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Argentina

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Report Summary/Argentina

Rio summit took place in a Mexican city in which all 32 Latin American and Caribbean countries participated and discussed their issues and their solutions. The Falkland Island debate was overlapping over others and all of the 32 countries became united over Argentina's sovereignty over Falkland Island. The foreign secretary of Argentina thanked to all Latin American countries for their support with Argentina and he met with the secretary of United Nations Bank Ki Moon and discussed the issue. The foreign secretary said that Argentina will not allow any country to occupy the land and the government will not go for war but act according to international law. The president of Brazil said that UN should reopen the debate and Chavez addressed queen of Britain and said that Britain should handover the island.

But as far as US involvement over Falkland Island is concerned, the spokesman of White House told media that Washington is "neutral on the question of sovereignty" but supports "good-faith dialogue between those two countries. But USA's neutrality over the Falkland Island dispute is considered as Obama's feeble behavior.

Argentinean president urged to utilize billions of dollars to pay a foreign debt but the president of central bank refused to pay her and the government took the case in the supreme court of Argentina. Critics on her action are that she is using public money to boost the popularity of the government. The Supreme Court did not declared and decision and asked to solve this matter in the national congress. Now the problem for the government is this that it has lost the majority of seats in the congress after midterm elections hence it is said that government can make its ally to the members of some opposition parties as some of them are agree to compromise on some points.

The director of Gas Energy Latin America and former Bolivian hydrocarbons minister Álvaro Ríos said that the agreement of gas exporting to Argentina is not set in stone. He said that Argentina is importing gas from Bolivia and to renew the contract both presidents (Argentinean and Bolivian) are going to meet on March 26.

Argentinean government has started crackdown of its military officers who were involved in the violations on human rights during dictatorship. Just like this another wanted police chief is found in Spain as many of them have saved themselves in different places. The Spanish government seems to be ready to extradite that police chief who was involved in the violation of human rights during 1976-1983 dictatorship.

Argentine ambassador to Santiago said that his country is aiding Chile as it suffered a lot in recent jolt of earthquake. The president Fernandez also told her Chilean counterpart for aid to Chile and every possible help for the victims of earthquake. Argentine government has also opened the border crossing for the Chilean people as the Santiago airport has also been damaged in the earthquake.

The Argentine Foreign Secretary and Ambassador met with the Federal Minister of Environment here in Islamabad and exchanged their views to boost up their relations. They discussed over Copenhagen Climate Change Conference of 2009 and G-77 also came under discussion. The foreign secretary said that some investing companies of Argentina are keen to invest in different areas of Pakistan and both countries should promote technological relations with each other as it is dire to increase. He also said that some sectors like agriculture, medical, pharmaceutical, CNG, CNG Buses and alternative energies are very important and both countries can help each other in these fields.

Report Summary/Brazil

State's foreign secretary is going to pay a visit of five Latin American countries but before her, her expert secretary and a senior diplomat is going to pay a visit to Brazil and other countries of itinerary. The basic agenda of foreign secretary regarding Brazil is to convince it to vote for more sanctions on Iran. Brazil is having a voting seat in United Nations Security Council and to get Brazil's favor against Iran, U.S is urging to make Brazil its ally in this case. But Brazil has always been against sanctions or to pressurize Iran to get the solution of it.

Brazilian and Mexican leaders had bilateral talks over trade issues after Rio summit in Mexico. Both countries are the two largest economies of Latin America and now going to discuss the free trade between both countries. Mexico is planning to make a shift in its trade relations with USA since global economic recession overlapped USA and affected its trade partners. Mexico is also its big trade partner as it is exporting 80% of its goods to USA but now it is planning to minimize its reliance in USA.

After the Rio summit the president of Brazil paid a visit to Haiti where a dangerous earthquake took place a few months ago. This was his first visit to Haiti after earthquake. He ensured every kind of help to Haiti when he met his Haitian counterpart. He said that Haiti should spend more funds on building its infrastructure rather than paying debts and he also appealed to the other countries whose money is to be paid by Haiti that they should forgive Haiti. Later the president Lula also visited Chile and met his Chilean counterpart. He said that Brazil will also can financial help to Chile if the president wants it.

The defense minister of Brazil is also going to pay a state visit to India. He will meet his counterpart there and both countries will make some deals there. They will discuss some mutual

interest's issues like common security and to increase defense trade between both countries. To visit Bangalore and Taj Mehal is also in his itinerary.

Former president Cardoso said that the Worker Party's candidate Ms. Dilam Rousseff is getting advantage of president Lula otherwise she is even not near to the congress members. Even in her previous history she was not dear to the congress men but it is just due to the Lula's campaign she is chasing Mr. Serra. Mr. Serra who has been a state governor of Brazil's richest state Sao Paulo also contested 2002 elections but lost by getting 31 percent votes while Lula got 61 percent votes. Former president Cardoso said that if President Lula remains backing his candidate Ms. Rousseff then no one can defeat her.

Brazilian government is going to vaccinate 90 million people this year which is a great number. According to the government estimate, in 2009, 39,679 Brazilians suffered from the A/H1N1 influenza and 1,705 of them died. No the government has planned properly to vaccinate the patients as health workers, pregnant women, children and the people who are suffering in heart diseases would be proffered.

Report Summary/Mexico

In Oaxaca state of Mexico 13 people have been killed by the drug cartels and before a few days 19 were killed. Among the recent killings of 13 people one of them is a police officer and some other citizens. Police started patrolling in the city but the violence still exists. It is said that the violence is due to a crackdown against the drug cartels of Calderon government. Drug organizations sent a message to police with arms packed in an icebox just to create harassment. They are cutting people's parts of body and sending them to police to warn them. Later US consulate in the city was closed by the State's government order due to violence and will remain close temporarily.

Latin American countries are blamed not to crack down drug cartels fully by the United States. As the New York Times stated that Venezuela is the largest cocaine producer in the region and smuggling the drugs into the United States. Also Mexico is blamed that it could not crack down the drug cartels therefore the drug cartels remain successful to smuggle the drugs into the United States. On the other hand the State department states that due to the efforts of US the drug smugglings have been control much as Powerful Mexican drug cartels are facing their first "existential threat" thanks to a nationwide clampdown by government troops and police.

Mexican interior minister said that neither the government of United States did not allow its soldiers to combat against drug cartels in Mexico nor the government of Mexico has allowed any forces to combat against drug cartels in the country. Actually he was defending Mexico's internal policy as Washington Post mentioned that the American forces are combating against drug cartels in Mexico along with Mexican forces.

Report Summary/Venezuela

Ecuadorian foreign minister said that a bilateral agreement between Caracas and Ecuador is going on in talks which will be shaped finally on the visit of Venezuelan president to Ecuador. Both countries are going to establish trade relations with each other soon as the program is

drafted and its finalization process is still pending due to the visit of Chavez. Ecuador is ready to supply 1000 MW/h electricity to Venezuela due to its energy crisis.

OAS has declared a report in which the Chavez government is alleged of several charges including the violation of human rights. In report it is told that Chavez is violating human rights, lack of freedom to the people of Venezuela as media channels are banned which are reporting against the government, judiciary is under government control as the judges are being appointed by the will of government and people have less chance to speak against the government. The opposition is declaring this report as much authenticated as it is issued not by some people but by an institution. But on the other hand, Chavez and his ally argue that this report is fully biased report and just to destabilized the government of Chavez.

President Chavez said that he is willing to hold talks with his Colombian counterpart. In past both of the leaders have lambasted each other and even called them with bad names but now the situations is going to be change. But the Colombian government seems it as conspiracy of Chavez as he cannot be like that. Peter Hakim is the director of a Washington-based Inter-American Dialogue also said that by watching the past of both countries it seems very hard that both countries can come close to each other. The States' government said that US is also agree to extend its relations with Venezuela but if Chavez plays more constructive role in it.

Venezuela's electricity shortage problem still exists throughout the country. The government has blamed it as due to droughts and a natural cause but the opposition party has never been missed it a critical issue and has been criticized Chavez government. And it is also criticized that the electricity is existing in presidential palace even if the whole country is in darkness. As last day the electricity disappeared during a televised address of president Chavez in Venezuela. But in spite of these entire crises the economic minister said that the employment rate rose than last year. Unemployment rate was 9.5% last year but 10.7% this year so it means the government is controlling its economy. Economic fall came due to the lack of oil exploration in the country but the government is quite optimistic about this year.

