biggest petroleum reserves in the world," Chavez said.

British Prime Minister Gordon Brown said Thursday that international law allows British firms to drill the area, and expected dialogue with Argentina would resolve the dispute.

"It is perfectly within our rights to be able to do this. I think the Argentinians actually understand that," Brown told local radio on Thursday.

Asked about a newspaper report that defence chiefs in London had sent extra warships to the region, Brown said: "We have made all the preparations that are necessary to make sure that the Falkland Islanders are properly protected."

Buenos Aires said in 2007 any energy companies that had operated in the islands would be barred, fined or thrown out of Argentina.

The Ecuadorian government has made a proposal similar to the Colombian offer to export electricity to Venezuela and contribute to alleviate Venezuela's power crisis.

According to power industry sources, Venezuela's Electricity Minister Alí Rodríguez and Hernán Martínez, the Colombian Minister of Mines and Energy, had a telephone conversation to talk about a formalization of the Colombian offer to supply energy to Venezuela.

The proposal was discussed at the regular meeting of the Venezuelan Electricity Joint Chiefs of Staff and senior government officials. The Ecuadorian proposal to export electricity to Venezuela through Colombia was discussed in the meeting as well.

Meanwhile, the Venezuelan government plans to increase power generation by 540 MW in March, with 320 MW from Unit 1, a gas conversion power plant, at Planta Centro, located in Morón, central state of Carabobo; 60 MW generated in El Vigía (southwestern state of Mérida), 40 MW in southwestern Táchira state, 40 Mw in southwestern Barinas state and 80 MW in northwestern Lara state.

Col. José Pereira, of the Air Force Weather Service, said that Venezuela "is not currently bombing clouds to increase moisture" and induce rainfall, particularly in the headwater of the Caroni River.

Pereira said that according to weather forecasts, "February will be a very dry month, as well as part of March." However, "rains are expected by mid-March."

Luis Eduardo Ataya, the governor of the Colombian department of Arauca, a member of the Cambio Radical political party, said on Friday that he has reports showing that Germán Briceño Suárez, also known as "Grannobles," a FARC guerrilla leader, is hiding in Venezuela.

"We have received several reports according to which Grannobles is in the town of Elorza (Venezuela)," Ataya said in an interview with the Colombian TV station Caracol Noticias, Efe reported.

The governor added that the guerrilla leader, who heads the Eastern Bloc of FARC, "is settled in the town of Elorza."

According to Colombian media, including weekly magazine *Semana*, Grannobles is mainly dedicated to cocaine trafficking in Venezuela.

Apparently, Briceño is not following orders from the central command of the Revolutionary Armed Forces of Colombia (FARC).

Brazilian President Luiz Inácio Lula da Silva defended on Friday his government's decision to support the Venezuelan Administration headed by President Hugo Chávez and his moderate tone towards suspicions about the true goals of the Iranian nuclear program.

Lula dismissed accusations against Venezuelan President Hugo Chávez, who has been described as the head of an authoritarian regime. The Brazilian leader said that he considers that the Andean country has a democracy although it is different to Brazil's democracy.

"I believe that Venezuela has a democracy," said Lula succinctly, when he was questioned on the issue in an interview with the Brazilian newspaper O Estado de Sao Paulo. Following this answer, the journalist asked him: "And the Brazilian democracy, how would you describe it?"

"It is a hyper-democracy. My government is the quintessence of democracy," Lula said.

A group of technicians and assistants to the US Congress held a meeting with deputies of Venezuela's National Assembly seeking to improve bilateral relations.

"We are pleased with the meeting. We had the opportunity to delve into some issues of foreign policy and grasped a better understanding of Venezuela's foreign policy," the US delegation spokeswoman Sarah Stephen said in leaving the meeting.

It was a "very respectful" meeting where we "addressed the need to deepen cooperation and improve relations between Caracas and Washington," Stephens told the state-run new agency ABN.

Meanwhile, legislator Roy Daza - the president of the Foreign Affairs Committee, National Assembly - said that the US mission understood "Venezuela's sovereign policies which abide by international law."

Venezuela condemned the military coup against Niger's government, presided over by Mamadou Tandja, and urged the international community to support the "reinstatement of constitutional order" in the African country, the Ministry of Foreign Affairs said in a statement on Friday.

"The government of the Bolivarian Republic of Venezuela condemns the coup d'état carried out by members of Niger's Armed Forces against the constitutional president, Mamadou Tandja," said the communiqué issued by the Ministry of Foreign Affairs, AFP reported.

