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Usman Choudry

Argentina

Headlines

Geo-strategic News

- Argentinean investors keen to participate in Pakistan's Privatization Program: Envoy
- Former Argentine ambassador denounces bribes in business with Venezuela
- Argentine Senator ratifies bribery in trade with Venezuela
- Pulp mill pickets present a headache for Argentina's government
- Greek embassy attacked by anarchists in Argentina

Brazil

Geo-strategic News

- Lula to visit Iran to boost agreement on nuclear issue
- Brazil, Iran to discuss nuclear program
- Problem is weak dollar, not yuan - Brazil
- Brazil, Caribbean countries to strengthen co-op in economy
- Brazilian president calls for FTA between Mercosur, CARICOM
- Brazil Calls for Peaceful Solution to Iran's Civilian Nuclear Program
- Ahmadinejad Says Brazil and Iran Should Work Together for a More Just World
- Brazil Ready to Help Resolve Iran Nuclear Issue: Brazilian FM
- Brazil and Turkey 'shining stars' in the world, says Turkish defense minister

- Chávez arrives in Brazil for quarterly meeting with Lula

Social/Political News

- Indigenous groups sent to occupy Amazon dam site: chief
- Brazilian premier defends controversial dam plans
- Brazil Needs New Ministry to Fight Crime - Candidate

Environmental News

- BASIC group wants global deal on climate change by 2011

Chile

Geo-strategic News

- Chile eyes Japan quake tech exchange

Social News

- Business Tax Hike - Short-term or Permanent?
- Chilean bishops in meeting over abuse

Mexico

Geo-strategic News

- U.S. diplomat calls for greater U.S.-Mexico economic integration
- Ottawa warns Canadians against travel to Mexico
- Mexico criticizes harsh new immigration law in US state

Social News

- 4 Killed, Minister Hurt In Ambush
- Mexico to launch energy saving program

Political News

- Mexico warns citizens about travel to Arizona following new state immigration law
- Mexican Army Frees 16 Hostages Held By Drug Traffickers

Venezuela

Geo-strategic News

- Uribe rejects exhibition of FARC leader's bust in Venezuela
- Venezuela to pay Chinese loan with crude, trade
- Colombian official: trade with Venezuela can be resumed under Chávez
- Message from President al-Assad to President Chavez on Enhancing Bilateral Relations
- Chavez: Venezuela wants better ties with Bogota
- Colombia accuses Venezuela's Chavez of meddling in presidential election campaign
- Chavez denies Iranian elite forces in Venezuela
- USA looking for excuse to invade: Chavez
- Pentagon report on presence of Iran's Revolutionary Guard in Venezuela denied
- Russian Ambassador denies arms deal with Venezuela
- Lula says purchase of oil will balance Brazilian trade with Venezuela
- Chavez, Lula hail bilateral relations

Political News

- Chavez dismisses 'Cubanization' accusations
- Chavez dismisses former general's warnings about Cuban presence in Venezuela's military
- Venezuela raids cocaine labs on Colombia border
- Venezuela May Nationalize Gold Mining Concessions, Chavez Says
- War possible if Colombia's Santos wins election: Chavez
- Chavez says he does not know when he will hand over power
- Oil-rich Venezuela gripped by economic crisis

Social News

- Chavez to Join Obama, Castro in Adding Twitter to Media Arsenal
- Hugo Chavez gets 34,000 followers after a single tweet

Report Summary/Argentina

Geo-strategic Issues

Argentinean envoy visited Islamabad and urged to boost cooperation in trade between both countries. He said Argentina wants to increase trade with Pakistan on bilateral bases. He said Argentinean investors are ready to invest in industrial sectors of Pakistan and other than this Argentina will help in the field of biotechnology so the Pakistani investors should also invest in Argentina. The Federal Minister for Privatization Senator Waqar Ahmed Khan told him that Argentina has an opportunity to invest in Pakistan's private sector.

A senator of Argentina from opposition told media that a numbers of Argentinean business men were asked to pay bribe to the Argentinean officials to export their stuff to Venezuela. He said already a diplomat has told that he was offered bribes many times from the business men of Venezuela to export their stuff. He also said that the current president Cristina de Kirchner is the queen of corruption.

Several of anarchists did a violent attack on the Greece embassy in Buenos Aires for the restoration of an Argentinean activist. They were calling to the people for the protest on internet to gather before the Greece embassy and at last they gathered and did an attack with sticks and some paint bombs. In that fight two security personnel were injured and some anarchists were arrested but the Greece embassy has not showed any response yet.

Report Summary/Brazil

Geo-strategic Issues

President Lula said he is going to Iran in May to attend G 15 summit and he will meet his Iranian counterpart to discuss with him on the nuclear issue. Lula is trying to play a role as a mediator between IAEA and Iran and he is strictly opposing to impose sanctions on Iran but on the other hand western powers lead by USA are strictly favoring to impose sanctions on Iran to get a solution or ban. President Lula has recently sent his foreign minister Celso Amorim to visit Iran to talk on Iran's nuclear issue and then he will go to Turkey and Russia later. President Lula supports Iran's nuclear program if that is for peaceful purposes as to create electricity or other power projects.

Brazilian foreign minister held a press conference in Tehran with his Iranian counterpart and told that Brazil wants a peaceful solution of Iranian nuclear program rather than sanctions on it. Four members of United Nations Security Council as US, England, France and Russia are favoring to impose sanctions on Iran while China is not seems so much enthusiastic towards sanctions. Iranian president Nijad has also said that Brazil and Iran should form a new world order. He also said that his nuclear program is to create energy and nuclear medicine etc.

Brazil and Caribbean countries gathered in a Brail-CARICOM summit and pledged to cooperate further in international political issues and economic issues as well. The heads of 14 Caribbean countries were there with the president of Brazil and they urged to increase historical and cultural relations as well. Other than this the summit emphasized on UN reform and Brazil's allowance to some Caribbean countries as visa free for them.

Brazil-CARICOM conference was held in a hall of Brazilian foreign ministry's office. The president of Brazil said that this conference is rewriting the history of Latin America. He also said that there is a need of free trade between Mercosur and Caribbean countries whether it is by air route or by sea route. Venezuelan president Chavez also came to Brazil and met his Brazilian counterpart. Both of the presidents discussed some important things related to bilateral, social, geopolitical and commercial issues.

Turkish defense minister visited Brazil and met his Brazilian counterpart there. He said Turkey and Brazil has very good and old relations with each other. He said 100,000 of Turkish migrated to Brazil in early 1900s which are a bridge between Brazil and Turkish relations. He also said both countries should boost their relations in the fields of mutual interest as both countries are the member of United Nations Security Council and have similar stance on various international issues.

Social Issues

Amazon dam in Brazil has become a really great challenge for the Lula's administration in present. President Lula was very committed to build the third largest dam in the world after China's and Ituapo dam in Brazil near Paraguay. But the locals of that area has started gathered at the dam place and said we will be 500 people very soon and then 1,000 to stay at the dam place so that the government could not start building this dam. Locals area fearing that the new dam will caused flood which will destroy their fields. Greenpeace also has warned Lula administration that 193 miles of area would be at risk every time. This project was freeze from last two decades but the Lula administration was hopeful to build it to generate more energy as more energy would be needed in future because Brazil is going to host two major events of the world that are FIFA world cup in 2014 and Olympic Games 2016.

Political Issues

The finance minister said after the G 20 conference that we are facing economic problems because we are trading in weak currency. We should review our policies and start trading in most valid currencies rather than weak currencies as dollar. He said China's policy to keep yuan behind is its defensive policy otherwise it is more stable currency than dollar.

The opposition presidential candidate Mr. Serra told in a live TV show that he will organize a ministry to fight crimes. He said veteran police officers would be helpful in this regard and he will do his efforts to counter criminal organizations. He also said as Brazil has to ensure a peaceful country as it is going to hold two international events in near future that are FIFA 2014 and International Olympic Games 2016.

Environmental Issues

BASIC countries gathered on a forum of climate change in India in January 2010 and discussed the climate change issue and to limit it. They said they are legally binding a global agreement which asked countries to follow that for keeping the environment clean and finally US has to finalize that by discussing in its legislation. Member countries of BASIC group are hopeful that the agreement will be finalized and implemented this year.

Report Summary/Chile

Geo-strategic Issues

The foreign minister of Chile said that the Chilean nation intends to get a technological exchange with Japan. He said Chilean people want to get the alarming system of earthquake so that they could be secure before earthquake. Japan has a successful earthquake alarming security system which alarms before earthquake.

Social Issues

Chile's right wing president Pinera is willing to increase taxes in Chile temporary for the reconstruction of infrastructure of Chile which was devastating after a massive earthquake in February but the opposition from the center-left party is willing to increase this tax permanently. Now the bill is going to be discussed in the congress of Chile and hopefully it will be pass as the president is having favor of opposition party. Government is imposing taxes on some private businesses, tobacco and mining but the tax on tobacco will be permanent.

Chile's leader of Catholic Church met with the president of Chile and discussed on the growing rate of sexual abuses with the children in Chile. Recently five cases have become before the screen in which priests are involve having sex with children in Church and last month a case came before from Belgium. He also apologized from the family of the victims. Chile is one of the most staunchly Catholic Countries in Latin America as the abortion is strictly illegal there yet.

Report Summary/Mexico

Geo-strategic Issues

The US ambassador to Mexico told in a conference in Mexico that by increasing more jobs for the local people of the country and by increasing more security for the people the mutual relations could be stronger. He also said that the mutual relations could be more stronger to increase economic relations and by more investment in the country. The ambassador said a lot of

other things are here on which both countries could work except than economic field as in the field of energy and solar energy.

The government of Canada has warned its citizens to visit Mexico's northern city of Ciudad Juarez but they just can do if it is very necessary. Ciudad Juarez has become the most violent city where the drug cartels are targeting the US citizens as three persons have been killed in this month so after that killings the Canadian government has also warned its citizens to travel to Mexico. FBI and Drug Enforcement Agency is trying to investigate the murder of three American consulate officials who were killed last month when they were coming from a child's birthday party.

Mexican government has also warned to its citizens to travel to Arizona but they can if they have immigration documents. After passing the new law the Mexicans cannot travel without immigration documents which are considered as humiliation by the Mexicans. The president of United States Barak Obama has also said that this is very strict law which should be as it is. He also said that it is not good with Hispanics. The governor of California said that this is the duty of federal government to make immigration laws.

Political/Social Issues

One of the public security minister of Michoacan state was attacked when she was coming from a party in the state. The minister was wounded severely with some other people and four people were killed in the entourage of the minister. Later the gunmen escaped from the place and it is said that the gunmen were using the high-caliber weapons. It is blamed that they are bringing these high-caliber weapons from the US where they are sailing their drugs. That is why the US senators have talk about adjusting a fence on the Mexican-US border and now the government of Arizona State has passed very strict immigration laws which are criticized by the Mexican government.

The defense ministry of Mexico has told media that the Mexican army has freed 16 hostages from the occupation of drug traffickers. Some women and children were also among that 16 hostages in the northern city of Mexico. The ministry told that other than this the army has also seized 30 weapons and marijuana in a huge quantity during the raid.

The energy minister of Mexico told that the government of Mexico is going to launch a pilot program for the people of Mexico to reduce the energy reduction in Mexico City as the government of Mexico is facing the shortage of electricity. She said that the government is going to define the clear time in which Mexicans could use washing machines and other heavy machines which are consuming more electricity. She also said that the country has also pledged to reduce the greenhouse gas emission in this year as the target is being achieved in 2012. Mexico is going to host next United Nations Climate Change Conference in this year.

Report Summary/Venezuela

Geo-strategic Issues

The Colombian president Uribe said that the bust of a FARC leader from the Venezuelan border shows our struggle to counter the terrorist groups in the country. On the other hand the

president of Venezuela said that the army raided on the border of Colombia where the drug dealers were hiding themselves to smuggle drugs to Europe and America. He said during the raid the army has grabbed 60 tons of cocaine and other drug material but the drug dealers ran away from there. Due to the border dispute the relations between both Colombia and Venezuela were blocked and even the trade was blocked. Now the trade minister of Colombia has also stated that he trade can be continue under the rule of Chavez also.