Venezuela has offered Chile for any kind of assistance as it received an 8.8 magnitude earthquake last week. The president of Chile said that he is not in need of an kind of foreign help for his country. But many countries have offered Chile including Venezuela. Even Chavez has said that the hearts of Venezuelan people beats with the hearts of Chilean people.

A Spanish judge has accused the Venezuelan government of assisting two rebel groups which plotted to kill Colombia's President Alvaro Uribe and some other Colombian officials in Spain. The judge said that Venezuela is supporting ETA and FARC to mobilize them against Colombians. The judge told it while declaring a decision against some Basque members in a Spanish court. After is the Venezuelan government has assured Spanish government to coordinate with the Spanish government to run the case neutrally. The Venezuelan government has denied the backing of the rebel groups in Spain or Colombia and asked Spanish government to verify its statement.

Detailed Report/Argentina

Mexico City – Argentina received unprecedented support from Latin America in condemning Britain for exploring oil near the disputed Falkland Islands, which could give the South American nation a boost as it presses the issue with the United Nations today.

But the statement in support of Argentina issued by the Group of the Rio Summit, which concluded a two-day conference Tuesday near Cancún, is unlikely to make Britain budge, as it explores for potentially billions of barrels of oil in the south Atlantic around the archipelago ruled by the British since 1833.

“It’s all rhetoric. The British aren’t going to give in,” says Riordan Roett, director of the Latin America Studies Program at Johns Hopkins School of Advanced International Studies. “The Cancún conclave will make no difference at all.” (Read background and see map here.)

Solidarity The summit of 32 nations in the region voiced their support for Argentina, which briefly fought a war in 1982 to reclaim the islands, which they call the Malvinas and which lay 300 miles off the coast of South America. The statement spelled out “support for the legitimate rights of the Republic of Argentina in the sovereignty dispute with the United Kingdom.”

The group also called upon all “unilateral” actions to be halted until a sovereignty dispute is resolved peacefully through negotiations.

Black gold The potential of oil in this part of the sea is huge, with some estimates placed at 60 billion barrels. Argentina has been fighting British plans to explore oil here for years, and in 2007 backed out of an agreement reached in 1995 to jointly explore the potential reserves.

Argentina maintains that the drilling, which began Monday, is illegal, since the sovereignty question is still unresolved. The British deny any illegal action.

"British sovereignty in respect of the Falklands is absolutely clear in international law.... There is no question about it," British Foreign Secretary David Miliband was quoted by Reuters. "The exploration that is going on off the Falklands ... is fully within international law, fully based on precedent."

Brazilian President Luiz Inácio Lula da Silva called for the United Nations to reopen the debate over sovereignty. Jorge Taiana, Argentina’s foreign minister, is to hold talks with Ban Ki-moon, the UN secretary general, in New York today.

The British say they plan to explore oil over the next few months. On Monday, Desire Petroleum, a British firm, said it broke ground on the well “Liz.”

Chávez weighs inThe brouhaha could provide a slight political boost for Argentine President Cristina Fernández de Kirchner, whose popularity is sagging at home.

Venezuelan President Hugo Chávez jumped to her side, appealing to Queen Elizabeth to hand over the islands.

“Look, England, how long are you going to be in Las Malvinas? Queen of England, I’m talking to you,” Mr. Chavez said. “The time for empires is over, haven’t you noticed? Return the Malvinas to the Argentine people.”

Buenos Aires, Feb 24 (Reuters) - Argentine President Cristina Fernandez is trying to use billions of dollars in foreign reserves to help pay debt this year, but a court decision on Wednesday dealt another blow to her plan.

An appeals court upheld a freeze on Fernandez's bid to transfer some \$6.6 billion from the country's foreign reserves into a fund managed by the Treasury, a ruling that may force her to find new ways to cover a widening fiscal deficit.

Fernandez's critics say she is seeking the funds to increase public spending and boost the popularity of government ahead of next year's presidential election.

The following are possible scenarios on the outcome of the reserves fund, including the impact on government finances and Argentine securities prices:

Govt. Gets Senate Votes To Approve Decree

Fernandez used a presidential decree to create the reserves fund and needs the approval of one chamber of Congress to move forward with it.

Her government lost its majority in the lower house in a mid-term election last year so she has focused efforts on scraping together enough votes in the Senate.

However, Senate leaders allied with the government have said they have not been able to secure the votes to approve the fund and local media say Fernandez now looks set to lose control of the Senate when Congress reconvenes in March after the summer recess.

Supreme Court Rules on Reserves Plan

Wednesday's ruling referred the case to the Supreme Court, which will consider the government's appeal against the injunction blocking the reserves plan.

Supreme Court judges could theoretically decide the case, but they are more likely to pass the matter to Congress, constitutional lawyers say. Supreme Court Judge Carlos Fayt has said it is a political matter and as such should be decided by Congress.

Govt. Presents Bill, Negotiates Congress Support

If unable to push the decree through by winning Senate support, Fernandez could instead try to tap central bank reserves by reviving the plan in the form of a bill. That might involve including the reserves as a financing source by revising the annual budget law.

Even without a congressional majority, she could negotiate support for the use of reserves with the opposition, particularly if she made concessions on allocating funds to the provinces. Some opposition lawmakers have already signaled backing for using reserves under certain circumstances.

Fernandez May Tap Other Central Bank Funds

Should her current plan fail, Fernandez might consider tapping other central bank funds that are not necessarily part of the monetary authority's reserves.

The government could still get hold of \$2.2 billion of the country's reserves which are earmarked for payment of debt with multilateral institutions such as the World Bank and the Inter American Development Bank.

She could also tap into central bank profits, which Buenos Aires daily La Nacion estimated could have reached 24.7 billion pesos, or \$6.3 billion, in 2009 -- an amount similar to that sought by the reserves fund.

The central bank will release its 2009 financial results in March, a government source told Reuters, adding the numbers reported by La Nacion seem to be too optimistic.

It is more likely that the bank's profits for 2009 hover around 20 billion pesos, the source said.

The Central Bank has transferred about 4.5 billion pesos to the Treasury each year during the past two years. Those are basically accounting profits resulting from mark-to-market gains on the bank's portfolio and the revaluation of Argentina's foreign reserves at a weaker exchange rate.

Possible Market and Political Impact

Government bond prices would likely rise if the fund is approved since it would improve Argentina's ability to service debt in the short term.

It would be seen as a negative factor in the longer run, however, as it would deplete the country's foreign reserves, which stand slightly below \$48 billion.

The fund approval could further fuel inflation, which is already expected to reach 20 percent this year, as it would increase the amount of pesos in circulation.

The collapse of the fund, on the other hand, would increase the government urge to move forward with a planned swap of defaulted debt -- a necessary step for Argentina to return to international capital markets.

It would also strain government finances and increase political confrontation with provincial governors who did not back the plan.

United Nations -- Argentina's foreign minister says he asked U.N. Secretary-General Ban Ki-moon to continue his efforts to resolve a dispute with Britain over their competing claims to a vast swath of the southern Atlantic Ocean where Britain has begun drilling for oil.

Jorge Taiana told reporters after a meeting Wednesday with Ban that the U.N. chief was not happy to learn that the situation is worsening because of Britain's decision to start drilling and is willing to continue his "good offices" mission.

The U.N. General Assembly called for Argentina and Britain to negotiate sovereignty over the islands following a brief 1982 war for control over the islands.

Britain has occupied the islands, which it calls the Falklands, since the early 1800s and has ruled out any concessions.

Taiana insisted Wednesday that the islands, which it calls the Malvinas, are part of Argentine territory and that the population, which strongly favors retaining ties to Britain, does not have the unilateral right to decide what they want to be.

Once again an unpopular Argentine government is making aggressive noises towards the Falkland Islands. In 1982 the country's military dictators gambled that grabbing the islands, a far-flung relic of the British empire, by military invasion would allow them to cling to power on a wave of popular acclaim. Fortunately for the islanders the junta was defeated by Margaret Thatcher's dispatch of a task-force (though it was a far closer-run thing than she would ever acknowledge and cost 650 Argentine and 260 British lives). The conflict had a silver lining for Argentina, in the form of its swift return to democracy. Now an elected, but unpopular, president, Cristina Fernández de Kirchner, is working herself into a nationalist frenzy over the arrival of an oil rig.