The Foreign Ministry considered that the military uprising in Niger "puts the African country and its people in an uncertain road to past (...) at a time when (several sectors) were opening doors to reconciliation between the legitimate government and the opposition."

Feb. 19 (Bloomberg) -- Venezuela is evaluating a proposal to purchase electricity from Colombia and is buying power turbines from General Electric Co. amid nationwide rolling blackouts and a severe drought, President Hugo Chavez said.

Colombia sent a proposal yesterday and the offer is being reviewed by Venezuelan Electricity Minister Ali Rodriguez and a team of technicians, Foreign Minister Nicolas Maduro said today on state television. Venezuela, which froze relations with Colombia last year, doesn't want the issue to become politicized, he said.

Chavez is tapping regional allies including Argentina, Brazil and Cuba to prevent a collapse of the national power grid as water levels plunge at the country's biggest hydro reservoir. Venezuela planned to acquire two GE turbines having a total of 440 megawatts, Chavez said today in a live broadcast of a cabinet meeting on state television.

"General Electric made a new offer to double this," he said. "We've said 'yes sir, green light for that.'"

Venezuela increased its purchase to 880 megawatts worth of turbines from GE, he said. The first turbine will arrive on March 8 followed by a second unit in June, Chavez said.

Chavez declared a national emergency in the electricity sector on Feb. 8. The water level at Guri Dam fell by 14 centimeters (5.6 inches) yesterday, leaving it with less than 16 meters before turbines must shut down.

Water levels may fall below the level needed to run 6,300 megawatts worth of turbines if it doesn't rain by June, he said.

Venezuela depends on hydroelectric power generation for more than two-thirds of its energy needs and thermoelectric plants that run on fuel oil, diesel and natural gas are operating below capacity because of maintenance problems.

"Venezuela spends more money importing items from countries other than Colombia," says Colombian Minister.

Colombian Minister of Trade Luis Guillermo Plata thinks that Venezuela spends more money by not importing goods from Colombia and giving preference to other countries amid tensions in bilateral relations, according to statements released on February 15.

"The reality is that making this is expensive for Venezuela. They are buying more expensive meat, clothing and footwear elsewhere. They are paying overcharges by seeking more expensive providers than in Colombia, and it will do it as long as it is able to subsidize those purchases with oil revenues. These are uneconomical measures because they are importing more expensive goods for purely political reasons, Plata told the Colombian newspaper El País, in Cali.

He said that Colombia cannot do much to reverse the Venezuelan government decision. Therefore, the government of Álvaro Uribe has advised Colombian exporters to explore new markets, DPA reported.

Colombia has "serious concerns" over Venezuela's government behavior, but it is open to dialogue with its neighboring country, said Jaime Bermúdez, the Colombian Minister of Foreign Affairs, according to statements published by El Tiempo, a Bogotá newspaper.

Despite this situation, Bermúdez said that "Colombia keeps its willingness to a direct dialogue with the Venezuelan government on the basis of mutual respect and under certain conditions," AFP reported.

"We will not cease to seek ways to improve the situation with Venezuela, always on the basis of respect," he said.

Bermúdez complained about the fact that Venezuela is retaining a Colombian intelligence

officer. He also said that Caracas has not provided any explanation about the over flight of a Venezuelan helicopter over the city of Arauca.

February 17

Colombia replaces Venezuela as top export market

The Colombian government estimates Colombian exports will total USD 37.5 billion in 2010 because, among other factors, it has managed to replace sales to Venezuela with exports to markets such as China, Brazil, Chile and Canada, said on February 17 the Colombian Minister of Industry, Commerce and Tourism Luis Guillermo Plata.

Plata added that increased exports in the first month of the year is a significant event, even more if one takes into account that sales to Venezuela decreased by 76.2 percent due to President Hugo Chávez's decision to "freeze" diplomatic and trade relations with Colombia.

Colombia has replaced exports to Venezuela with sales to China, which grew over 200 percent in December 2009, followed by Chile, Canada and Brazil.

On the other hand, the largest Colombia's balance of trade surpluses in 2009 were recorded with the United States, Venezuela, Netherlands, Ecuador and the United Kingdom.

February 19

Colombian governor: FARC leader is hiding in Venezuela

Luis Eduardo Ataya, the governor of the Colombian department of Arauca, a member of the Cambio Radical political party, said on February 19 that he has reports showing that Germán Briceño Suárez, also known as "Grannobles," a FARC guerrilla leader, is hiding in Venezuela.