Chavez has also said that he would be happy to have friendly relations with Bogota as it were before. He said the good relationship does not depend on the struggle from one side but it depends that if the both countries show flexibility from their side. He said the president Uribe has to leave on this 30th of May as he is completing his tenure so we expect from the next president that he will be friendly towards Venezuela.

The president Chavez said that there could be war between Colombia and Venezuela if Santos become as president on the 30th May's elections in Colombia. Santos has been former defense minister of Colombia who was very aggressive towards Venezuela. He was going to throw the bombs on Venezuela. Ecuador and Venezuela had condemned him. Santos again said that he feels pride of saving the sovereignty of Colombians even with having bombing issues. The president Uribe criticizes Chavez and said he is trying to meddling in the elections of Colombia. He said it is the insult of Colombians because it depends on the people they could bring whosoever they want to see as president and Santos in the most favorite leader of Colombia.

One of the former army officers of Venezuela has blamed on Chavez government that it is getting too close to the army of Cuba and even the Cuban army is running Venezuelan army's projects which are not good. He was saying this before a Venezuela's private TV channel Globovision and he also told that since he has told this the intelligence personnel are taking the pictures of his house and are found around his house. He was fearful that the government of Chavez could be harmful for him or his family. But on the other hand the president Chavez said that he is not doing anything like Cubanization of Venezuela but the Cuban army officers are training Venezuelan army officers as in the field of tank's radio system and others. He already calls Cuban president Fidel Castro as his mentor.

President Hugo Chaves said that there is no Iranian army in his country as United States is blaming oh his country. He responded this statement when he received a statement from the US government that Venezuelan government is increasing the numbers of Iranian Revolutionary Forces (Qudos) in its country and some other countries of Latin America are also increasing the numbers of Iranian forces in their countries. Chavez said US has been bother to say this because of increasing relations of Brazil and Venezuela with Iran. Also United States is making some excuses to attack on Venezuela but US officials refused this that it does not have any plan to attack on Venezuela.

The president of Russia denied that Russia and Venezuela did not sign any agreement regarding weapon deal worth \$5 billion. Also Russian ambassador to Venezuela denied of this deal. The Russian president said both countries just signed an agreement to cooperation in the field of oil, construction and transportation and the Venezuelan media is exaggerating the issue.

The energy minister of Venezuela said that Venezuela is going to pay Chinese \$20 billion debt by exporting 100,000 barrels of oil per day. Venezuela is already exporting 420,000 barrels of oil to China per day. The president Chavez said most probably the amount will come in dollars or in Chinese yuan but Venezuela and some other countries are trying to run trade in another currency than Chinese yuan. Chavez said the \$20 billion will be used in making of country's infrastructure and other development plans.

On the occasion of Venezuelan president's visit to Brazil he held a conference and Brazilian president told that oil purchase of Brazil from Venezuela will balance the trade between Brazil and Venezuela. He also said that this will not just balance the trade between both countries but also it will improve strategic cooperation between both countries. Both countries have also signed 15 agreements in the field of industry, agriculture, urban development, banking services globalization and border integration. Brazil is also ready to provide electricity to Venezuela and the Venezuelan president praised Lula to refuse the subordination of United States. The two leaders also stressed the importance of South American Nations Union (UNASUR) and welcomed Venezuela's upcoming entry into Mercosur as a full member.

Political Issues

President Hugo Chavez threatened to nationalize the gold mining concessions and said that the capitalist mafia (national and multinational companies) are destroying the environment and exploiting the workers. He said the gold mine companies are exploiting the workers so we have to nationalize the company. He has already nationalized the country's oil, cement and some other industries.

Social Issues

Chavez said he is going to open an account on twitter and he said I am sure I would have a lot of followers on that. Almost two months ago Chavez banned twitter and facebook because he said his enemies are spreading the false news on that and propagating against the Venezuelan government. Also false news regarding the death of a Venezuelan minister was published by someone few days ago. He said I will open an account to face my enemies by cyber technology.

President Hugo Chavez got thousands of tweets on his one single tweet on Twitter. He used Twitter first time and said hello to the people and also he said we will win. Venezuelan constitution was allowing to be elect for two times but after the amendment of Chavez's allies now elections can be for unlimited times. Venezuela is going to held elections in 2012 but Chavez did not mentioned any name who is going to take his place as he said I shall see who is eligible. Almost 12,000 became the followers and 34,000 responded on the tweet of president. Many of them welcomed him and also many criticized him as they said we have no water and electricity.

It is said that Venezuela has stuck in economic crisis and could not recover despite one of the world's top five oil producers and among the largest crude oil exporters to the United States. Despite oil producing country, the country has stuck in many social problems and one of the most important is the shortage of electricity. Venezuela's labors are complaining that they cannot work for full time due to the shortage of electricity and due to it they earn less money which is not sufficient for them. A former Venezuela's Central Bank employee and current teacher in

Caracas University told that the country has been paralyzed due to the government policies in spite of having world's largest oil reserves. IMF reported that the economy of Venezuela will shrink in this year till 2 percent as it was also shrank 3.3 percent. The World Bank's chief economist said the reason Venezuela is contracting because the private activity is contracting.

Venezuela calls water shortage as a natural but the energy experts say that the reason is that in spite of getting grant of billions of dollars Venezuela remain unsuccessful to upgrade its hydro electric dams. As a professor of energy policy from Metropolitan University Caracas told if you do not upgrade your hydro electric system, your infrastructure and your electrical generation then it means you are going to collapse. Chavez has also asked for help from its best ally in the region Cuba but Cuba has already been remain in darkness due to shortage of electricity. Now in a recent visit of Chavez to Brazil may become useful in this regard as both Brazil and Venezuela has also signed to cooperate in the field of electricity supply to Venezuela.

Detailed Report/Argentina

Argentinean investors keen to participate in Pakistan's Privatization Program: Envoy

Islamabad, Apr 23 (APP): Argentinean investors were keen to participate in the Privatization Program of Pakistan in industrial Estates and biotechnology sectors. This was stated by the Argentine Republic Envoy to Pakistan, Rodolfo J. Martin Saravia who called on the Federal Minister for Privatization Senator Waqar Ahmed Khan here.

Rodolfo J. Martin Saravia informed the Minister that there was a vast scope for Pakistani business groups to invest in Argentina, which needed to be explored on bilateral basis through exchange of delegations of both the countries, he added.

He informed that on the completion of 100 years of their country on May 25, 2010, they are donating 1/3 of the Argentinean Park Land in G-6 for extension of Government Services Polyclinic Hospital for adding 1200 beds in a ceremony being participated by Argentinean Foreign Minister.

The Park land was donated to Argentina by the then Prime Minister Shaheed Zulfikar Ali Bhutto.

Senator Waqar Ahmed Khan assured full support to the envoy regarding the promotion of economic activity by the private sectors of two countries and briefed him about the mode of Public Private Partnership (PPP) being undertaken to associate the private sector for the value addition of the Public Sector Entities.

The exchange of delegations of business groups of the both the countries would be very much beneficial in terms of experience, ideas and to identify the sectors for further interaction, he said.

Former Argentine ambassador denounces bribes in business with Venezuela

Eduardo Sadous, a former Argentine Ambassador in Venezuela, denounced in a court that Argentine businessmen who wanted to do business with Venezuela were supposed to pay a 20 percent bribe, reported on Friday local media.

The diplomat complained that a group of Argentine businessmen told him that they were asked for "commissions" to facilitate their business in the context of the agreements signed between former President Néstor Kirchner (2003-2007) and the Venezuelan Head of State, Hugo Chávez, Reuters reported.

In a statement before a court, Sadous said that businessmen had to pay a 15 to 20 percent bribe to officials of the Argentine Ministry of Planning.

The Argentine Minister of Planning, Julio de Vido, said that the accusations were "infamous."

Argentine Senator ratifies bribery in trade with Venezuela

Argentine opposition Senator Luis Juez endorsed claims that Argentinean officials were asked to pay bribes in order to export goods to Venezuela, and described President Cristina Fernández de Kirchner as the "corruption queen."

"When I visited the province of Córdoba, vendors of agricultural equipment commented and regretted that when they sold products and made business with Venezuela they had to make some arrangements with a business office formed by officials and attached to Minister of Planning Julio De Vido and members of the Venezuelan Ministry of Foreign Affairs," Juez told private TV news channel TN, as reported by DPA.

Juez was referring to the complaint made by ex Argentinean Ambassador to Venezuela Eduardo Sadous, who stated that during his tenure as ambassador a number of Argentine businessmen told him that they were asked to pay bribes to do business with Caracas, under former President Néstor Kirchner (2003-2007).

Pulp mill pickets present a headache for Argentina's government

Buenos Aires, April 26 (UPI) -- Protesters against Uruguay's pulp mill on the border are now well and truly out of government control, despite a World Court ruling, even though their campaign was begun at the bidding of President Cristina Fernandez de Kirchner.

The World Court's ruling April 20 faulted Uruguay for failing to consult with Argentina before building the eucalyptus pulp mill with Finnish help, but rejected Buenos Aires' demand for relocating the plant away from the river on the Uruguay-Argentina border.

The judgment was celebrated as a victory for both sides -- perhaps too soon. Protesting pickets blockading a bridge that links the countries refused to accept a summary end to their cause and vowed to carry on.

Pickets have blocked access on the bridge since 2006, when the pulp mill opened, forcing travelers between the two countries to use boats instead.

Argentine government appeals to the protesters last week went unheeded. Ignoring the court's ruling the plant doesn't pollute the river, campaigners said they won't withdraw until the plant is moved.

Argentine environmentalists backed the pickets, to the dismay of outside observers who hoped the court's ruling that no pollution was taking place would calm the protesters.

Instead, the weekend protests turned out to be larger than expected and activists carrying Argentine and Uruguayan flags thronged at the bridge.

The protesters offered prayers and chanted Argentine and Uruguayan national anthems -- a further indication that early resumption of trade and traffic between the border cities of Gualeguaychu in Argentina and Fray Bentos in Uruguay was still a distant possibility.

Argentine activist and Assembly member Jose Pouler repeated demands for the plant's closure and relocation to ensure a healthy environment for local residents.

He called Uruguay's armed guard on its side of the bridge a provocation.

This week Uruguayan President Jose Mujica will visit Buenos Aires again for talks with Fernandez to help defuse the situation.

Argentina wants joint monitoring of the pulp mill's activities and their impact on the river water and air quality.

Last year's election of Mujica, a former left-wing guerrilla fighter, and his conciliatory approach to the problem diluted a belligerent campaign that had won Fernandez popular support and fanned anti-Uruguay sentiment.

But Argentina went ahead with the International Court hearing, despite signs that Mujica's inauguration in March as president had turned international opinion in Uruguay's favor. Independent assessments contradicting Argentina's claim that the mill was polluting the river also led to critics calling on Fernandez to drop the case and opt instead for direct talks.

After the ruling Fernandez scaled down the rhetoric, vowing to resolve the dispute through negotiations. Asked about the court judgment Mujica told the media, "The only words are silence and there's much work ahead."

Analysts said Argentina will need to try a series of face-saving gestures and work with Mujica to persuade the protesters to leave the bridge.

Uruguayan government officials said they hoped the episode could be put aside and closer collaboration with Argentina could resume.

Greek embassy attacked by anarchists in Argentina

Buenos Aires, Argentina - Dozens of Argentine anarchists have attacked Greece's embassy with sticks, Molotov cocktails and paint bombs to demand the freedom of an imprisoned activist.

Five suspected attackers are under arrest following Tuesday night's clash. Two security guards are injured.