Seismic studies of the islands suggest there may be a lot of oil and gas beneath waters that Argentina has always claimed as its own. Ms Fernández's government pledges to prevent their discovery and development, and has restricted the use of Argentine ports and waters by island shipping. Argentina wisely insists that it will not resort to military action (in contrast to 1982, the Falklands are now well-garrisoned whereas its own armed forces have shrunk). Instead it is counting on regional solidarity and diplomatic pressure. This week it won the support of a summit of the leaders of 32 countries from Latin America and the Caribbean.

Almost every Argentine and most Latin Americans believe that in geography, history and international law the islands they call the Malvinas belong to Argentina. Britain ousted a small group of Argentine settlers in 1833. British ownership is indeed an anomaly—but the world is full of them. If the clock is to be turned back to 1833, southern Argentina should be an independent country under indigenous leadership and the Brazilian state of Acre should revert to Bolivia. For Britain, upholding the right of the Falklanders to self-determination is paramount. And that is the stronger argument.

What the Kirchners should learn from their neighbours

The irony in Ms Fernández's stance is that a big oil-strike could very well be taking place in Argentina, or its inshore waters, were her government and that of her husband and predecessor, Néstor Kirchner, not so hostile to private initiative in the energy industry. As a result of their policies, Argentina's output of oil and gas has fallen in each of the past three years. That forms

part of a pattern. Under the Kirchners some private businesses have faced nationalisation or harassment by punitive regulation, while others have flourished, seemingly because the Kirchners see them as loyal (see article). This formula is a recipe for continued decline. So is the government's childish attempt to fiddle the country's economic statistics. Inflation, at once symptom and cause of Argentina's long fall from the first to the third world over the past century, once again threatens to take off, potentially ruining Argentines' living standards. They have only to look around them—at Brazil, Chile and Uruguay—to see that responsible centre-left governments have achieved lasting social progress by respecting the role of private investment and the sanctity of contracts.

A more mature Argentine leadership would see oil exploration in the Falklands as an economic opportunity, not a political one. Argentina could become the main onshore base for the Falklands' oil industry—if there is one. Its own offshore exploration could benefit from the know-how that this would create. A friendlier Argentina could profit greatly from co-operation with its South Atlantic neighbours. And oil could provide the economic foundation for the Falklanders to declare independence—something Britain surely would not resist.

The expected signing of a deal to raise natural gas exports from Bolivia to Argentina is not set in stone, according to the director of Gas Energy Latin America and former Bolivian hydrocarbons minister Álvaro Ríos.

"We have been talking about this since 2003," Ríos told BNamericas. "That's seven years of talking about increased exports and the construction of the [Gasoducto del Noreste] GNEA pipeline. So sure, we all hope this works out. But I have my doubts."

Argentina's President Cristina Fernández and her Bolivian counterpart Evo Morales are set to meet on March 26 to sign a deal that would increase gas exports and include the construction of the long-awaited GNEA gas pipeline.

The deal would renegotiate a 20-year contract signed in 2006 and increase Bolivian gas sent to Argentina from 7.7Mm³/d to around 25Mm³/d by 2016, according to Bolivian state news organization ABI.

Bolivia is currently exporting 4M-7Mm³/d to Argentina and 22Mm³/d to Brazil, according to ABI.

"Let's hope it works out and let's hope this contract is serious," Ríos continued. "In 2006, the contract that was signed wasn't serious. If it works out on March 27, we'll be celebrating. But we have our doubts. The credibility of the contract is not guaranteed. But as a Bolivian and Latin American, I hope this important regional integration project goes ahead."

Argentine state energy company Enarsa has repeatedly delayed a tender for the construction of the GNEA pipeline.

As currently planned, the US\$1.64bn GNEA pipeline would have capacity to transport 27.7Mm³/d of natural gas from Bolivia to Argentine provinces Salta, Formosa, Chaco, Corrientes, Misiones and Santa Fe.

Argentina would loan Bolivia US\$450mn to construct a liquids separation plant for the project.

Madrid - The Spanish government Friday gave the green light for the extradition to Argentina of a former senior police officer on charges of human rights violations during the Latin American country's 1976-83 military dictatorship, government sources said.

Jorge Alberto Soza, 73, was detained near the eastern Spanish city of Valencia in July.

He is suspected of involvement in 18 cases of abduction and torture of alleged government opponents while he was assistant police commissioner in Neuquen, Argentina, from 1975 to 1977.

Soza, who has Argentine and Spanish citizenship, moved to Spain in 1992.

Human rights groups say tens of thousands of people disappeared during Argentina's military dictatorship.

Several of the suspects have been arrested in Spain. The highest-profile case was that of Argentine former naval officer Adolfo Scilingo, who was tried in Spain and sentenced to more than 600 years in prison in 2005.

President Obama's failure to back the United Kingdom in its Falklands spat with Argentina has some British knickers in a bunch.

With tensions heating up over a British firm's decision to drill off the coast of the Islands, some across the pond are calling Obama "feeble" for D.C.'s professed neutrality in the matter, London's Daily Mail reports.

The White House's silent treatment is reportedly retribution for the recent disclosure in the UK of classified documents that implicate American spies in torture of a terror suspect.

In 1982 Argentina and the United Kingdom went to war over the Falklands after an Argentine invasion. Nearly 1000 people were killed during the 74 day conflict. The islands lie near the tip of South America, about 300 miles off the Argentine coast.

"The decision, while feeble, is unsurprising," the newspaper quotes Alan Mendoza, of the London-based Henry Jackson Society, a neo-conservative-leaning foreign affairs think-tank, as saying.

"For the past year, Mr. Obama has followed a foreign policy path that punishes allies and democracies while allowing rogue authoritarian nations like Iran and North Korea to pursue their objectives."

The move is tantamount to playground bullying, one British politician told the Mail.

"The U.S. position on the Falklands certainly seems to be a warning shot which says to Britain: 'Don't mess us around too much or we could make life problematic'," Patrick Mercer, a Tory MP who chairs the House of Commons' terrorism committee, said.

The Daily Mail quotes an Argentine newspaper as saying Hillary Clinton is wading into the spat, with a sit-down with Argentine president Cristina Fernandez de Kirchner scheduled for March 1st in Uruguay.

Desire Petroleum began drilling for oil 60 miles off the Falklands on Monday on a seabed geologists think may hold up to 60B barrels of oil.

Buenos Aires cried foul, asserting sovereignty over the long-disputed islands, with de Kirchner calling the oil exploration "robbery."

A U.S. State Department spokesman said Tuesday that Washington is "neutral on the question of sovereignty" but supports "good-faith dialogue between those two countries."

Argentine President Cristina Fernandez on Friday thanked fellow Latin American leaders for their support in its sovereignty dispute with Britain over the Malvinas (Falkland) Islands.

Speaking at a ceremony for "South America Sail 2010" in Mar del Plata, 405 km southeast of Buenos Aires, Fernandez thanked fellow Latin American nations for the declaration issued by the Group of Rio during its summit in Mexico earlier this week.

"I want to thank all the brother countries of Latin America for their unbreakable solidarity in the case to reoccupy our Malvinas Islands," Fernandez said.

Chilean President Michelle Bachelet on Friday reiterated support for Argentina's rights over the Malvinas Islands and stressed the "strategic" ties between the two countries.

"Chile has always taken the only posture of recognizing the legitimate rights of Argentina on the Malvinas Islands," Bachelet said in Mar del Plata, after attending the ceremony.

"On this occasion I want to express my deepest conviction about the strategic importance of our bilateral ties," Bachelet said.

Argentine Foreign Minister Jorge Taiana denied in a statement on Thursday that his country would use military force to reoccupy the Malvinas Islands.

"The Argentine democracy will never allow the use of force to reoccupy the islands. We will use all the resources of the international law to defend the sovereignty of our country," Taiana said.

Argentina and Britain have been at odds over the sovereignty of the islands for decades, and their dispute led to a 74-day war in 1982, which ended in the defeat of Argentina.

The Malvinas, or the Falklands as the British call it, are home to 3,000 people of British descent and is controlled by Britain, but Argentina maintains they are part of its Tierra del Fuego province.

Four British companies have been trying to explore oil in the waters off Malvinas after the 1982 war between Britain and Argentina, reports said. Argentine President Cristina Fernandez on Saturday offered her Chilean counterpart Michelle Bachelet "all the needed aid" for the 8.8-degree earthquake that shook Chile on early Saturday morning.

Bachelet thanked Fernandez' solidarity and said that once the damages are verified her government will be able to determine what and how many aid her country will need to recover.

Meanwhile, Argentine ambassador in Santiago, Gines Gonzalez Garcia said that his country "will do all possible" to aid Chile.