"We have received several reports according to which Grannobles is in the town of Elorza (Venezuela)," Ataya said in an interview with the Colombian TV station Caracol Noticias, Efe reported.

The governor added that the guerrilla leader, who heads the Eastern Bloc of FARC, "is settled in the town of Elorza."

According to Colombian media, including weekly magazine Semana, Grannobles is mainly dedicated to cocaine trafficking in Venezuela.

Apparently, Briceño is not following orders from the central command of the Revolutionary Armed Forces of Colombia (FARC).

No FARC leader is in Venezuela, recoils FM Maduro

Venezuelan Foreign Minister Nicolás Maduro denied on February 19 that Colombian guerrilla leader Germán, a.k. Grannobles, Briceño Suárez, is hiding in the country, as claimed by Colombian government Luis Eduardo Ataya.

He alleged that the Colombian oligarchy hurled such charges at Venezuela "to try to substantiate the deployment of US troops in Colombian military bases, which nowadays are already deploying in that nation (in addition to) the internal war in Colombia and a potential attack on our country."

"We have denied it (the presence of Colombian guerrilla lords in Venezuela) (...) The leaders of those guerrillas are Colombians; trained and living in Colombia," he said.

The Foreign Minister also commented that the charges made by Honduras regarding a drug-trafficking route through Venezuela are misleading and form an integral part of the actions jointly undertaken by Colombia and Honduras against Venezuela.

Caracas, Venezuela (AP) -- President Hugo Chavez's socialist government is creating peasant-based militias throughout Venezuela's rural, agricultural-rich regions, raising fears of confrontation among the country's cattle ranchers and landholders.

The armed groups, organized by Venezuela's military, will be responsible for protecting poor farmers from vigilante groups allegedly organized and financed by cattlemen and wealthy landowners, Chavez wrote in a newspaper column published Sunday.

"Faced with the onslaught against peasants through an escalation of aggressions, sabotage and hired killings by the most reactionary forces of our society, the duty of the state ... is to protect the poor farmers," Chavez wrote.

The newly formed militias will also help the military prepare for a possible foreign invasion, said Chavez, who has repeatedly warned that the U.S. military could invade Venezuela to seize control of its immense oil reserves. U.S. officials deny that any such plan exists.

The government claims that more than 300 peasants have been killed - purportedly by mercenaries for wealthy landholders - since authorities launched a sweeping land reform initiative in 2001.

Landowners and cattle ranchers dispute those claims, saying Chavez's administration is wrongly attempting to vilify them as a means of gaining political clout among the country's poverty-stricken farmers. They vehemently deny hiring vigilantes to drive away or kill peasants, who occasionally squat on their lands or steal cattle.

"We've never sought paramilitary groups to protect ourselves," said Manuel Heredia, president of the National Federation of Cattle Ranchers, which represents approximately 20,000 ranchers.

"If one of our members is accused and it's proved that he was involved in a crime, he must pay for that crime. We're not going to defend him because we don't promote those types of actions," Heredia said in a telephone interview.

It's unclear exactly how many peasants have been killed in recent years. Representatives of the Attorney General's Office could not be reached Sunday to provide details. Prosecutors have not recently released information incriminating ranchers associations or their members in the slayings of peasants.

Heredia noted that violent crime is widespread throughout Venezuela - even in remote, rural areas and border regions where Colombian rebels and paramilitary groups operate - and that ranchers themselves are increasingly becoming kidnapping victims. Close to 100 cattlemen have been abducted during the past two years, according to the ranchers federation. Many ranchers suspect that Colombian guerrillas are responsible.

"These groups are supportive of the government," Heredia said.

Jose Luis Betancourt, a cattle rancher on the sun-baked plains of Barinas state, urged the government to take measures to guarantee the security of all those who work in the countryside, not just peasant groups that support Chavez.

The government "should not create different groups that seek increased confrontation and distortion in the relations between those of us who live together in Venezuela's agricultural zones," Betancourt said.

"The security forces that already exist should provide security for all of those in the countryside."

Caracas, Venezuela (Map, News) - President Hugo Chavez accused his adversaries on Sunday of sabotaging Venezuela's electricity grid as part of a broader plan aimed at bringing about the system's collapse - and his downfall.