The anarchists were answering calls on the Internet for demonstrations against Greek embassies worldwide ahead of Wednesday's appellate court hearing in the case of Yiannis Dimitrakis, an anarchist convicted of participating in a bank robbery in Athens.

The embassy in Buenos Aires had no immediate comment Wednesday.

Detailed Report/Brazil

Indigenous groups sent to occupy Amazon dam site: chief

Indigenous activists threatened a clash with Brazil's government as they dispatched boats carrying 150 men to occupy the planned site of a controversial hydro-electric dam in the Amazon, a chief said.

Environmentalists, indigenous groups and local residents lost a protracted court battle to halt the bidding process for the giant Belo Monte dam, projected to be the world's third-largest.

Brazil awarded the tender Tuesday to Norte Energia, a consortium led by a subsidiary of state electricity company Eletrobras, which will hold a 49.98-percent stake in the project.

"Boats are in the process of leaving and we hope to occupy the territory tomorrow (Thursday). We will build a permanent village there and will not leave so long as the project is on," chief Luiz Xipaya told AFP.

"The indigenous people feel threatened by this project and are very agitated," said Xipaya, who presides over a council of elders.

Around 150 Brazilian Indians will initially set up camp at the dam site, but Xipaya warned that "we would like to number 500 by the end of the month and ask for reinforcements.... Our goal is to place 1,000 Indians there."

Greenpeace estimates that 500 square kilometers (193 square miles) of Amazon rainforest will be flooded and says the dam's construction will also divert a stretch of the Xingu River into an area that is home to up to 30,000 families.

The activist group led a demonstration Tuesday outside the gates of electric energy agency Aneel in Brasilia to protest the award of the tender, while the Amazon Watch organization said thousands of people demonstrated in nine Brazilian cities against the plans.

The dam has some heavyweight opponents with "Avatar" director James Cameron and star Sigourney Weaver giving their backing and drawing parallels with the natives-versus-exploiters storyline of the blockbuster Hollywood movie.

The regional justice ministry in the state of Para tried to stall tenders for the 11-billion-dollar-plus Belo Monte project, calling the dam "an affront to environmental laws."

It said too many questions remained over how the massive project would affect flora and fauna in the region and what would become of the families who would have to be relocated.

Brazil's government had been pushing the massive project for more than 20 years.

The government of President Luiz Inacio Lula da Silva remained determined to push through the dam, calling it essential to its plans to boost energy production nearly three-fold over the next two decades in Brazil, Latin America's biggest economy.

Authorities would be hard-pressed to get the new dam system up and running before two major global events looming in Brazil's future: the 2014 World Cup football tournament followed by the 2016 Olympic Games.

Opponents said they were standing firm.

"We will not get discouraged. We will continue to demonstrate and indigenous communities will occupy the area," Renata Pinheiro of the Xingu Vivo movement, which brings together residents, local groups and environmentalists, told AFP.

For construction costs of 11.2 billion US dollars, Belo Monte is expected to be able to produce 11,000 megawatts, which could supply 20 million homes with power.

The dam would be the third-largest after China's Three Gorges facility, which produces 18,000 megawatts, and Brazil's Itaipu dam (14,000 MW) in the south on the border with Paraguay.

Belo Monte has been defended by some locals who hope to benefit from the estimated 18,000 direct jobs and 80,000 indirect jobs that the government says the project will create.

Hydro-electric power accounts for 73 percent of the energy produced by Brazil.

But its energy grid is fragile, as evidenced by a massive blackout last November which left more than a third of Brazil's 190 million people without power for several hours.

The power failure was seen as an embarrassment for Lula's administration and led to questions about Brazil's energy stability for the 2016 Olympics to be hosted by Rio de Janeiro.

Brazilian premier defends controversial dam plans

Brazilian President Luiz Inacio Lula da Silva has thrown his weight behind a controversial dam project which has drawn fierce opposition for threatening Amazon tribes and wildlife.

Lula said on Thursday the Belo Monte hydroelectric project was necessary to lift Brazil's energy output in the 21st century.

He also said 1.9 billion dollars of the 11.2-billion-dollar cost of the dam was going to allay the environmental impact and to help indigenous communities and other locals who will be displaced when a swath of the Amazon is flooded.

Environmentalists and Amazon Indian tribes have decried what they say will be massive destruction of Brazilian fauna and flora in the area.

However tribal protesters said Thursday that they will postpone plans to build a village on the projected dam site to stop construction, as they had threatened, and will instead meet with officials from the government electricity consortium and other Indian leaders.

Xikrin tribe members, who were heading out on boats to begin the protest occupation, instead first stopped in the town of Altamira "to talk directly" with representatives of the local state power company, chief Luiz Xipaya told AFP.

The protest occupation will depend on the results of Altamira talks, Xipaya said.

In his press conference, Lula said he was unconcerned by reports that some foreign companies could back out of the project, saying that state enterprises could pick up the slack.

"A country that wants to be the fifth-biggest economy on the planet within the next decade... needs to think five years ahead, and that is why we are doing this," Lula told reporters.

Lula also said that there are two other Amazon-region hydroelectric dams already being built, and that yet another one could be announced soon.

The dam would be the third-largest in the world after China's Three Gorges facility and Brazil's Itaipu dam in the south on the border with Paraguay.

Hollywood director James Cameron and actress Sigourney Weaver have lent their fame to the fight to stop the dam, drawing parallels between the natives' fight against the project and the theme of their blockbuster movie "Avatar."

Lula to visit Iran to boost agreement on nuclear issue

Brasilia, Apr 22, 2010 (Xinhua via COMTEX) -- Brazilian President Luiz Inacio Lula da Silva said Thursday his visit to Iran in May may encourage an agreement on the nuclear dispute between Teheran and the international community.

Speaking to reporters after meeting his Lebanese counterpart General Michel Sleiman, Lula stated Brazil's position to seek a negotiated solution to the Iranian nuclear issue and defend Teheran's right to develop a peaceful nuclear program.

Western powers led by the United States are promoting sanctions against Iran in the United Nations Security Council for the alleged development of its nuclear program aimed at building nuclear weapons. But Brasilia considers sanctions counterproductive.

Lula said he was making efforts to mediate between Teheran and the Security Council as well as the International Atomic Energy Agency (IAEA).

Lula also said he sent Foreign Minister Celso Amorim to Teheran on Thursday, who will pass through Turkey and Moscow.

"We want to prepare for the trip properly because we want to know the possibilities of the IAEA to make a deal with Iran," Lula said.

Asked if he feared Iran would build nuclear weapons, Lula said peace was the limit.

"Brazil supports that Iran has the right to produce nuclear energy for peaceful purposes, either to produce electricity or remedies. What Brazil is never going to defend is that they may use nuclear energy if it is not for peaceful purposes," he said.

Brazil, Iran to discuss nuclear program

Tehran: Brazilian Foreign Minister Celso Amorim arrived in Tehran Monday for a two-day visit during which he would discuss Iran's nuclear program with senior officials, Fars news agency reported.

The visit comes as world powers push for a new set of United Nations sanctions against Tehran for pursuing its controversial nuclear program.

Brazil is one of the 15 UN Security Council members and has not indicated whether it would vote for or against a sanctions resolution targeting the Islamic republic.

Amorim will also prepare the ground for next month's visit to Iran by Brazilian President Luiz Inacio Lula da Silva, Iranian foreign ministry spokesman Ramin Mehmanparast was quoted as saying by Fars.

Fars said Amorim will meet Iran's chief nuclear negotiator Saeed Jalili and his Iranian counterpart Manouchehr Mottaki during his stay in Tehran. He is also expected to meet Iranian President Mahmoud Ahmadinejad.

"International issues will be discussed [with Amorim] and one of them is related to our country's nuclear activities," Mehmanparast said.

Iran will "discuss its right to exploit this advanced science within the framework of the IAEA [International Atomic Energy Agency]."

World powers accuse Iran of masking a weapons drive under the guise of what Iran says is a purely civilian atomic program.

Washington is leading efforts to press a fourth round of UN sanctions against Iran, stepping up its efforts after a nuclear fuel deal drafted by the IAEA for a Tehran research reactor hit a deadlock.

Mehmanparast said the fuel deal will also be discussed with the visiting foreign minister.

Amorim on Sunday refused to say whether Brazil would vote against a UN resolution imposing sanctions against Iran, but added he did not believe Tehran was close to building a nuclear bomb.

For a sanctions measure to pass, nine of the 15 members of the Security Council—of which Brazil is a temporary member—would have to vote in favor, as long as none of the five permanent members employ their veto.

Brazil has repeatedly defended Iran's nuclear program, saying the Islamic republic has the right to peaceful nuclear energy.

It has given little credence to US arguments that Iran was trying to secretly develop a nuclear arsenal.

On Sunday he said in a press interview that "I don't see Iran being close to making a bomb."

He also said: "Call us naive, but I think those who believe in everything the US intelligence service says are much more naive. Look at the case of Iraq."

BASIC group wants global deal on climate change by 2011

Environment ministers of the BASIC bloc -- Brazil, South Africa, India and China -- have said that a legally binding global agreement to limit climate change needed to be completed by 2011, noting that the world could not wait indefinitely for the US to finalize its legislation on the issue.

The BASIC leaders, who met here to look at how to fast-track such a pact to curb global warming, gave the statement at the conclusion of the third meeting of the group on Sunday.

"A step-change is required in negotiations, and incremental progress on its own will not raise the level of ambition to the extent needed to avoid dangerous climate change and impacts on poor countries and communities," the ministers indicated in a joint statement, noting reports that domestic legislation on climate change in the US had been postponed.

"Ministers felt that a legally binding outcome on long-term cooperative action under the UN Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol, to be concluded at Cancun, Mexico in 2010, or at the latest in South Africa by 2011, the ministers said in a joint statement. Asserting that lack of such agreements hurt developing countries more than developed countries, the ministers said such deals must include an accord on quantified emission reduction targets under a second commitment period for Annex I Parties under the Kyoto Protocol. The ministers who participated in the meeting were Xie Zhenhua, Vice Chairman of the National Development and Reforms Commission from China; Izabella Teixeira, Minister for Environment from Brazil; Jairam Ramesh, Minister for Environment and Forests from India, and Buyelwa Sonjica, Minister of Water and Environmental Affairs from South Africa.

The ministers said the only legitimate forum for negotiation of climate change is the UNFCCC. Small groups could make a contribution in resolving conflicts, but they must be representative and their composition must be determined through fully inclusive and transparent negotiations, with a mechanism for reporting back to the multi-lateral forum, the statement said.

Building on the discussion held in New Delhi in January 2010, the ministers elaborated areas in which progress could be made in the run-up to Cancun, including the early flow of fast-start finance of the USD 10 billion in 2010 pledged by developed countries. Equity will be a key issue for any agreement.

Problem is weak dollar, not yuan - Brazil

The weakness of the dollar, and not of the Chinese currency, is becoming the main cause of global economic imbalances, Brazil's finance minister said on Monday, adding that Latin America's largest economy may take action to stop its currency from appreciating in the future.

Guido Mantega said he left a G20 meeting this weekend in Washington "very worried" about a plan by rich countries to boost their exports via weaker currencies, which could lead to unsustainable current account deficits in emerging economies.

"They want to rebalance their economies at our expense. That is not possible and we will not accept that game," Mantega told reporters in New York after a presentation to investors organized by the Brazilian-American Chamber of Commerce.

"The main problem is the dollar. A weak dollar feeds the carry trade. People come here (to the United States) to borrow cheap money to invest in Australia or other higher-yielding countries," he said.

The Group of 20 rich and developing countries need to better coordinate their foreign exchange policies, or each country will have to defend their own interests, Brazil's finance minister said.

Brazil to Keep Buying Dollars

To contain excessive currency gains, Brazil will continue to buy dollars for its foreign reserves and does not rule out additional measures, Mantega said.

He apparently contradicted early comments made by Central Bank President Henrique Meirelles, who advised Brazil's next president, who will take office in 2010 after elections this year, to refrain from "artificially" weakening the currency.