The earthquake jolted south Chile at 3:34 a.m. local time. The official death toll is now 85, though president-elect Sebastian Pinera said more than 120 have been killed.

Border crossings between Argentina and Chile, a lifeline for the quake-hit country since the damaged Santiago airport was shut down, were open as normal on Sunday, the Argentine ambassador said.

"All the crossings are operational and full priority is for passenger transport and private cars. All bus companies are operating normally," Argentina's ambassador to Chile, Gines Gonzalez, told reporters here.

Flights into the Chilean capital were suspended Saturday for at least 72 hours due to damaged sustained at the international airport by a massive 8.8 magnitude.

Numerous border points operate between the South American neighbors over high passes in the Andes Mountain and remote desert plateaus.

Transport within Chile has been heavily affected by the massive quake after roads and bridges were ripped apart.

Islamabad, Mar 1 (APP): Argentine Foreign Secretary Victorio Taccetti said on Monday that Argentina and Pakistan have good relations and stressed the need to further strengthen the existing relation between the two countries. Argentine Foreign Secretary Victorio Taccetti said this during a meeting with Federal Minister for Environment Hameed Ullah Jan Afridi here on Monday. Ambassador of Argentina Rodolfo Jose Martine-Saravia was also present in the meeting.

Matters pertaining to mutual interest also came under discussion. The meeting was held in cordial atmosphere.

He said that there are many fields in which cooperation can be enhanced.

“Our government desired to share its expertise with Pakistan.”

He further said that the most important areas of cooperation are agriculture, medical, pharmaceutical, CNG, CNG Buses and alternative energies.

He said that Argentina also has expertise and potential in edible oil, iron, steel and chemicals. Argentine ranks first among CNG users in the world and it is the major producer and exporter of CNG cylinders, Car Kits, CNG stations, compressors and dispensers and “we want to share our expertise in these sectors” he added.

He said that some of our companies are looking forward for investment in CNG sector of Pakistan.

Federal Minister said that Pakistan is keenly interested to invest in different sectors especially in environment sector.

“We would welcome the proposals in this regard. He also informed about the details of upcoming CNG Busses project.

The Minister said that there is dire need of modern technology and alternative energy resources as now a days Pakistan is facing crises in energy sector.

The Federal Minister expressed his deep concern over the increasing global warming and climate change.

He said the country would extend full cooperation and coordination to promote investment activities.

He hoped that bilateral relations would further grow in future.

During the meeting different issues relating to Copenhagen and G-77 also came under discussion.

Secretary Ministry of Environment Javed Malik and other high officials were also present during the meeting.

Moscow, February 25 (Itar-Tass) - Russian President Dmitry Medvedev plans to visit Argentina this year to step up the two countries' economic relations, the vice president of the Russian Chamber of Commerce and Industry, Georgy Petrov, told a seminar on business opportunities in Argentina's mining industry on Thursday.

“Our trade relations are, first of all, based on a very stable political dialogue at the highest level,” he said adding that in 2008 the two countries' presidents signed documents setting the tasks for the development of Russian-Argentinean relations.

“We hope for stronger trade and economic relations between our countries and Dmitry Medvedev's visit to Argentina scheduled for this year will contribute to this,” Petrov said.

He noted that a business forum timed to coincide with this visit will be held.

Detailed Report/Brazil

Washington (AP) -- The Obama administration is making a face-to-face argument to Brazil to support tough new U.N. sanctions against Iran, with upcoming visits by Secretary of State Hillary Rodham Clinton and another senior diplomat.

Brazil now holds a voting seat on the U.N. Security Council, and its support is important as the U.S. argues Iran should be penalized for refusing to come clean on its suspect nuclear program. Brazil has been cool to the prospect of hitting Iran with new sanctions.

Brazil's backing is important because, as a resolution takes shape, the U.S. and its partners are looking for the broadest possible support on the council to impress on Iran the seriousness of the matter.

Clinton and America's highest-ranking career diplomat, William Burns, will each visit senior Brazilian officials in Brazil's capital to try to persuade the government to help impose fresh penalties on Iran. Burns will be in Brasilia on Friday, and Clinton will be there next week.

"Clearly, Brazil is an emerging power with growing influence in the region and around the world, and we believe that with that influence comes responsibility, and we will be talking to Brazil about the way forward with Iran," State Department spokesman P.J. Crowley said Thursday.

The United States is spearheading the international drive to impose a fourth set of U.N. sanctions on Iran for rejecting demands to halt activities that could lead to the development of nuclear arms. Iran says its program is meant for civilian energy production, but the U.S. and others think it is a cover for weapons development.

Winning support for additional sanctions has been a major focus of the administration's foreign policy agenda for the past several months since it became clear that Iran was not responding to President Barack Obama's offers of engagement and would not accept a package of incentives to stop enriching uranium that could be used to fuel a bomb.

Clinton will be in Brazil on March 3, midway through a five-nation trip to Latin America that begins on Sunday and will also take her to Uruguay, Chile, Costa Rica and Guatemala.

Playa Del Carmen, Mexico: Mexico and Brazil will begin formal talks over a possible free trade agreement between Latin America's two biggest economies, Mexican President Felipe Calderon said on Tuesday.

Calderon and Brazilian President Luiz Inacio Lula da Silva discussed the idea during a bilateral meeting at a gathering of the "Rio Group" of regional leaders near the Mexican Caribbean resort town of Playa del Carmen.

"Our governments have agreed to initiate a formal working process to evaluate and determine the areas of opportunity, the scope, benefits and sensitivities to a strategic economic integration agreement between Brazil and Mexico," Calderon told a news conference.

Mexico is keen to diversify its trading relations from the United States, the destination for 80 per cent of its exports, after getting badly hit by the US economic downturn. Calderon has often said that lowering trade barriers with Brazil makes sense.

Lula told the news conference that the two countries' bilateral trade balance of around \$7 billion (Dh25.7 billion) was "a disgrace."

Most of Brazil's trade is within the Mercosur bloc that groups Brazil, Argentina, Uruguay and Paraguay, and has Chile, Bolivia, Peru, Ecuador and Colombia as associate members.

Visiting Brazilian President Luiz Inacio Lula da Silva Thursday called all creditor countries and agencies to write off Haiti's external debt so that the Caribbean country can apply for new loans to finance the reconstruction after the Jan. 12 devastating earthquake.

During the ceremony for signing several agreements with Haiti, Lula said "it is time for the world to express solidarity forgiving that debt, which amounts to about 1,300 million dollars."

He told Haiti President Rene Preval that a special meeting of South American Nations Union (UNASUR) has decided to donate 100 million dollars for Haiti.

The Brazilian leader arrived in Haiti Thursday morning for his first visit since the quake, and has flown over the capital Port- au-Prince to verify the situation in the worst affected areas of the city.

"The Brazilian government will do everything that is possible, and especially in agreement with the government of Haiti," he stressed.

"We are subordinate to the orientation of the government of Haiti, to what they want us to do and how we should do it. We are not coming from Brazil and do things the way we want. This country has a government legitimately elected," he stressed.

In his dialogue with Preval, the president explained, in addition to debt forgiveness, a priority to start the reconstruction process was detected.

"A priority is to collect the debris of the earthquake and organize camping areas. Preval's idea of making small camps for no tumult is correct. Coordination of Haiti and the UN will make a

survey on how many machines we need to do that job, which will be conducted in short, medium and long term," he said.

Preval said that his idea is to avoid large camps because people prefer to remain in the neighborhoods they used to live before the quake. After removing the debris, it would be possible to organize settlements for between 50 and 100 families.

Da Silva said that if Brazil already had a very strong policy of solidarity, after having seen the picture of the calamity with their own eyes, all efforts to help the country will be made.

"Things in Haiti are more serious than we imagined. It is not easy, but at this time of sorrow and despair it is necessary to raise the head and hope that Haiti will emerge from this crisis stronger. This country which was the first to reach independence will not curve before another adversity," he said.

Brazilian President Luiz Inacio Lula da Silva travelled unexpectedly on Monday afternoon to Chile to meet with his Chilean counterpart Michelle Bachelet in Santiago to show solidarity with the Chilean people after a massive earthquake killed at least 723 people.

The trip was not planned beforehand, Brazilian media reported. Lula, who was in Montevideo for the inauguration ceremony of Uruguayan President Jose Mujica, decided to visit Santiago after talking to Bachelet on the phone.

"I have just talked to President Michelle Bachelet and I am going to Chile because it seems things are more serious than we had thought," said Lula before the trip.