Chavez said authorities must be "on the alert" and apprehend anyone who cuts electricity cables connected to the grid. Such sabotage has caused power failures in some regions and exacerbated the effects of severe energy shortages, he said.

"Be on the lookout! Patrols must be carried out to capture the saboteurs because those responsible must be caught and put in prison," Chavez said during his weekly television and radio program, "Hello President."

Referring to his government's adversaries, he said: "They think that's how they're going to topple Chavez, and that's what they're seeking, but if there's an electricity collapse, it won't be Chavez who is going to fall. Prepare yourselves, bourgeois folks, because it will be you who will fall."

Venezuelan President Hugo Chavez insisted Sunday that the presidency of new Honduran President Porfirio Lobo was illegitimate.

"The only legitimate president of Honduras is called Manuel Zelaya," Chavez told reporters upon arrival at the Cancun international airport for a Group of Rio Summit.

Venezuela has refused to recognize Lobo as Honduras' new president. "The electoral process was illegal. Honduras needs to return to democracy," Chavez said.

Lobo took office in January after winning the presidential elections held by the post-coup government.

Chavez has been a steadfast supporter of the deposed Zelaya, who is in exile.

Talking about the Group of Rio Summit scheduled to open on Monday in Playa del Carmen, Chavez said he supports plans to expand the 24-nation Group of Rio to include the 15 members of the Caribbean Community (Caricom).

Twenty-six heads of state have confirmed their attendance from a total guest list of 32, with Peru's Alan Garcia set to skip the summit.

Six of the 15 Caricom members are also members of the Group of Rio, and Montserrat remains part of the United Kingdom. The summit is expected to produce a new 32-member organization whose name has not yet been decided.

The whole event is made up of a day for Rio foreign ministers, a day for Caricom heads of state and two days of meetings for the Rio heads of state, which include those from Latin American heavyweights like Brazil, Argentina, Venezuela and Colombia.

A Colombian commission on energy traveled on Monday to Venezuela to hold negotiations on the sale of electricity to its neighbor country, government sources said in Bogotá.

The commission includes representatives of the Colombian Ministry of Mines and Energy, the Commission for Energy and Gas Regulation (Creg) and Isagen (a state-run power generation and marketing company), said Hernán Martínez, the Colombian Minister of Mines and Energy.

Martínez said in an interview with Bogotá's radio station La FM that there is a sales agreement between Venezuela and Isagen, which is still in force and "would facilitate smooth negotiations," Efe reported.

Under the contract, Colombia provided electricity to Venezuela until last December, when the Colombian Ministry of Mines suspended exports of electricity due to the effects of the dry season.

The Minister said that Colombia could sell electricity to Venezuela for "several months."

Port Stanley, Falkland Islands -- Venezuelan President Hugo Chavez delivered a bizarre attack on the Queen Monday when he demanded Britain return the Falkland Islands to Argentina.

The firebrand Venezuelan leader used his weekly television show *Alo Presidente* (Hello President) to rally Latin America behind his Argentine counterpart, Cristina Kirchner.

"Look, England, how long are you going to be in Las Malvinas? Queen of England, I'm talking to you," said Chavez.

"The time for empires is over, haven't you noticed? Return the Malvinas to the Argentine people."

Still addressing the Queen, he went on: "We are no longer in 1982. If conflict breaks out, be sure Argentina will not be alone like it was back then."

Argentine anger is likely to increase after Desire Petroleum, the British oil company that has towed a rig from Scotland to Falkland waters, announced yesterday it had begun drilling.

Argentina is attempting to hamper oil exploration, insisting last week that all vessels using its ports must now seek permission if they plan to enter or leave British-controlled waters.

Minister of Foreign Affairs Miguel Ángel Moratinos said on Tuesday that Spain's relation with Venezuela is based on a "pragmatic attitude" and added that it has not put aside its principles. He said that Spain's main goal is to safeguard its individual and business interests in Venezuela.

In a hearing held in the Senate (the upper house of the Spanish Parliament), Moratinos recalled that Spain has a "constructive and demanding" policy with Venezuela, based on a pragmatic attitude. "However, we do not put aside our principles," he added.

Spain has a "steady dialogue" (with Venezuela). Our goal is to safeguard "the interests of the Spanish community based" in the South American country, which includes 150,000 people, and those of Spanish companies, Efe reported.

Moratinos believes that the dialogue has allowed the government to preserve the rule of law, legal certainty, freedom of expression, the respect for minorities and a climate for understanding.

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