Last year, Brazil imposed a 2 percent financial tax on foreign investment in fixed income as part of a strategy to reduce dollar inflows and curb the appreciation of the real, which strengthened more than 30 percent in 2009.

But a prolonged period of lower interest rates in the United States and Europe, in contrast to an expected increase in rates in many emerging countries such as Brazil, continues to support dollar inflows into fast-growing emerging economies.

Mantega said Brazil's strategy is to coordinate a common foreign exchange strategy with the BRIC countries, which include Russia, India and China.

The minister said he is planning a trip to China to discuss those issues and, in comments that should be well received by Chinese authorities, described the Chinese trade balance as "more balanced now."

China's strategy of maintaining a weak yuan, he added, is a "defensive policy against the dollar," he added.

Don't Manipulate Fx, Meirelles Says

Mantega's comments on possible new measures to curb the currency appreciation contrasted with earlier comments by Central Bank President Henrique Meirelles, who told the same conference that an "artificial" devaluation of the currency could bring inflation.

"It's important that the next government keep inflation on target," Meirelles said. "If you try to manipulate the foreign exchange rate, try to lower it artificially, evidently inflation goes up, and you have an inflation surprise."

Some investors are concerned that the next Brazilian president could seek to devalue the real to boost the competitiveness of the industrial sector.

Brazil Needs New Ministry to Fight Crime - Candidate

Sao Paulo, April 27 (Reuters) - Opposition candidate Jose Serra said on Monday that he would create a ministry of public security to clean up Brazil's crime-ridden streets if he is elected president in October.

The pledge was a rare moment of revelation for the veteran politician, who has been cagey about what shape his administration could take.

"If I am president, I'll create a ministry of public security," Serra, who recently stepped down as governor of Sao Paulo state to run for president, said in a television interview broadcast live.

Violent crime has become a persistent problem in Brazil, that has troubled the current president, Luiz Inacio Lula da Silva, and his predecessors.

But as Brazil has sought to broaden its regional and world influence, including a bid for a permanent spot on the U.N. Security Council, the pervasiveness of crime here has garnered more international attention.

The country is scheduled to host the soccer World Cup in 2014. Two years later, the Olympic Games will be held in Rio de Janeiro, one of Brazil's most violent cities.

Serra, of the centrist Brazilian Social Democracy Party, has been working to soften his image as cold and aloof ahead of the elections. His main rival in the race is Dilma Rousseff of the ruling Workers' Party, hand-picked as a candidate by the wildly popular Lula.

At the conclusion of the TV interview on Monday, an unusually jolly Serra sang part of the classic bossa nova song "Chega de Saudade," which was recorded in English as "No More

Blues."

It was the kind of gesture that the rough-and-ready Lula, with his Midas touch among voters, has often indulged in himself.

Brazil, Caribbean countries to strengthen co-op in economy

Brazil and Caribbean countries on Monday pledged to further promote the integration of their economies as well as cooperation in international politics.

Heads of state and government of Brazil and 14 Caribbean countries signed here the Brasilia Declaration at the end of the first Brazil-CARICOM Summit, expressing their mutual desire for further integration and cooperation.

The two sides will work "to strengthen the historical and cultural ties that unite these countries and draw a blueprint for a common future," said the declaration.

They acknowledged that "the current international financial structures do not correspond to the unique needs of highly indebted small countries with middle income, like CARICOM members," and Brazilian President Luiz Inacio Lula da Silva pledged to bring these concerns to the deliberations of the next G-20 meeting, which will take place in Canada in June.

The summit agreed to maintain efforts to promote a reform of the United Nations "that reflects the needs of the contemporary world", particularly for greater representation of developing countries in decision-making processes.

The summit established a political consultation mechanism which will meet regularly to identify and promote common positions in the international arena.

The declaration stressed the importance of relations between CARICOM and Mercosur, a bloc formed by Argentina, Brazil, Paraguay and Uruguay, pledging to work for a free trade agreement.

At the summit more than 40 bilateral agreements between Brazil and several Caribbean countries were signed on visa exemption, and technical cooperation in health, education, culture, agricultural development, energy and bio fuels, tourism and civil defense.

Brazilian president calls for FTA between Mercosur, CARICOM

Brazilian President Luiz Inacio Lula da Silva on Monday called for a free trade agreement between the four-member bloc Mercosur and the Caribbean Community (CARICOM).

Speaking at the opening of the First Brazil-CARICOM Summit, Lula said "the time is ripe" for a

free trade agreement between Mercosur, a bloc consisting of Brazil, Argentina, Paraguay and Uruguay, and CARICOM.

Lula said the Brazil-CARICOM Summit was part of the integration process involving the Latin American and the Caribbean countries.

The summit came after a meeting of the Latin American and the Caribbean countries with their own agenda in the Brazilian city of Bahia in December 2008 and the creation of the Community of the Latin American and Caribbean States in February this year, he said.

"The integration process that we are launching is part of a movement that is rewriting the history of Latin America and the Caribbean," he said.

The Brazil-CARICOM summit began Monday at the Itamaraty Palace, seat of the Brazilian Foreign Ministry, with cooperation agreements expected in finance, health, agriculture, among others.

A mechanism is expected to be created for political consultations between Brazil and CARICOM at the summit.

The Brazilian president said negotiations would be launched on Brazilian participation in the Development Fund of CARICOM.

An agreement between the Brazilian Ministry of Health and the Caribbean Environmental Health Institute will be signed.

The Brazilian Enterprise for Agricultural Research (EMBRAPA) will share its progresses with the Caribbean Institute of Agrarian Development, Lula said.

Lula also stressed the need to establish direct air and sea links between Mercosur and CARICOM.

Brazil Calls for Peaceful Solution to Iran's Civilian Nuclear Program

Tehran (SANA)_ Brazilian Foreign Minister Celso Amorim said on Tuesday that his country calls for peaceful settlement of the dispute about Iranian nuclear program.

IRNA News Agency quoted the Brazilian Minister as saying, in a joint press conference with his Iranian counterpart Manouchehr Mottaki, that it is about seven years that Iran's nuclear dispute has not been resolved and Brazil wishes the issue to be settled peacefully.

Given the close ties between Brazil and western countries as well as the country's status at the UN Security Council, he said Iran's nuclear issue should be carefully studied. "We should find a way out of this deadlock."

Interviewed by IRNA, the Brazilian Minister asserted that the Israeli nuclear arsenal, and the presence of US and Allied troops in Iraq are among the most important factors causing crises break-out in this sensitive region of the world.

Minister Amorim called for clearing the region from nuclear and mass destruction weapons, reiterating Brazil's support for the Iranian peaceful nuclear program.

Ahmadinejad Says Brazil and Iran Should Work Together for a More Just World

Brazilian president Luiz Inácio Lula da Silva sent his Foreign minister to Turkey, Rússia and Iran last week. The issue at the top of the agenda in all the conversations: Iran's nuclear program. Celso Amorim met with Iran's president Mahmoud Ahmadinejad on Tuesday, but before he saw the Turkish Foreign Minister, Ahmet Davutoglu, over the weekend.

"It is very important to reach a peaceful and negotiated solution for this problem. I still believe that is possible. It is not easy, but it is possible," said Amorim after talks with Davutoglu. The two ministers discussed a uranium exchange proposal, as well as ways and means to keep talks going between Iran and the West.

On Sunday (April 25) in Russia, Amorim found less enthusiasm for negotiations with a clear tendency in favor of "intelligent sanctions" against Iran because of suspicions that nuclear weapons are the goal of that country's nuclear program.

On Monday (April 26) in Tehran, Amorim met with the president of the Parliament, Ali Larijani, the minister of Foreign Relations, Manouchehr Mottaki, and the secretary general of the Supreme Council for National Security, Said Jalili. Brazilian diplomats have told that the talks were positive and successful.

Tuesday (April 27) , Amorim met with the president of Iran, Mahmoud Ahmadinejad. He told him that Brazil continues to work for a negotiated settlement of the problem so as to avoid having sanctions placed on Iran because of its nuclear program.

Ahmadinejad told Amorim Brazil and Iran should work towards a new world order: "Iran and Brazil must play a bigger role in the creation of a new more just world order."

Meanwhile, the pressure in favor of sanctions mounts. Four members of the United Nations Security Council with vetoes, the United States, England, France and Russia are in favor of some sanctions.

The other member with a veto, China, is not enthusiastic about sanctions but may be persuaded to abstain. Formal discussions at the UN on the Iranian nuclear program should take place in May.

President Luiz Inacio Lula da Silva is scheduled to be in Tehran for an official visit on May 15, returning the visit to Brazil by Ahmadinejad in November.

Uranium Exchange

Part of the Iranian nuclear program imbroglio may be near a solution. The president of Iran, Mahmoud Ahmadinejad, says he is willing to exchange uranium enriched to 3.5%, which Iran has and is proper for fuelling nuclear reactors for electricity, for uranium enriched to 20% that Iran wants and is needed for more specific purposes, for example, nuclear medicine.

The problem is that after achieving the capacity to enrich uranium to 20%, it is easy to then enrich it to much higher percentages used to make nuclear weapons. Under the provisions of the exchange proposal Iran would not enrich its uranium to 20%, but would let some other country do it.

The Iranian ambassador to the International Atomic Energy Agency, Ali Asghar Soltaniyeh, has confirmed that Iran is willing to negotiate with the IAEA a proposal for uranium exchange.

Dialogue

Lula's special aide for International Affairs, Marco Aurélio Garcia, strongly denies that Brazil is supporting Iran's right to a nuclear program or defending the president of Iran, Mahmoud Ahmadinejad, because it is a friend of Iran.

According to Garcia, Brazil is trying to get Iran involved in an international discussion of its nuclear plans so that a peaceful solution can be found.

"Who says we are defending Iran? That is a media version of the facts," declared Garcia, when he was asked if Brazil was picking a fight with other countries, such as the United States, that are in favor of sanctions against Iran.

"We are certainly not defending Iran. What we want are negotiations with Iran so as to achieve a peaceful solution to this impasse. Other countries want to portray Iran as some kind of a devil, sidelining it through sanctions that will not work, except to strengthen Iran's resolve to resist external threats," said Garcia.

He added he wanted the media "...to stop passing off this story that Brazil is an Iranian ally, a friend of Iran. All we want to do is bring Iran to the negotiating table for a diplomatic solution."

Garcia noted that Ahmadinejad has signaled that he is willing to resume relations with the International Atomic Energy Agency. "The most important thing is a willingness on the part of the president of Iran to resume relations with the IAEA. We have one concern here: to get Iran to submit its program to IAEA inspections. If that happens we will be satisfied," declared Garcia.

Brazil Ready to Help Resolve Iran Nuclear Issue: Brazilian FM

Tehran, April 28 (Bernama) -- Brazilian Foreign Minister Celso Amorim said that Brasilia is ready to help resolve the dispute over Iran's nuclear program in a peaceful and appropriate manner, Iran's Mehr News Agency (MNA) reported.

"Brazil is interested in playing a role in settling Iran's nuclear issue appropriately," Amorim said during a joint press conference with Iranian Foreign Minister Manouchehr Mottaki in Tehran Tuesday.

"It has dragged on for seven years and we think it should be resolved in a peaceful way," he added.

He also urged Iran and the major powers to finalize the deal on providing nuclear fuel for the Tehran research reactor.

"We hope this agreement will take place. This agreement is a major one and would build confidence between Iran and the IAEA (International Atomic Energy Agency), but like any other negotiation, there should be flexibility on all sides," Amorim stated.

Talks between Iran and the major powers over Tehran's proposal for a nuclear fuel swap stalled after Iran insisted that the fuel exchange must take place on its territory, a condition rejected by the major powers.

In an exclusive interview with Iran's IRNA news agency, Amorim said Brazil may even consider conducting the fuel exchange on its territory.