The meeting with Bachelet will take place at the Santiago airport, which was damaged in Saturday's 8.8-magnitude earthquake and whose operations have yet to be fully restored.

Lula stressed Brazil has already started to send aid to its neighbor and that more aid will follow if necessary.

"Right now, Brazil will do whatever it can for Chile. The moment calls for solidarity. And obviously, Brazil is willing to provide financial help if Chile needs it," he said.

Also on Monday, Lula's office confirmed that he will stick to the schedule to attend the inauguration ceremony of Chilean President-elect Sebastian Pinera on March 11.

New Delhi: Brazilian Defense Minister Mr Nelson Jobin will be in India on a five-day visit beginning March 10 to explore possibilities of expanding the defence ties between the two nations.

Mr Jobin will meet his counterpart Mr A K Antony, apart from the top defence brass, at South Block here during which they are expected to discuss security issues of mutual interest and defence trade between the two countries.

He will also visit Bangalore-based Defence PSU, Hindustan Aeronautics Limited (HAL) and meet with senior officials there to discuss business and also interact with Indian defence industry captains in Delhi during the trip.

“There are certain defence components of the India, Brazil, South Africa (IBSA) architecture that would also come up during the discussions between the two Defence Ministers,” senior Defence Ministry officials said.

Mr Jobin will also visit the Taj Mahal in Agra before winding up his visit on March 14, they said. - PTI

U.S. Secretary of State Hillary Clinton arrived in Brazil on Tuesday for a visit of less than 24 hours, during which she will meet with President Luiz Inacio Lula da Silva and Foreign Minister Celso Amorim, to discuss issues on which both countries have different opinions, Xinhua reported.

Among the issues to be discussed are the Brazilian position on the Iranian nuclear program, the U.S. offer in the tender opened by Brazil for the purchase of 36 fighter jets and the South American country's relations with Cuba, Venezuela, Bolivia and Honduras. The most controversial among them is the Brazilian support for Iran's nuclear program for alleged peaceful purposes, which raised strong criticism in the U.S. Congress. On Wednesday afternoon, the U.S. secretary will head for Sao Paulo, where she will have meetings with businessmen and will also visit the University Zumbi dos Palmares, the first in Brazil devoted specifically to African descendant students.

Clinton's visit is a preparation for the first visit of President Barack Obama to Brazil, which is expected to occur in the second half of this year.

Before coming to Brazil, the secretary of state visited Argentina, Uruguay -- where she participated in the inauguration ceremony of President Jose Mujica -- and Chile, where she offered aid to rebuild the country seriously affected by a powerful earthquake on Feb. 27.

March 3 (Bloomberg) -- Former Brazilian President Cardoso, who twice defeated President Luiz Inacio Lula da Silva in the 1990s, said that while Lula is “unbeatable” today, his popularity won’t be enough to elect his chosen heir.

Dilma Rousseff, the candidate of Lula’s Workers’ Party, will have to rely on her own performance to beat opposition contender Jose Serra, 67, Cardoso said. In Brazil, voters choose their president on a candidate’s character and personality, not the party or who supports them, Cardoso said.

“If Lula were competing no one would be able to defeat him because he has a very strong link with the population,” Cardoso, who like Serra belongs to the Brazilian Social Democracy Party, said in an interview yesterday in Sao Paulo. “Dilma has no leadership, she has no contact with Congress.”

Even so, Lula's efforts to bolster Rousseff have caused Serra to slip in polls. The governor of Sao Paulo, who lost to Lula in 2002, needs to declare his candidacy and begin to campaign aggressively to avoid leaving the field to Rousseff and Lula, Cardoso said. Rousseff, 62, who has never run for office, became the official candidate of the Workers' Party on Feb. 20. She has been traveling the country with Lula to gain visibility at events such as the inauguration of public works projects.

Poll Slippage

Eight months ahead of Oct. 3 election, Serra's lead over Rousseff has narrowed to four percentage points in February, down from fourteen points in December, a Datafolha poll published Feb. 28 by Folha de Sao Paulo showed. The Datafolha poll gave Serra the support of 32 percent of voters and 28 percent for Rousseff, the newspaper said. The poll was conducted Feb. 24-25 and has a two percentage point margin of error.

"Rousseff's recent good showing is a direct function of the fact that she continues to gain more media exposure, and reinforces our appraisal she is favored to win this year's presidential election," Christopher Garman, the Latin America director at the New York-based Eurasia Group, wrote in an e-mail to clients yesterday.

"Speculation that governor of Sao Paulo Jose Serra may opt against running in this year's elections will most likely grow, but we find such an outcome very unlikely," Garman wrote.

Serra can't turn back now and desist from running for the presidency without hurting his political career and even compromising an attempt to be re-elected governor of Sao Paulo, Cardoso said.

Plano Real

Cardoso was first elected in 1994, after implementing as Economy Minister the Plano Real, which tamed 4,922 percent annual inflation. In 1998 he was reelected in the first round for a second four year-term and adopted the country's floating exchange rate and inflation targeting that is still in place.

By keeping inflation in line with targets and reducing public debt as a percentage of gross domestic product, Lula won Brazil's first investment grade rating in 2008.

The 78-year-old sociologist said a Serra government would keep in place the floating exchange rate and monetary policy started during his administration. Serra, who served as his Health Minister, would try to reduce public spending to open room for the central bank to lower interest rates, he said.

Serra, governor of Brazil's richest and most populous state, lost a presidential runoff in October 2002, taking 39 percent of the vote to Lula's 61 percent.

"Serra has been elected mayor of Sao Paulo and governor of Sao Paulo, with very strong support and he, too, has a very high approval," Cardoso said.

Rio de Janeiro - Brazilian Health Minister Jose Gomes Temporao said on Monday that some 90 million people would be vaccinated against A/H1N1 flu in a nationwide campaign to start later this month.

"This will be the largest campaign in the world," said Temporao during a seminar in Sao Paulo. "I am confident that we can make a difference this year."

The vaccination campaign will be kicked off on March 8 and is scheduled to last two months.

According to Temporao, the first citizens to be vaccinated will be the healthcare professionals, such as physicians and nurses, and indigenous citizens.

The next in line will be pregnant women, children aged six months to two years, people with chronic health conditions such as diabetes, heart problems and asthma and adults aged 20 to 39. Elders who do not have chronic diseases will receive the regular flu shot later this year.

In 2009, 39,679 Brazilians suffered from the A/H1N1 influenza and 1,705 of them died.

Temporao also said that the Health Ministry and the Science and Technology Ministry were working together to develop a vaccine against dengue fever, which affects the entire country.

"It is a long way because it is a complex disease," said Temporao. "But in five years we may have a vaccine."

In the first six weeks of this year, 21 people died of dengue fever in Brazil. The cases of the disease reached 108,640, up 109 percent from the same period in 2009.

Detailed Report/Mexico

Oaxaca, Mexico: Gunmen stormed a rural town in southern Mexico and killed 13 people, while the U.S. government warned Americans against traveling to cities in a northern border state where shootouts have left slain 19 people over three days.

Hooded assailants in several cars killed nine police officers at a checkpoint in San Vicente Camalote, a town in southern Oaxaca state, state deputy attorney general Netolin Chavez said Wednesday.

The gunmen then burst into the ranch of Alfonso Maciel, killing him and his three sons, one of whom was a minor, Chavez said. He said investigators believe the attack Tuesday night was related to drugs, but he had no other details.

State police were sent to patrol the town.

Oaxaca, a Pacific coast state with a picturesque colonial capital, ancient Zapotec ruins and pristine beaches, is considered a drug trafficking corridor, although violence has not risen to the levels plaguing Mexico's northern border region.

The U.S. Consulate in Monterrey on Wednesday warned American citizens to avoid traveling to Nuevo Laredo, across the border from Laredo, Texas, and Reynosa, which faces McAllen.

Mexican security forces have fought gang members in several cities of Tamaulipas state since Sunday, said Hernan de la Garza, the state deputy attorney general.

Among the 19 dead were a soldier and a police officer, both killed in attacks in two different towns Tuesday.

Gunmen also attacked the police headquarters in the town of Miguel Aleman on Tuesday, de la Garza said. Six officers are missing and presumed kidnapped.

As rumors of shootouts spread, people stayed off the streets and some two dozen schools ended classes early Tuesday in Nuevo Laredo and Matamoros, which lies across from Brownsville, Texas. Reports of fighting spread by e-mail, Twitter and other social network postings.

There were no shootings in either city Tuesday, however. Nuevo Laredo School superintendent Aurelio Uvalle said schools did not have permission to close and teachers who failed to show up for classes could face disciplinary measures.

In Guerrero, another Pacific coast state considered a trafficking corridor, police found two severed arms in an icebox Wednesday, along with a threatening message. State police said an anonymous tip led them to the remains in the town of Ciudad Altamirano.

The massacre in Oaxaca was the second mass killing in Mexico in less than a month.

On January 30, gunmen killed 15 people in a working-class neighborhood of Ciudad Juarez, a city facing El Paso, Texas, that has become one of the world's deadliest places. Most of the dead were teenagers at a party with no known ties to drug gangs.

Authorities say the gunmen may have been acting on mistaken information _ fueling anger over a drug war that has increasingly taken a toll on civilians.

A record 15,000 people have died in drug gang violence since President Felipe Calderon took office in 2006 and deployed thousands of troops to root out Mexico's brutal cartels.

Mexico City – Latin America, being asked to stop decriminalizing drugs, received a harsh slap on the wrist by a United Nations body today for the burgeoning movement in various countries to decriminalize small amounts of drugs.

Drug reform activists have hailed the moves as a new approach that refocuses resources on big-time traffickers and views drug abuse as a health problem instead of a police problem. (How Mexico quietly decriminalized drug use.)

But the Vienna-based International Narcotics Control Board (INCB), in its annual report released today, stated its concern over Latin America's "growing movement to decriminalize the possession of controlled drugs, in particular cannabis."

After decades of hewing to the US's tough stance, some Latin American nations in recent months have moved toward more leniency for personal possession, particularly of marijuana. (How Latin America is breaking ranks with the US.)

Loosening up, one by one Last year Mexico decriminalized possession of heroine, cocaine, and other drugs found in small amounts. Argentina followed with a Supreme Court ruling stating the unconstitutionality of the arrest of five youths carrying a small amount of marijuana. Brazil has also introduced legislation to replace jail sentences with educational measures.

The INCB report says: "The board is concerned that the movement, if not resolutely countered by the respective governments, will undermine national and international efforts to combat the abuse of and illicit trafficking in narcotic drugs. The movement poses a threat to the coherence and effectiveness of the international drug control system and sends the wrong message to the general public."

Whether the message will have an impact on the movement remains to be seen.

It could be used by those governments who still support the so-called "war on drugs" to bolster their positions.

"It will be used politically," says Jorge Hernández Tinajero, the president of Cupihd, a group in Mexico that disseminates information about drug policies. "Those governments in the region pushing for a war against drugs will use it to bolster their argument."

'Unwarranted intrusions'? But the INCB was rebuked by leading drug policy-reform groups. The Transnational Institute (TNI) and the Washington Office on Latin America (WOLA) said in a press release today that "the criticisms clearly overstep the INCB's mandate and constitute unwarranted intrusions into these countries' sovereign decision-making."

And while the INCB also stated its regret that "influential personalities, including former high-level politicians in countries in South America, have publicly expressed their support for that movement," Mr. Tinajero says the debate on reforming drug policies will continue to be robust.

His group just hosted a two-day panel, including former president of Colombia, César Gaviria Trujillo, on reforming the drug strategy in Mexico, which has been dogged by violent drug trafficking that has left over 17,000 dead since Mexican President Felipe Calderón took office and declared war on organized crime.

The former Colombian president is not the only high-level person to support drug reforms. The former president of Brazil, Fernando Henrique Cardoso, also led a group that published a report urging President Obama to decriminalize marijuana use.

Washington (CNN) -- Increased cooperation with the United States in the fight against Mexican drug cartels is vital, but American agents will always be limited on their actions in the country, Mexico's interior ministry said Wednesday.

The statement was part of a flurry of reaffirmations of where the United States and Mexico stand with each other in relation to anti-drug operations in Mexico, spurred by a Washington Post report that U.S. agents would be embedded with Mexican law enforcement units.

The newspaper, citing unnamed officials from both countries, posited that the unprecedented levels of violence in Ciudad Juarez, Mexico, is pushing the neighboring nations to cooperate ever closer.

Military and municipal police spokesmen in Juarez said they had read the report, but they officially had no comment on coordinated efforts.

Diplomatic officials denied there are plans to have American intelligence officials embedded with Mexican units.

"I want to absolutely clarify that the United States does not have operations in Mexico, [and] doesn't have field agents from U.S. security forces that are operating in Mexico," U.S. Ambassador to Mexico Carlos Pascual said. "What we have are people who work there as advisers to share intelligence information, something that is absolutely normal between the two sides and something we have done for a long time."

His counterpart, Mexican Ambassador to the United States Arturo Sarukhan, said, "At no point do we intend to infringe, violate or modify the laws that govern the presence of foreign agents, in this case Americans."

Mexican law has explicit rules about what foreign agents in their country can and cannot do. According to the interior ministry, foreign functionaries in Mexico can only share information and coordinate with their Mexican counterparts.

"These rules have not been modified nor has their modification been contemplated," the statement said.

The ministry added that combating organized crime in Mexico is a shared responsibility between the two countries, and that increased cooperation, within the framework of current laws, is a desired thing.

"International cooperation is a complementary factor to national efforts," the statement said.

U.S. Drug Enforcement Administration spokesman Lawrence Payne echoed that statement.

"We've worked together on historically successful cases and record-breaking numbers of extraditions," he said. "We have assisted them and supported them as much as possible. Nothing has changed from our standpoint."

The United States has temporarily closed its consular office in the Mexican border city of Reynosa, across from McAllen, Texas, after gun battles with drug gangs rocked the area this week.

Four suspected cartel gunmen were killed Thursday outside the nearby city of Matamoros after they attacked an army patrol on a highway, Mexico's Defense Department reported.

The department also announced that a series of clashes on Tuesday farther west along the border killed six gunmen and one soldier. Ten soldiers and a police officer were wounded.

The U.S. consulate in Matamoros posted a message on its Web site advising U.S. citizens to be aware of the recent violence.

"The U.S. Consulate General in Matamoros has restricted the travel of American officials to Reynosa until further notice," read to the statement, dated Wednesday. "The Consulate General also has temporarily closed the Reynosa Consular Agency until further notice."

Washington (AP) -- Drug traffickers are adjusting to law enforcement pressures in Mexico by shifting their operations to smuggling corridors in Central America and the Caribbean, the State Department said Monday.

"There is growing evidence that Mexico's drug trafficking organizations are already establishing a presence in these regions, particularly in some Central American states," the department said.

In a 2009 survey of global counter-narcotics efforts, the department singled out Bolivia and Venezuela for not doing enough to stop drug trafficking.

It cited Bolivia for creating conditions favorable to expanded drug production. And it said Venezuela is doing too little to stop shipments of illegal drugs from clandestine airstrips on its territory, though it credited Venezuela with increased seizures of illicit drugs in 2009.

The flow of drugs from Venezuela to the United States, Europe and West Africa increased sharply in 2009, the report said.

"A permissive and corrupt environment in Venezuela, coupled with increased drug interdiction efforts in the Caribbean, Central America and Mexico, has made Venezuela one of the preferred routes for trafficking illicit narcotics out of South America," the report said.

The State Department report also accused Venezuela of collaborating with drug-related groups in Colombia.

Although the annual report focused mainly on drug activity abroad, as required by Congress, it also cited U.S. demand for drugs as an important part of the problem.

The Venezuelan embassy defended the country's counter-narcotics efforts, citing an 11 percent increase in drug seizures last year.

"Our commitment to fighting illegal drugs is unequivocal, and we have seen impressive gains from the hard work of our law enforcement agencies," Ambassador Bernardo Alvarez said in a statement.

"Venezuela shares a long border with the world's biggest producer of cocaine," he said, referring to Colombia, "and a hemisphere with its biggest consumer," referring to the United States.

"So fighting drug trafficking will always is a regional challenge," he added.

In its report, the State Department praised the Mexican government for an ambitious campaign to combat drugs and traffickers. It cited increased seizures last year of cocaine, opium gum and heroin and said drug arrests, including those of high-profile cartel figures, reached a record high.

In what it termed a "balloon effect," the report said drug groups facing pressure in one territory tend to switch operations to another. West Africa, for example, now serves as a major corridor for cocaine consumed in Europe and markets farther east, the report said.

Mexican President Felipe Calderon deployed tens of thousands of soldiers to take on drug gangs after he took office in late 2006, but the government crackdown has failed to stem drug-related violence that has since killed more than 15,000 people.