"At this point in time, there is no proposal, but if we receive such a proposal, it could be examined," Amorim said when asked whether Brazil might make such an offer.

"We are looking for a way to prevent sanctions against Iran because we think that sanctions are ineffective," he told IRNA.

"The only thing sanctions bring about is that they hurt people, especially the lower class," the Brazilian foreign minister added.

On Brazilian President Luiz Inacio Lula da Silva's planned visit to Tehran, he stated that there has been no outside pressure on Brazil to cancel the visit.

Brazil makes decisions based on its own principles, Amorim said, adding that such pressure is ineffective.

The Brazilian president is scheduled to attend the next G15 summit, which will be held in Tehran next month.

The Group of 15, a group of 17 developing countries from Asia, Africa, and Latin America, was set up to foster cooperation and provide input for other international groups.

The G15 members are Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Kenya, Nigeria, Malaysia, Mexico, Peru, Senegal, Sri Lanka, Venezuela, and Zimbabwe.

Brazil and Turkey 'shining stars' in the world, says Turkish defense minister

Turkey's defense minister on Wednesday met with his Brazilian counterpart in the Turkish capital Ankara and said Turkey and Brazil were "shining stars" in the world.

At his meeting with Brazilian Defense Minister Nelson Jobim, Turkish minister Vecdi Gönül described relations between the two countries as perfect, and said that Brazil and Turkey had key positions at international issues as two members of the UN Security Council.

Recalling that more than 100,000 Turkish people had moved to Brazil in early 1900s, Gonul said it helped build a "different" bridge between the two nations.

Jobim, on his part, said that the world was going through an important era and added that Turkey and Brazil could become two leading actors of this era.

"We know Turkey's importance in its region and in the world," he said.

Jobim said Brazilian government was willing to improve cooperation with Turkey in all areas.

Chávez arrives in Brazil for quarterly meeting with Lula

President Hugo Chávez arrived in Brazil for a new quarterly meeting with his Brazilian counterpart Luiz Inácio Lula da Silva. Both leaders are to address several bilateral, regional and international issues.

"We will discuss very important things related to bilateral, geopolitical, commercial and social" issues, the Venezuelan Head of State told reporters shortly before heading for the Itamaraty Palace, which is the seat of the Brazilian Foreign Ministry, where he would hold a meeting with Lula, Efe reported.

Chávez stressed that he intended to discuss with Lula the progress of works at the Abreu e Lima refinery, a plant with a capacity to process 230,000 barrels of oil per day, which is under construction in Brazil, with state-run oil companies Petr6leos de Venezuela and Brazilian Petrobrás as stakeholders.

"This is a plant that will allow us to bring Venezuelan oil for refining," Chávez said.

Detailed Report/Chile

Business Tax Hike - Short-term or Permanent?

Santiago, Apr 21, 2010 (IPS) - Chile's right-wing President Sebastián Piñera is seeking congressional approval of a plan to finance the reconstruction of the country in the wake of the devastating Feb. 27 quake, which includes a temporary tax on business that the centre-left opposition would like to make permanent.

"That will be the struggle over the next few weeks: whether this will be a short-term measure focusing on reconstruction or a deeper reform," political scientist Robert Funk, assistant academic director at the University of Chile's Institute of Political Affairs, told IPS.

"But the government is in a better position on this argument," he added.

Above and beyond the current circumstances, Funk believes it is necessary to increase tax revenue in order to establish "a modern, development-oriented state," as demanded by society and required by Chile's recent admission to the 30-member Organization of Economic Cooperation and Development (OECD), known as the "rich countries club".

Piñera, of the right-wing Coalition for Change, presented on Apr. 16 a plan for financing the reconstruction of the areas of the country hit by the devastating quake, one of the strongest ever recorded, which left 500 people dead and thousands homeless, mainly in the southern and central regions of O'Higgins, El Maule and Bío-Bío.

The new president took office on Mar. 11.

The draft law will be sent to Congress in the first week of May, government spokesperson Ena Von Baer announced Monday.

The president caused some surprise by proposing a three-point increase in the tax on business – a move that had been continuously rejected by the right over the last two decades of government by the centre-left "Concertación" or coalition of Parties for Democracy.

In 2011, the tax would go up from the current 17 percent to 20 percent, but it would be reduced to 18.5 percent in 2012 and would return to 17 percent by 2013. Some small and medium-sized companies would be exempt.

The government also proposes increasing the tax on the mining industry, under a flexible scheme which companies could voluntarily adhere to. It is also seeking a permanent increase in the tobacco tax, from 60 to 67 percent.

In addition, the plan would incorporate a two-year surtax on real estate assets worth more than 190,000 dollars.

Finance Minister Felipe Larraín has insisted that the tax hikes, which would bring in one-third of the funds necessary for reconstruction, are "exceptional" and that most are temporary and are merely due to the emergency situation.

The government estimates the public and private cost of reconstruction at 30 billion dollars, 21 billion of which are due to infrastructure loss.

The public sector is to provide 8.43 billion dollars, and under the government plan this would be achieved over the next four years.

To collect that revenue, Piñera also proposed budget reallocations, private donations, small sales of "non-essential" public assets, emissions of internal and external bonds, and the use of part of the billions of dollars in windfall copper profits socked away in a rainy-day savings fund.

The plan also includes benefits extended to companies, such as accelerated depreciation, which offers business faster write-offs for what they spend in 2011 and 2012, leading to lower taxes.

The parties of the centre-left Concertación have said they plan to vote in favor of Piñera's measures.

However, some leaders of the opposition coalition said the current circumstances provide a chance to discuss permanent tax reforms.

There has also been self-criticism within the opposition coalition, because the initiative emerged from the right-wing government and not the Concertación.

"We never managed to do this, and it is embarrassing that the right is today proposing a tax reform that our ministers weren't even capable of carrying out," Senator Guido Girardi of the Party for Democracy, which forms part of the Concertación, said on Monday.

Funk said the tax increases proposed by Piñera actually challenged the president's own political base. "Within the right itself, they are saying the current administration looks like the 'fifth' Concertación government," he said.

Piñera, a business tycoon with a fortune estimated at 2.2 billion dollars, has been constantly accused of setting up a cabinet that looks more like a board of directors, consisting of managers and executives, while multiple conflicts of interest have been denounced by the opposition and the media.

Funk said these extremes are a result of Piñera's "pragmatism."

"What has characterised this government is the scant importance it puts on ideology, on political parties," he said.

A week ago, the government sent Congress another draft law aimed at drumming up revenue to mitigate the effects of the earthquake. The bill would create a national reconstruction fund and establish incentives for donations.

But the initiative has drawn criticism from legislators and activists. In a column, Álvaro Ramis, the head of the Chilean association of non-governmental organisations, ACCION, complained about the absence of civil society, for example, on the board that will administer the reconstruction fund. (END)

Chilean bishops in meeting over abuse

The leaders of the Catholic Church in Chile have met the country's president amid a growing sex abuse scandal.

Earlier last week, the church in Chile formally apologized to abuse victims, saying nothing could justify it.

Monsignor Alejandro Goic, head of the church in Chile, said there had been 20 confirmed or alleged cases.

Sex abuse scandals have gripped the church worldwide this year, with a Belgian bishop resigning on Friday. In Chile, last week was the toughest yet for the church since allegations first arose over widespread child abuse.

Chile is regarded as one of the most staunchly Catholic countries in Latin America. Divorce was outlawed until 2004 and abortion remains strictly illegal.

Goic and the Archbishop of Santiago, Cardinal Francisco Errázuriz, met President Sebastián Piñera for more than an hour. Afterwards, Cardinal Errázuriz said he would send a letter out to every parish in the country this weekend in response to the scandal.

In five of the cases in Chile, sentences were imposed. In another five, trials are under way and, in the remaining 10, the priests have been absolved or results are pending. In one of the cases, four men accused a senior priest in Santiago, now aged 80, of sexually abusing them for years.

Prosecutors in Chile have launched an investigation into the allegations against the cleric, Fr Fernando Karadima, a respected and influential figure within the Chilean church who trained priests.

A lawyer for the retired priest was quoted as denying the allegations.

Chile eyes Japan quake tech exchange

Visiting Chilean Foreign Minister Alfredo Moreno said Monday that his quake-hit nation intends to make technological exchange with Japan a high priority and establish an effective early quake warning system.

The Chilean government has adopted a digital terrestrial TV standard developed in Japan, and is keen to use such technology for its quake warning systems, Moreno said during an exclusive interview with The Yomiuri Shimbun and The Daily Yomiuri in Tokyo.

A massive 8.8-magnitude earthquake struck central Chile on Feb. 27. The number of confirmed deaths from the quake and ensuing tsunami now stands at 486, with 79 people still missing, according to the Chilean government.

About half of the casualties can be attributed to the lack of an effective tsunami warning system, Moreno said.

Confusion among authorities and a communications systems glitch resulted in a tsunami warning failure when the quake struck.

It will take years to complete reconstruction work as 200,000 dwellings, 72 hospitals and 1,700 school buildings suffered serious or irreparable damage, Moreno said.

Recovery from the quake is a top priority for President Sebastian Pinera's center-right government that took power in March, effectively ending 20 years of rule by the center-left.

Asked about the earthquake's impact on Chile's major industries, Moreno said the copper industry and salmon and trout cultivation were largely unaffected. The wine industry lost some stock, but operations have since returned to normal.

Discussing bilateral relations with Japan, Moreno underlined his hope that exchanges in technology would be expanded.

Japan and Chile signed an economic partnership agreement in 2007. Moreno said that Chile hopes to further expand trade with Japan.

The two nations also share views in multilateral frameworks on issues such as human rights, disarmament and the prevention of nuclear arms proliferation, he said.

Detailed Report/Mexico

U.S. diplomat calls for greater U.S.-Mexico economic integration

Creating more jobs will help create greater U.S.-Mexico economic integration, the U.S. ambassador to Mexico told a local conference Thursday.

Ambassador Carlos Pascual said a coordinated focus on security matters would also help integration efforts.

"The economic interests, environment and well-being of both nations are progressing," Pascual said. "That is what we need to go deep down to keep on strengthening the future.

"We have focused on security matters to create the space in which we can work calmly and make progress on the economy as well," he added.

The U.S. diplomat made the remark while addressing the 2010 Monterrey Venture Capital Conference held in Monterrey, northern Mexico.

Increased investment and enhanced economic integration, according to the ambassador, have led to a boost in development and the creation of more jobs in both countries.

Bilateral ties will improve for the peoples of the two countries as they improve security as well as the economy, Pascual said, adding that security concerns command as much attention.

"We don't want to focus our attention on only that (economic integration). It is only something that we are both facing. We cannot turn our heads and pretend it is not there. What we must do is to keep working on all these matters," the ambassador said.

Pascual told the conference that the United States and Mexico have tremendous cooperation potential for, among other sectors, renewable energy, especially solar and wind energy.

Ottawa warns Canadians against travel to Mexico

Ottawa - The Canadian government on Tuesday warned its citizens against travelling to Mexico, especially to Ciudad Juarez where three people linked to the U.S. consulate were killed over the weekend.

The foreign affairs department said on its website the travel warning was “due to escalating violence linked to drug trafficking.”

“Although foreigners have not typically been targeted,” the website said Canadians “are advised to reconsider their need to travel to Ciudad Juarez and should only do so if it is absolutely necessary.”

Mexican authorities have blamed the drive-by murders in the notorious border city of Ciudad Juarez on “the Aztecas,” a gang linked to the powerful Juarez drug cartel.

U.S. Federal Bureau of Investigation (FBI), Drug Enforcement Administration and Bureau of Alcohol, Tobacco and Firearms agents are in Ciudad Juarez helping to hunt the killers of an American employee of the U.S. consulate, her husband and the husband of a Mexican consular employee.

Two of the shooting victims were killed in a hail of bullets as they were driving back to the U.S. side of the border with their one-year-old daughter in the back seat, officials said. The baby survived unharmed.