Yet the US State Department's annual report on drugs hailed Mexico's "historical progress" on rooting out the scourge last year, as rival drug cartels fight a bloody war over control of lucrative trade routes from Mexico to the US.

"We believe that the Mexican government's efforts are having a real impact," says the report, released yesterday.

"For the first time, trafficking organizations are facing an existential threat from the state, which they cannot win by bribery or intimidation.

"The government and people of Mexico have shown tremendous bravery in carrying this program forward, despite substantial reprisals from the cartels."

The document estimates that Bolivia's coca cultivation grew by 10 per cent last year, and potential production of the drug ballooned by 50 per cent since 2007 -- from 130 tons to 195 tones.

The government of President Evo Morales has lessened its fight against drugs, the report added, noting that the US nonetheless "maintains a significant counter-narcotics assistance program in Bolivia and remains willing to work with Bolivia to improve its counter-narcotics results".

Mr Morales, a former coca farmer and union leader, expelled the US ambassador to La Paz in 2008 for alleged ties to groups plotting to overthrow his government, and Washington responded in kind for Bolivia's envoy.

That year, La Paz unilaterally shut down the Bolivian activities of the US Drug Enforcement Administration.

Detailed Report/Venezuela

The Ecuadorian Minister of Foreign Affairs, Ricardo Patiño, said on Thursday that they are awaiting a response from Venezuela to its proposal to establish a "trade agreement for development."

The South American diplomat said that Ecuador sent to Caracas a "draft agreement" and added that the two governments have held talks about the type of agreement they want to establish.

He said that the Venezuelan President Hugo Chávez is expected to visit Ecuador in March to discuss cooperation issues between the two countries. Details of the visit have not been yet finalized, Efe reported.

In January, Chávez suspended a visit to Ecuador for reasons of schedule.

Caracas, Venezuela -- President Hugo Chavez said Thursday that Venezuela should boycott the Organization of American States' human rights body, saying the panel wrongly accused his government of political repression.

Chavez took issue with a report issued this week by the Inter-American Commission on Human Rights, which cited widespread human rights violations in Venezuela. The socialist leader called the 300-page report "pure garbage" and described the commission's president, Santiago Canton, as "excrement."

"We should prepare to denounce the agreement in which Venezuela joined ... this terrible Inter-American Commission on Human Rights and leave it," Chavez said during a televised address.

His threat drew criticism from a local rights activist.

"This is very bad signal," said Liliana Ortega of the Cofavic rights group. "Hopefully, he'll reconsider this decision."

Local rights activists applauded the report issued by the rights committee, saying it sheds light on widespread rights abuses.

The report released Wednesday at OAS headquarters in Washington complains of a lack of independence for Venezuela's judiciary, the closing of news media outlets that are critical of the government, and political discrimination and repression under Chavez.

"We don't recognize the commission as an impartial institution," said Gabriela Ramirez, the Venezuelan government's top rights guarantor. Ramirez said the report incorrectly concludes that "the Venezuelan state threatens democracy and human rights."

The report condemned the procedures for appointing and removing judges, saying the regulations "lack the safeguards necessary to prevent other branches of government from undermining the Supreme Court's independence."

Government opponents have long complained that the Supreme Court - whose members are appointed by the predominantly pro-Chavez National Assembly - has been packed with the president's allies, giving him nearly unlimited power. Chavez denies holding sway over justices.

The OAS commission also called attention to an increase in sanctions against news media, singling out the case of Globovision, a television news network that is fiercely critical of Chavez.

Globovision has been repeatedly fined for allegedly violating broadcast regulations, and Chavez has threatened to shutter the network.

"It is of particular concern," the rights commission said, "that in several of these cases, the investigations and administrative procedures began after the highest authorities of the state called on public agencies to take action against Globovision and other media outlets that are independent and critical of the government."

The report strongly condemned what it called "a trend toward the use of criminal charges to punish people exercising their right to demonstrate or protest against government policies," adding that more than 2,200 people have been indicted on criminal charges stemming from their participation in protests in recent years.

Carlos Correa, a leader of the Venezuelan human rights group Espacio Publico, welcomed the report. "It makes the violations that are occurring in Venezuela more visible" and should attract the attention of the international community, he said.

The report carries more weight than statements from independent rights watchdogs, because it "comes from an institution made up of the hemisphere's own states," Correa added.

Caracas, Venezuela -- Venezuelan President Hugo Chavez said Thursday that he is willing to hold talks with his Colombian counterpart, Alvaro Uribe, on easing tensions between the South American neighbors.

Chavez said he wants to "turn the page" following a verbal altercation with Uribe during a summit of Latin American and Caribbean leaders this week in Mexico.

The socialist leader acknowledged he and Uribe traded insults during a summit dinner, though he did not give full details.

According to an official who was at the meeting, Uribe told Chavez to "be a man" and the Venezuelan leader told him to "go to hell." The official spoke on condition of anonymity because delegations agreed not to discuss the spat publicly.

Chavez claimed Thursday that Uribe was ready to attack him. "If there hadn't been a table separating us, I believe the Colombian president would have physically come after me," Chavez said.

Following the outburst, Latin American and Caribbean leaders belonging to the Group of Rio agreed to create a "Group of Friends," led by Dominican President Leonel Fernandez that will try to calm tensions between Caracas and Bogota.

"I'm willing, as I always have been, to meet with Colombia's president," Chavez said, noting that such talks would have to take place within "a framework of respect, decency and the values that each of us defends."

"We have the best intentions of re launching relations," Chavez added.

Uribe told Colombia's Radio Cordillera on Thursday that "we hope the mediation of the countries from the Group of Rio can be efficient."

Long-standing friction between the two nations has worsened this year 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. Colombia, meanwhile, alleges Chavez's government has allowed Colombian rebels to take refuge inside Venezuela.

Peter Hakim, president of the Washington-based Inter-American Dialogue, said he doubts Venezuela and Colombia will be able to completely smooth over tensions - even with help from international mediators such as Fernandez.

"I think it's going to be very hard to repair relations given the deep distrust between both sides," Hakim said in a telephone interview. "Chavez is so unpredictable, always shooting from the hip, and Uribe has some of those same characteristics."

Reduced trade between the two countries, however, could motivate the two leaders to work something out.

Colombia's exports to Venezuela reached \$6 billion in 2008, but dropped to \$4 billion last year after Chavez said that Venezuela would scale back commercial ties with its neighbor, according to an academic study released this week.

The findings of the study by the Universidad del Rosario in Bogota were based on statistics from the Colombian National Tax and Customs Agency.

"The economic cost of tension and conflict could make them back down," Hakim said.

Caracas, Venezuela (AP) -- Power failures have become a fact of life in Venezuela, but the energy problems have not affected the presidential palace - until now.

President Hugo Chavez was giving a televised address Thursday when the broadcast on state TV was suddenly interrupted. TV screens went fuzzy for a couple of seconds, then the channel switched to a spot urging Venezuelans to save electricity.

When the live broadcast resumed minutes later, Chavez said the interruption was caused by problems with a power generator.

Chavez blames energy shortages on a drought and low water levels at the Guri Dam, which supplies about 70 percent of Venezuela's electricity. Critics argue Chavez has failed to invest enough in electricity production.

Unemployment stood at 10.2 percent at the end of January, Minister Giordani reported. Jorge Giordani, the Venezuelan Minister of Planning and Finances, considers that investments made by the government to alleviate the electricity crisis will offset the negative effects of energy rationing in the productive sector.

Therefore, the Venezuelan top official said that the growth goal for 2010 remains unchanged at 0.5 percent, as initially estimated.

"We are going to add 4,000 megawatts. This had not been done in 10 years, admitted the Minister of Finance.

Although the productive sectors, especially industries, have already alerted about low production levels due to power cuts, Giordani acknowledged that he expects negative results in the first quarter, but lower than the decrease reported in the same period last year.

"The oil economy had a strong negative result in 2009 compared to 2008, but this period the fall will be less serious," Giordani said.

In order to boost economic growth in the non-oil sector, the Planning Minister said that the government is making all "every possible effort to prop up the industrial and construction sectors," which is among the activities that generate more jobs.

With regard to the labor market, Giordani reported that the unemployment rate in January averaged 10.2 percent, a 0.7 percent increase compared to the jobless rate (9.5 percent) a year ago.

Unemployment traditionally increases in the first month of the year compared to December, since there is a seasonal rise of temporary jobs during the holiday season, particularly in the trade sector. The jobless rate in December 2009 was 6.6 percent, for a total of 875,148 unemployed people.

Unemployment has increased steadily throughout the country since April 2009, due falling oil revenues, which in turn has led to a decline in production and domestic aggregate demand.

In fact, in 2009 the economy ended in the red. According to the Central Bank of Venezuela (BCV), the Gross Domestic Product (GDP) fell by 2.9 percent last year.

The economic outlook will change this year. The energy rationing implemented by Hugo Chávez's administration to prevent a collapse of power supply, due to the low water levels in Guri Dam, has affected production in Venezuelan industries. This week, several members of Venezuela's private business association, the Federation of Trade and Industry Chambers (Fedecámaras), said that industrial production has decreased by 25 percent in the state of Carabobo (one of the most important industrial states in the country). They said that domestic industrial production may decline 40 percent.

The United States is "open" to have engagement on a higher level with Venezuela, but President Hugo Chávez should play a more "constructive role" in the region, said on Thursday US Department of State spokesman Philip J. Crowley.

"If President Chavez is seeking to have engagement on a higher level, I think we are open to that in theory, but it has to be grounded in a willingness of both countries to play a constructive role in the region," said the Assistant Secretary, Bureau of Public Affairs, as reported by DPA.

"(But if Chavez wants to have dialogue on a higher level), then the first thing he should do is look in the mirror and see if Venezuela can play a more constructive role in the region, and in doing so, then have a basis upon which that dialogue can be grounded," Crowley added.

"We are open to the prospect of engagement with any country, but there has to be a willingness to engage constructively on both sides," the US Department of State spokesman asserted.

Colombia's President Alvaro Uribe Vélez has remained cautious about a proposal made by his Venezuelan counterpart Hugo Chávez, who has urged Uribe to hold talks in order to improve bilateral relations.

Uribe only said that the relations with his neighboring countries have an influence in the mood of Colombians. "If relations with neighboring countries improve, people are happy while if there is a setback in relations, people become sad and worried," Colombian media said.

Relations between Colombia and Venezuela remain affected because President Hugo Chávez decided to freeze relations in protest against the deployment of US military bases in the neighboring country.

The Ecuadorian government is able and ready to sell up to 1,000 MW/h daily to mitigate the electric power crisis undergone in Venezuela, in the event of a formal request, said on Friday a high-ranking official.

The electric power transmission from Ecuador to Venezuela could pass through Colombia. The Colombian government has clashed with Caracas due to ideological disagreements, resulting in a

diplomatic crisis. However, Colombia has voiced its willingness to cooperate in view of the electricity crisis in Venezuela, Reuters reported.

"We have the possibility of selling between 750 MW and 1,000 MW (...) but this is a possibility," Ecuadorian Minister of Electricity and Renewable Energy Miguel Calahorrano told Reuters, but clarified that no formal request has been received from Venezuela.

Venezuelan President Hugo Chavez said on Sunday that his country was ready to help Chile which was hit Saturday morning by a magnitude-8.8 earthquake.

"Venezuela is at Chile's order in this tragic situation and put to its disposition of all the human and material means we have, which could be used to save human lives and repair the damages caused by this terrible earthquake," Chavez said Sunday.

On Saturday, Chavez said in a statement issued by the Venezuelan Foreign Minister that "Venezuela's heart is with Chilean people."

A 8.8-magnitude tremor rocked Chile at Saturday morning, razing homes and hospitals, and triggering a tsunami.

On Sunday, Chilean President Michelle Bachelet said the earthquake's death toll rose to 708.

Unlike Haiti which was also struck by a quake recently, Chile said it can handle the relief efforts for the moment and hasn't asked for any external help.

Judge Eloy Velasco charged six members of Basque separatist group Eta and seven members of Colombian rebel group Farc with various offences. He said he believed Farc had asked for Eta's help in a plot to kill Colombian officials in Spain, including Mr. Uribe.

He said the two groups benefited from "Venezuelan government co-operation".

In a 26-page indictment Mr Velasco said an investigation launched in 2008 has turned up evidence "that demonstrates Venezuelan governmental co-operation in the illicit collaboration between Farc and Eta".

Both groups are listed as terrorist organizations by the US and EU.

Bomb courses

The judge said Eta and Farc had been collaborating since 1993, and accused Arturo Cubillas Fontan of being a key link.

Mr Fontan lives in Venezuela and has held a job in the government of President Hugo Chavez - and may still have one - the judge wrote.

He is also a key member of Eta, running its operations in Venezuela and the region, Mr Velasco's indictment said.

It said Mr Fontan "co-ordinated relations between Farc and Eta and the participation of Eta members in courses on explosives and urban guerrilla warfare".

The judge charged Mr Fontan, along with two Farc members, Edgar Gustavo Navarro Morales and Victor Ramon Vargas Salazar, with conspiracy to commit terrorist murders.

His investigation found that Farc members travelled to Spain to try to kill former Colombian President Andres Pastrana and to stage an attack on the Colombian embassy.

A Farc member reported that "it would not be difficult to carry out an attack on those two targets as long as they could count on the help of Eta", the indictment said.

Later the target list was allegedly expanded to include Mr Uribe and other Colombian officials.

Left-wing ideology

The investigation was launched after links to Spain came to light when a computer used by Farc leader Raul Reyes was seized during a Colombian military raid on a Farc camp in Ecuador in March 2008.

Both Eta and Farc claim to be rooted in left-wing ideology.

Eta has been blamed for more than 820 deaths during its 41-year campaign for an independent Basque homeland in northern Spain.

Farc has been fighting even longer, mounting a major insurgency intended to topple the Colombian government and establish a Marxist-style state.

There have long been allegations of links between Farc and President Hugo Chavez's left-wing government in Venezuela.

In 2008 a major diplomatic dispute arose after Colombia accused Venezuela of running arms to Farc. Mr Chavez has strenuously denied any such links.

Madrid – Venezuela has pledged to cooperate with a Spanish court that accuses the South American nation's government of collaborating with Basque separatist militants and Colombian rebels, the Spanish foreign minister said Tuesday.

Minister Miguel Angel Moratinos said he spoke with Venezuelan President Hugo Chavez and Foreign Minister Nicolas Maduro on Monday and that both denied the allegations and promised to investigate.

"They committed themselves to cooperate with Spanish authorities to fully clear up this matter," Moratinos told reporters during a visit to Yerevan, Armenia.

On Monday, Spanish Judge Eloy Velasco indicted six members of the Basque group ETA, most of them exiled in Latin America, and seven members of the Colombian rebel group FARC for a variety of alleged crimes, including plotting to kill former Colombian President Andres Pastrana and the current president, Alvaro Uribe.

Velasco said a Spanish probe begun in 2008 turned up evidence of "Venezuelan governmental cooperation" in the collaboration between the two groups.

A Spanish Foreign Ministry official told The Associated Press that Spain would now wait for Venezuela to answer a court request for more information to clear up the matter. He said allegations of collaboration between ETA and the FARC were not new, but the idea that Venezuela's government might be involved was.

In Caracas, Chavez called the judge's allegations part of a campaign by the United States to smear Venezuela's socialist government while undermining Latin America's efforts toward regional integration.

"I have no doubt this is orchestrated," Chavez said during a televised speech.

Chavez did not directly address the judge's accusations, nor did he explain why Spain would be doing Washington's bidding.

ETA has been waging a violent campaign since the late 1960s to create an independent Basque homeland in northern Spain and southwestern France. The FARC, or Revolutionary Armed Forces of Colombia, have been battling since 1964 to topple successive Colombian governments and establish a Marxist-style state.

Both are classified as terrorist organizations by the European Union and the United States.

Velasco identified suspected ETA member Arturo Cubillas Fontan as a key figure in links between ETA and the FARC. The man lives in Venezuela, has held a job in the Chavez government and may still have one, the judge wrote.

Velasco said ETA and the FARC have been collaborating since 1993.

ETA members have received training or taught in FARC rebel camps, and FARC members traveled to Spain to try to kill former Colombian President Andres Pastrana and the current president, Alvaro Uribe, with help from ETA, Velasco wrote.

The probe is based largely on e-mails that were in a computer used by a FARC leader named Raul Reyes, who died in a Colombian military raid on a FARC camp in Ecuador in March 2008. Speaking from Colombia on Tuesday, Pastrana told Spain's COPE radio the matter demanded "a clear and concise answer from President Chavez's government about what happened in Venezuela with these men who have been accused by the Spanish judge."

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