In a separate attack, gunmen opened fire on a car, killing the driver and wounding his two children, ages four and seven. His wife, a Mexican employee of the consulate, was following in a second car and escaped injury, a U.S. official said.

4 Killed, Minister Hurt In Ambush

Mexico City — Gunmen armed with high-caliber weapons ambushed the top security official in Mexican President Felipe Calderon's home state early Saturday, wounding her and killing at least four other people.

Minerva Bautista Gomez, public security minister for Michoacan state, had just left ceremonies launching a state fair, which she attended with the governor and other high-ranking officials.

Within a mile, her armored SUV and bodyguard escort came under fire from assailants who had blocked the highway with a disabled trailer, trapping the minister and her entourage. In the fierce gun battle that followed, two of Bautista's bodyguards and two motorists were killed. At least 10 people, including Bautista, were wounded.

The gunmen escaped.

"We people of Michoacan have seen worse, and we will get past what happened last night," state Gov. Leonel Godoy said later Saturday in a speech opening the fair to the public, an event he insisted go ahead despite the assassination attempt.

Despite Godoy's upbeat efforts, Mexicans are increasingly anxious over the pace of death and violence. More than 22,700 people have been killed in nearly 3 1/2 years.

Drug-related warfare has intensified in the western state of Michoacan as a relatively new cartel known as La Familia consolidates its power, drives out rival traffickers and takes over parts of local government. Acting in Calderon's home state, it has served as a particularly pointed challenge to the president's authority.

Also Saturday, at least six people were killed in what authorities described as clashes with the army in the northern border state of Nuevo Leon. In Ciudad Juarez, where gunmen had ambushed federal police Friday, killing eight people, Mayor Jose Reyes Ferriz ordered police to patrol in larger convoys.

Mexico criticizes harsh new immigration law in US state

Mexico City - A strict new anti-immigration law enacted by the US state of Arizona is 'an obstacle to the solution of common problems' in North America, according to the Mexican government.

President Felipe Calderon said Saturday that the draconian law signed by the US border state's Governor Janice Brewer the previous day would hurt US-Mexico relations.

'The criminalization of the migration phenomenon, far from contributing to cooperation between Mexico and the state of Arizona, represents an obstacle for the solution of common problems,' Calderon said.

US President Barack Obama also criticized Arizona's initiative.

Mexico's Secretary of Foreign Relations Patricia Espinosa had condemned the Arizona measure on Friday. She said the government would use all available means to assist Mexican migrants affected by the new law.

Mexico warns citizens about travel to Arizona following new state immigration law

Mexico City (AP) — The Mexican government warned its citizens Tuesday to use extreme caution if visiting Arizona because of a tough new law that requires all immigrants and visitors to carry U.S.-issued documents or risk arrest.

President Barack Obama also criticized the law, saying it could lead to harassment of Hispanics, and he called for bipartisan support to fix America's broken immigration system. Two senior officials in his government said the Arizona law may face a legal challenge by federal authorities.

"Now suddenly if you don't have your papers, and you took your kid out to get ice cream, you're going to get harassed — that's something that could potentially happen," the U.S. president said of the measure. "That's not the right way to go."

Arizona's law — slated to take effect in late July or early August — makes it a state crime to be in the U.S. illegally and allows police to question anyone they suspect of being an illegal immigrant. Lawmakers said the legislation, which has sparked huge protests and litigation, was needed because the Obama administration is failing to enforce existing federal laws.

Mexico's Foreign Ministry issued a travel alert for Arizona after the law was signed, warning that its passage shows "an adverse political atmosphere for migrant communities and for all Mexican visitors."

The alert said that once the law takes effect, foreigners can be questioned at any moment and detained if they fail to carry immigration documents. And it warns that the law will also make it illegal to hire or be hired from a vehicle stopped on the street.

A Mexican government-affiliated agency that supports Mexicans living and working in the United States called for boycotts of Tempe, Ariz.-based US Airways, the Arizona Diamondbacks and the Phoenix Suns until those organizations rebuke the law.

"We are making a strong call to the Arizona government to retract this regressive and racist law that's impacting not only residents of Arizona, but people in all 50 states and in Mexico as well," said Raul Murillo, who works with the Institute for Mexicans Abroad, an autonomous agency of Mexico's Foreign Ministry.

US Airways spokesman Jim Olson said "we have had absolutely no customers who have canceled flights" as a result of the controversy. Calls to the Diamondbacks and the Suns were not immediately returned.

In Washington, Attorney General Eric Holder and Homeland Security Secretary Janet Napolitano criticized the law, with Holder saying the federal government may challenge it.

A number of options are under consideration, including "the possibility of a court challenge," Holder said.

A citizen effort to repeal the law also is expected. Jon Garrido, who produces a Hispanic website and ran unsuccessfully last year for the Phoenix City Council, said he plans to begin gathering signatures next week to get a repeal referendum on the November ballot. If successful, the effort would block the law from taking effect until the vote.

Obama said Tuesday that "poorly conceived" measures such as Arizona's can be halted if the federal government fixes the U.S. immigration system for good.

Obama pledged to bring his own party along, pleading with Republicans to join in as the only realistic hope to solve a politically volatile problem and get an immigration deal done.

"I will bring the majority of Democrats to the table in getting this done," Obama said in response to a question at a town hall in south-central Iowa. "But I've got to have some help from the other side."

U.S. politicians also weighed in on the growing controversy, with election season looming.

In California, Meg Whitman, the Republican front-runner in the California gubernatorial primary, said Arizona is taking the wrong approach.

"I think there's just better ways to solve this problem," Whitman said in a telephone interview with The Associated Press.

California state Sen. President Pro Tem Darrell Steinberg said the law attempts to legalize racial profiling and called on Gov. Arnold Schwarzenegger to review the state's contracts with Arizona and cancel them if legally possible.

Schwarzenegger has not yet replied, but told reporters that immigration matters are the responsibility of the federal government.

Arizona Sen. John McCain, seeking re-election, told CBS's "The Early Show" that his state needed such a law because the Obama administration has failed to secure the borders, resulting in drugs pouring into the southwestern United States from Mexico.

Each day, more than 65,000 Mexican residents are in Arizona to work, visit friends and relatives and shop, according to a University of Arizona study sponsored by the Arizona Office of Tourism. While there, the Mexican visitors spend more than \$7.35 million daily in Arizona's stores, restaurants, hotels and other businesses, the researchers found.

Bimbo Bakeries, one of many Mexican companies operating in Arizona, said Tuesday it doesn't expect Arizona's new immigration law to affect its employees.

"We carefully screen all associates to ensure they are authorized to work in the United States," Bimbo spokesman David Margulies said.

At the Mexico City airport Tuesday, Mexicans heading for the U.S. said they were very troubled by the new law.

"It's humiliating," said Modesto Perez, who lives in Illinois. "It's really ugly."

Mexican Army Frees 16 Hostages Held By Drug Traffickers

Mexico City, April 28 (Bernama) -- Mexico's Defense Ministry announced on Tuesday that the army had freed 16 hostages held by a drug trafficking gang on a farm in the northern Mexican state of Nuevo Leon, China's Xinhua news agency reported.

Zone Seven, a spokesman for the Mexican army, told a news briefing that these hostages, including a woman and her two-year-old son, were seized by the drug traffickers on Monday.

He said government troops stormed the farm in Sabinas Hidalgo municipality following an anonymous telephone tip-off, killing two men on the spot.

He said 30 guns and two tons of marijuana were seized during the raid.

On Monday, government troops also freed seven other hostages held by another drug trafficking gang in General Bravo, a municipality neighboring Sabinas Hidalgo in the same state.

Mexico's drug trafficking gangs are notorious for kidnapping central American immigrants travelling to the United States through Mexico.

Mexico to launch energy saving program

Mexico City, Apr 23, 2010 (Xinhua via COMTEX) -- The Mexican government will soon launch a pilot program to greatly reduce electricity consumption in the capital Mexico City and surrounding areas, Mexico's Energy Minister Georgina Kessel said Friday.

"The program is being examined to allow the establishment of an intelligent network through which we will measure the benefits for our nation," she told Xinhua after a national conference on energy efficiency at the Mexican Autonomous Institute of Technology.

"The intelligent network requires the use of communication technology to obtain more accurate information about power consumption in real time," she said.

The minister said a typical system applied by Mexico's northern neighbor, the United States, sends messages to suitably equipped homes when it is the most appropriate time to use washing machines and other electrical household appliances.

According to the official, the government will subsidize low-income families to buy energy-conserving home electrical appliances such as refrigerators and washing machines to replace old ones.

She said modern fridges now consume only 40 percent of the power used by old ones made 20 years ago.

Kessel added that the program will also be implemented in hotels and other public buildings.

The Mexican government has promised to reduce greenhouse gas emissions. It has also published a national target and requested all local governments to produce plans to reduce their greenhouse gas emissions by 2012.

Mexico will host the 16th United Nations Climate Change Conference in November this year.

Detailed Report/Venezuela

Uribe rejects exhibition of FARC leader's bust in Venezuela

Colombia's President Alvaro Uribe rejected on Thursday the installation of a bust of Manuel Marulanda, the late founder of the Revolutionary Armed Forces of Colombia (FARC), in a Venezuelan border town and asked people "to defeat terrorists wherever they are."

"Colombians consider that rather than a tribute, this bust is a sign that our country has to defeat crime, terrorism and drug trafficking," Uribe told journalists.

"I would say that people who try to pay homage to terrorists are giving Colombians the possibility to recall that we must defeat terrorists wherever they are. Let's see the good part," Uribe said, as reported by AFP.

The bust of Marulanda is near a military garrison in the town of El Amparo, in the state of Apure. According to video images broadcast by Colombian TV stations the bust has been installed near statues of Liberator Simón Bolívar, revolutionary fighter Ernesto Che Guevara, Cuban leader Fidel Castro and Venezuelan President Hugo Chávez.

Chavez dismisses 'Cubanization' accusations

Caracas, Venezuela (AP) -- President Hugo Chavez dismissed a retired general's warnings about a growing Cuban presence in Venezuela's military, accusing the officer Sunday of helping opponents portray his government a pawn of Fidel Castro.

Former Brig. Gen. Antonio Rivero has denounced a widespread involvement of Cuban troops in the military.

Chavez made no denials on that point, saying that Cubans are merely aiding soldiers in a limited capacity, and he defended his government's increasingly close cooperation with communist-led Cuba.

"What Cubanization? The Cubans are helping us here," Chavez said during his television and radio program, "Hello President."

"They're telling us how to store compasses, how to repair radios inside tanks and how to stockpile ammunition," Chavez said of the Cubans' activities.

Chavez said he suspected Rivero was making inroads with opposition groups long before he retired, saying the former officer speaks with "the same voice of the enemy."

"He was already among bad company," Chavez said.

Opposition leaders and other critics have long accused Chavez of allowing Cuban advisers and operatives to hold key positions in the military and state institutions, but have failed to produce concrete evidence of their allegations.

Rivero's detailed descriptions of Cuban involvement and his high standing in military circles have added new credibility to the concerns.

Rivero has said he retired from the army this month after 25 years of service, mainly because of "the presence and meddling of Cuban soldiers" in the armed forces. The former Chavez ally said he witnessed Cubans training Venezuelan troops during his last assignment as an infantry commander.

In televised remarks Thursday, he said Cubans currently train Venezuelan troops, including courses for snipers, and are also playing a role in intelligence, weapons, communications and other strategic areas.

He also has denounced the politicization of the military, including the slogan that soldiers now repeat when saluting: "Socialist homeland or death!" He has condemned Chavez's enlistment of supporters in a growing civilian militia.

Rivero told the Globovision television channel Sunday that intelligence agents have been spying on him since he denounced the Cuban presence in the military, taking photographs of his home and questioning his neighbors. He called the actions "part of the consequences" of criticizing the government and expressed concern for the safety of his family.

Chavez, a former paratroop commander, has made Cuba his closest ally since he took office in 1999. The president frequently visits Fidel Castro, calling him a mentor, but he rejects allegations that Cuba's communist leaders hold sway over his plans to transform Venezuela into a socialist state.

Venezuela has become a key economic benefactor to Cuba, sending the island oil on preferential terms in exchange for the services of thousands of Cuban doctors, whose work in free clinics has helped boost Chavez's political support among the poor.

Chavez turned to Cuba this year for help in tackling Venezuela's energy crisis. His allies in Havana responded by dispatching Cuban Vice President Ramiro Valdes to lead a team responsible for revamping the South American country's electricity grid.

During Sunday's program, Chavez also announced a 40 percent pay raise for soldiers of every rank - a move that could bolster loyalty to "El Comandante" within the military ahead of congressional elections in September while the country struggles with 26 percent inflation.

"Boys, we're going to increase salaries by 40 percent for all the ranks," he said.

Chavez dismisses former general's warnings about Cuban presence in Venezuela's military
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Venezuela to pay Chinese loan with crude, trade

Caracas, Venezuela (AP) - The government of President Hugo Chavez plans to pay off a \$20 billion loan from China with daily shipments of 100,000 barrels of oil over a 10-year period, Venezuela's energy minister said Thursday.

Rafael Ramirez described terms of the deal as favorable to Venezuela, without providing pricing details.

Venezuela already sends 460,000 barrels to China every day. Part of those shipments — 100,000 barrels a day — are helping service another Chinese loan of \$8 billion.

Chavez says the new \$20 billion loan will finance long-term development projects in Venezuela.

Ramirez said the latest \$20 billion loan could be delivered in U.S. and Chinese currency. Discussions are still underway.

The energy minister said Venezuela wants "not to depend too much on the U.S. dollar."

Oil imports could also be paid for with Chinese imports. "We are going to bring a lot of products from China," Ramirez said.

In 2008, Venezuela and China agreed to create a \$6 billion joint development fund, which later was increased to \$12 billion. Venezuela provided \$4 billion while China poured \$8 billion into the fund, which is used to finance a series of projects in this South American country ranging from railroads to oil production facilities.

Venezuela is planning to boost oil sales to China to more than 1 million barrels a day by 2012 while reducing exports to its top client, the United States.

Venezuela raids cocaine labs on Colombia border

Caracas (Reuters) - Venezuelan authorities raided eight drug laboratories near the Colombian border on Thursday, seizing 4.5 tons of cocaine in one of the largest hauls in recent times, the interior minister said.

Two Colombian traffickers escaped across the border when Venezuelan helicopters swooped on the site in the state of Zulia, officials said.

"This is one of the most important and biggest operations against illegal trafficking gangs in our nation," Interior Minister Tareck El Aissami told state television.

Venezuela is a major transit route to Europe and the United States for Colombian-produced cocaine.

Accused by critics of leniency in the drug fight and collusion with Colombian rebels who depend on smuggling for financing, the government of President Hugo Chavez counters it has stepped up efforts against producers and traffickers.

It reported that 60 tons of drugs were confiscated in 2009 and says anti-narcotics operations have actually improved since cooperation ended with the United States in 2005 as bilateral relations deteriorated. U.S. officials dispute that.

Chavez, Latin America's leading critic of Washington, frequently says consumption in the United States and Europe is the main factor driving the illegal drug trade.

Colombian official: trade with Venezuela can be resumed under Chávez

Colombian Minister of Trade Luis Guillermo Plata did not rule out the possibility of resuming trade with Venezuela under the government of Hugo Chávez, who froze last year diplomatic and trade relations with Colombia.

"Things can change", and resumption of trade "does not depend on the fact that a president is in office or not," Plata told journalists in Washington, where the Colombian official is making a visit to promote a Free Trade Agreement with the United States.

"During the first 10 years of President Chávez's administration, there was an impressive trade growth," Plata said.

"Things can change as quickly as they deteriorated," the Minister stressed, as reported by AFP.

Message from President al-Assad to President Chavez on Enhancing Bilateral Relations

Caracas, Sana- President Hugo Chavez of Venezuela received a verbal message from President Bashar al-Assad on enhancing Syrian-Venezuelan relations in all fields.

Minister of State for the Red Crescent Affairs Bashar al-Sha'ar conveyed the message during a meeting with Venezuelan Minister of Trade Richard Canaan on Friday.

The meeting was attended by Syrian Chargé d'affaires in Caracas Bassam Omran.

President Chavez received a message from President al-Assad in January 2010 on enhancing bilateral relations between the two countries in all levels, conveyed by Minister of Information Mohsen Bilal.

Venezuela May Nationalize Gold Mining Concessions, Chavez Says

April 26 (Bloomberg) -- Venezuelan President Hugo Chavez threatened to nationalize gold mining concessions, adding them to the oil, utility and metal assets he's taken control of in the South American country.

The government may end the grants because of "capitalist mafias" comprising national and multinational companies that destroy the environment and exploit workers, the president said on state television yesterday.

"There is no adverse impact on production as Venezuela is only a minor producer of the metal and whatever shortfall that takes place will be made up by an increase in output from other producing countries," said Reena Walia Nair, senior research analyst at Angel Commodities Broking Pvt. in Mumbai. "The chances are the gold concessions would be nationalized considering the country took over the foreign oil and metal assets earlier."

Chavez has nationalized parts of the country's oil, cement, metals and utilities industries as he extends the role of the state in the economy to create what he calls "21st century socialism." U.S. oil companies Exxon Mobil Corp. and ConocoPhillips, whose assets were taken in 2007, are in arbitration proceedings against the South American country.

"If we are going to exploit gold, we would have to nationalize all that, recover and end the concessions," Chavez said.

Gold Reserve Inc., a Washington-based company, in October filed for international arbitration against the government of Venezuela for the alleged expropriation of its gold mining projects. The company had spent \$300 million on the projects.

Bond Sales

Venezuela's central bank is considering selling a bond backed by future gold production, former Mining Minister Rodolfo Sanz said March 31.

The South American country is seeking partners to develop the Las Cristinas gold deposit, one of the world's biggest undeveloped deposits, Sanz said. Toronto-based Crystallex International Corp., which has a license to mine part of the site, may be a potential partner, he said. Chavez said last year a venture between Rusoro Mining Ltd. and the government would develop the site.

The central bank will increase its gold reserves this year and will buy more than half the estimated 20 metric tons of domestic production, former bank director Jose Khan said March 5. Khan is the new mining minister.

ValGold Resources Ltd. is also exploring for gold in the country.

Chavez: Venezuela wants better ties with Bogota

Caracas, Venezuela -- President Hugo Chavez said Sunday he wants to repair strained relations with Colombia, saying he hopes a breakthrough is possible regardless of which candidate wins the neighboring nation's presidential ballot next month.

But the socialist Chavez, who has been fiercely critical of Colombia's outgoing conservative president, Alvaro Uribe, added that any effort to end the diplomatic conflict won't be possible unless Colombia's next leader fully respects his government.

"I'm not going to tolerate a single act of disrespect toward our country," Chavez said, speaking during his weekly television and radio program.

Colombians vote May 30 on a successor for Uribe, whose term ends Aug. 7.

While Chavez said he hopes for improved relations with Colombia's next president, he said efforts to lessen tensions would face serious obstacles if Uribe's close ally - Juan Manuel Santos - wins the presidential vote.

He also said that Colombia could become a serious threat to its neighbors if Santos, a former defense minister, is elected.

"As president, Santos could cause a war in this part of the world," Chavez said. "Santos doesn't respect anything."

During an exclusive interview Sunday with The Associated Press in Bogota, Santos said he disapproves of Chavez's politics, although he believes Colombia's relations with Venezuela could improve if ties are based on mutual respect.

"We have a very different manner of viewing life, politics, what a democracy should be like, freedom of expression," the conservative Santos said. "But if we respect these differences, we can have good relations."

Santos has accused Chavez of meddling in Colombia's presidential campaign, but the Venezuelan leader denied Sunday that he is trying to influence the outcome of the election.

Relations between Chavez and Uribe have been rocky for years, but frictions worsened in recent months over Colombia's agreement to give the U.S. increased 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. Chavez has repeatedly rejected the allegations.

During his talk, Chavez condemned Uribe and other Colombian politicians for suggesting his government has let members of the Revolutionary Armed Forces of Colombia and the much smaller National Liberation Army to take refuge in Venezuela.

"How long are they going to continue repeating that we have guerrillas hidden here, that Venezuelan soldiers give courses to terrorists? ... It's a lie," said Chavez, whose government insists it is neutral in Colombia's fight with Marxist rebels.

Both Colombian rebel groups operate in regions bordering Venezuela.

War possible if Colombia's Santos wins election: Chavez

Caracas: Venezuelan President Hugo Chavez, who for years has had tense relations with neighboring Colombia, warned yesterday of worse ties, and even possible military hostilities, if Bogota's ex-defense chief Juan Manuel Santos wins the presidency.

A victory by Santos in the May 30 presidential election "could lead to war" in the region, said Chavez on his "Hello Mr. President" weekly television and radio broadcast.

"Santos as president—that could lead to war in this part of the world," the firebrand leftist leader said speaking about the conservative candidate, a close political ally of current president Alvaro Uribe. Chavez also demanded that Santos issue an apology for a Colombian military attack during his tenure as defense minister on a leftist guerrilla encampment on Colombia's border with Ecuador two years ago. "If he wants to be president, he should start by saying 'I'm sorry,' and ask forgiveness" for the bombing raid," Chavez said.

Santos is accused by Ecuador and Venezuela of having carried out a March 2008 air raid on the clandestine militant encampment that killed the number two official of the FARC, or Revolutionary Armed Forces of Colombia, Raul Reyes. Meanwhile, a court in Ecuador was to issue a ruling on Monday as to whether it will allow justice authorities to act on an arrest warrant that has been issued against Santos in connection with that bombing raid.

During a campaign debate last week, the former defense minister expressed "pride in having defended the sovereignty and security of Colombians," including the controversial bombing.

Colombia accuses Venezuela's Chavez of meddling in presidential election campaign

Bogota (AP) — President Alvaro Uribe accused his Venezuelan counterpart, Hugo Chavez, on Monday of meddling in Colombia's presidential election campaign by trying to influence the outcome of the vote.

Uribe's comments came a day after the socialist Chavez said he hopes for improved relations with Colombia's next president, but warned that efforts to reduce tensions would face serious obstacles if Uribe's ally — former Defense Minister Juan Manuel Santos — wins the May 30 election.

The Venezuelan leader, who has repeatedly clashed with Uribe and Santos, also said Colombia's government could become a threat to its neighbors if Santos is elected.

"It's an insult to the Colombian people that a foreign government attempts to coerce their free political will to pick the next president," Uribe said.

He accused Chavez of trying to "intimidate" Colombians by warning that a Santos victory could lead to armed conflict.

"The Colombian people are not going to accept this blackmail," said Uribe, whose term ends Aug. 7.

Santos is among the favorites to win Colombia's presidential election.

After lambasting Santos on Sunday, Chavez denied he is trying to influence the outcome of the vote.

Relations between Chavez and Uribe have been rocky for years, but frictions have worsened in recent months over Colombia's agreement to give the U.S. increased access to its military bases in the war on drugs — a deal that Chavez calls a threat to Venezuela.

Colombia, meanwhile, accuses Chavez's government of supporting Colombia's Marxist rebels. Chavez rejects the allegation.

Chavez to Join Obama, Castro in Adding Twitter to Media Arsenal

April 26 (Bloomberg) -- Venezuelan President Hugo Chavez, who already writes a weekly newspaper column, created a radio program and speaks for as many as seven hours every Sunday, plans to add a Twitter Inc. account to his media arsenal.

"Comandante Chavez is going to open his Twitter account soon to wage the battle online," Diosdado Cabello, head of the country's telecommunications regulator, said today on state television. "I'm sure he'll break records for numbers of followers."

Chavez will join world leaders including U.S. President Barack Obama (3.8 million followers), Israeli Prime Minister Benjamin Netanyahu (3,547 followers) and Chilean President Sebastian Pinera (88,978 followers) in reaching out to supporters and opponents alike via the social networking tool that limits users to 140 characters per post.

Chavez, a former paratrooper who wants to convert Venezuela into a socialist state, says his government is waging a media war against conservative news organizations that vilify his presidency and follow orders from the U.S. to overthrow his administration. Chavez was praised last year by his mentor Fidel Castro, who has a Twitter site organized by newspaper Cubadebate.cu, for spending 1,536 hours over 10 years speaking during his “Alo Presidente” show.

‘Revolutionary Idea’

“The case of Hugo Chavez is exceptional in the history of politics,” Castro wrote in a note published last year on the Cubadebate.com website. “Others have gained fame through the written press, radio and television, but never has a revolutionary idea made use of a communications media with such efficiency.”

The announcement comes after Venezuela’s opposition said Chavez, 55, was trying to block social networking sites like Facebook Inc. and Twitter last month after he called for an investigation into a local news site for publishing false information about the death of Cabello, who is also Public Works and Housing Minister.

Chavez rejected the accusations and said that he would soon be setting up his own website to publish news and participate in debates.

“I’m going to have my online trench from the palace to wage the battle,” he said on March 21. “I’ll provide information and even respond to my enemies.”

--With assistance from Sebastian Boyd in Santiago and Tal Barak Harif in New York. Editors: Bill Faries, Harry Maurer

Chavez denies Iranian elite forces in Venezuela

Caracas: Venezuela’s President Hugo Chavez said yesterday a US report was “absolutely false” that Iranian special forces had an increasing presence in his South American nation.

The report by the Pentagon to Congress earlier in April said the Islamic Revolutionary Guards Corps’ elite Qods force had a growing Latin American presence, “particularly in Venezuela.”

That further fueled anxiety in Washington about Iranian President Mahmoud Ahmadinejad’s increasing ties to the region, especially Brazil and Venezuela’s fiery, socialist leader.

“Look at what they are saying,” Chavez said during a ceremony carried on live television.

“If the US applies sanctions to Iran, these forces that are here—something that is absolutely false—could then attack US territory or US interests with terrorist acts.”

Chavez said the accusation was part of a tactic of intimidation against his government.

“Tell me this isn’t an open threat by the government of the United States against Venezuela once again using infamy and lies,” he said. Chavez and Ahmadinejad, both vocally anti-American, have fostered ever-closer political and business ties between their OPEC member nations.

Venezuela supports Iran’s nuclear programme, despite the West’s skepticism about Tehran’s explanation that it is for peaceful purposes only.

Meanwhile, Iran is expanding its diplomatic and economic ties with Venezuela but has no military presence in the South American country, a US general said yesterday.

The comments came as Venezuela’s President Hugo Chavez denied allegations from the Pentagon that members of Iran’s Revolutionary Guard Corps’ Quds Force were stationed in his country.

USA looking for excuse to invade: Chavez

Pentagon report on presence of Iran’s Revolutionary Guard in Venezuela denied

Caracas, 27 APRIL: President Hugo Chavez rebuffed a Pentagon report that found that an elite unit from Iran's Revolutionary Guard has a presence in Venezuela, warning that the USA could be looking for an excuse to attack his country.

President Chavez yesterday called the 12-page report that was delivered to the US Congress last week “a disgrace,” saying “these are the things they raise and repeat in reports to later justify anything.” In the report, the Pentagon concluded that Iran's Qods Force, an elite unit within its Islamic Revolutionary Guard Corps, is well established and increasing its presence in Latin America, particularly Venezuela.

“It's totally false,” President Chavez said of the report's findings.

The unclassified Pentagon report did not include more details on what an increased presence by the Qods Force might entail. Pentagon officials have separately said that they do not believe Iranian terrorist proxies in Venezuela pose a threat to the USA. Since taking office in 1999, President Chavez has strengthened ties with Iran. The two countries have signed a wide range of cooperation agreements including the construction of an auto-assembly plant and agriculture projects in Venezuela.

But the two increasingly close allies have not publicly signed any deals regarding military cooperation. During a trip to South America earlier this month, defence secretary Mr Robert Gates played down any potential military threat Iran might pose in the Western Hemisphere.

Russian Ambassador denies arms deal with Venezuela

Prime Minister Putin said that Caracas could purchase weapons worth USD 5 billion. Russian Ambassador to Venezuela Vladimir Zaemsky denied claims that both countries signed an agreement under which Caracas would purchase weapons from Moscow, as reported following Russian Prime Minister Vladimir Putin's visit to Venezuela.

The Russian diplomat's statements were published on Monday on the website of the Venezuelan National Assembly, AFP reported.

"Not even an arms purchase agreement was signed. Although both leaders discussed military-technical cooperation, this was not the main topic" of the meeting, Zaemsky said.

The Russian diplomat said that Venezuelan media "do not want to see or represent the reality, and that is a pity." He said that during Putin's visit to Venezuela the Russian leader talked with President Chávez about several issues such as oil cooperation, construction and transport.

However, Putin said, on his return to Moscow, that Venezuela could purchase military equipment worth over USD 5 billion.

Hugo Chavez gets 34,000 followers after a single tweet

It's pretty good going to get 34,369 Twitter followers (and counting) after a single tweet - and over 12,000 of those signed up to follow Venezuelan president Hugo Chavez before he'd even typed a word.

But Twitter is enormously popular in Venezuela, with over 200,000 active users. Unfortunately, they're not all big fans of Chavez - indeed, the country's most popular Tweeter, television station Globovision, is also the president's most vocal critic.

Chavez's first, eagerly-awaited tweet reads: "Epa que tal? Aparecí como lo dije: a la medianoche. Pa Brasil me voy. Y muy contento a trabajar por Venezuela. Venceremos!!!"

Which means something like: "How's it going? Appeared as I said at midnight. To Brazil I go. And very happy to work in Venezuela. We will win!!!"

The strategy seems to be working, at least at first. One reply to Chavez reads: "welcome to twitter president I hope we can be closer to you."

"HAPPY TRIP President ... God and the Virgin accompany you and protect...!!!!!" reads another.

But there's the odd voice of disagreement: "I have no water or electricity because of you," says one. "When will you release those accused as spies kidnapped by the simple fact of being Colombian !!!?" says another.

The 140-character limit on tweets may prove something of a handicap for poor Hugo, who has a reputation for rather long-winded speeches, some of which last for hours.

Chavez says he does not know when he will hand over power

Venezuelan President Hugo Chavez, who has been in power since 1998, said Wednesday he did not know when he would hand power, adding that no successor was in sight for now.

"When do I plan to hand over to my successor? I do not have that planned," the visiting Venezuelan president told reporters alongside Brazil's President Luiz Inacio Lula da Silva. "I don't have a successor in sight at the moment."

The leftist Lula is highly popular, but barred from the constitution from seeking reelection a second time.

"Eight years have gone by and Lula has to go, the constitution says so," Chavez said.

In Venezuela, however, Chavez allies amended the constitution to allow unlimited reelection. There have been 11 elections since he took power, the Venezuelan president said.

Venezuela's next presidential elections are in December 2012.

"Then we'll see," Chavez said. "If I am there, then we'll see if the Venezuelan people and the party I represent decide I should be a candidate again. That has not been determined or decided yet."

Chavez has said in the past that his political plans at the helm of his "socialist revolution" stretch to 2030.

Lula says purchase of oil will balance Brazilian trade with Venezuela

Brazil's president Luiz Inacio Lula da Silva said on Wednesday during the visit of his Venezuelan counterpart Hugo Chavez to Brasilia that upcoming purchase of oil from Venezuela will balance the trade between the two countries.

"When Abreu e Lima refinery is concluded, a share of the oil will come from Venezuela and certainly the oil that we will buy from them will balance a little our trade balance, which is important for Venezuelan economy growth and is also important for strengthening strategic relationship between Brazil and Venezuela," said Lula.

The search for greater balance in bilateral trade was one of the topics discussed by Lula and Chaves, since out of a total of 4.2 billion dollars in 2009, 3.6 billion dollars corresponded to Brazilian exports.

Brazil and Venezuela have also signed cooperation agreements in the fields of industry, agriculture, urban development, banking services globalization and border integration.

"When I see that (the state-controlled bank) Caixa Economica Federal will open an office in Caracas, when I see Embrapa (Brazilian Enterprise for Agricultural Research) willing to open an

office in Caracas, I may say that our relationship is more than a trade relation and it is irreversible," said Lula.

The leaders held a private meeting at the start, then extended to a group of collaborators, culminating in a signing ceremony of agreement and press statement, after which a luncheon was offered in honor of the Venezuelan president.

After the meeting in the Brazilian capital, Chavez is expected to return directly home, in Caracas, to receive his Bolivian counterpart Evo Morales.

This was Lula and Chavez's eighth meeting under the quarterly meetings mechanism, established in 2007, and was held on Wednesday morning at Itamaraty Palace, the headquarters of Brazilian Foreign Ministry.

Oil-rich Venezuela gripped by economic crisis

San Cristobal, Venezuela -- Every day for the past three months, government-program blackouts have meant the lights flicker and go dark in a city that once bustled with commerce. And Fifth Street, with its auto parts stores and car repair shops, has ground to a halt.

"We just stop," said Jesus Yanis, who paints cars. "We don't work."

Neither does the rest of Venezuela, where a punishing, months-old energy crisis and years of state interventions in the economy are taking a brutal toll on private business. The result is that the economy is flickering and going dark, too, challenging Venezuela's mercurial leader, Hugo Chávez, and his socialist experiment like never before.

No matter that Venezuela is one of the world's great oil powers -- among the top five providers of crude to the United States. Economists say Venezuela is gripped by an economic crisis that has no easy or fast solution, even if sluggish oil production were ramped up and profligate state spending were cut.

"The government is paralyzed, unable to handle the situation -- and there are no fiscal plans to deal with the crisis," said José Guerra, a former Central Bank economist who directs the economics department at Central University in Caracas, the capital. "Our situation is unbelievable, because we have one of the biggest reserves of oil in the world, thermal-electrical and hydroelectric sources."

Chávez still hails what he calls his "21st-century socialism" as the answer to the American-style capitalism he calls an abject failure. But through his long tenure, the Venezuelan economy has expanded by an average of less than 3 percent a year, even as the price of oil hit a historic high of \$150 a barrel in 2008.

Last year, the economy slid 3.3 percent. Some economists, including Guerra, predict a 5 percent contraction this year. The International Monetary Fund says the economy will probably shrink 2 percent.

Venezuela's performance stands in stark contrast to the rest of Latin America, where some central banks worry about overheating economies in 2010. In Peru, Chile and Brazil, all of which embrace globalization, growth could indeed go well beyond 4 percent, the IMF says. Venezuela, economists say, stands out -- its economic policies marked by the nationalization of industries and stringent currency controls.

"The reason Venezuela is contracting is because private activity is contracting," Augusto de la Torre, the World Bank's chief economist for Latin America, said in Washington last week. "What we're seeing in Venezuela is a phenomenon where productivity, private activity and private business is falling."

Paralysis and polls

The oil industry is pumping 20 percent less crude than in the 1990s and is saddled with debt. The country's inflation rate could hit 35 percent this year, economists say. Thousands of factories, paralyzed by a failure to access money or spare parts, have closed since 1999, said Carlos Larrazábal, president of Coindustria, which represents manufacturing nationwide.

At Three M, a metal mechanics workshop here, manager Marta Medina has had to reduce her workforce from more than 50 employees a year ago to eight. She describes problems coming from every direction: blackouts that have burned out motors on huge machinery, a shortage of spare parts, falling orders.

"We have losses, we have uncertainty, we lose credibility as a company," Medina said.

Chávez's popularity has fallen below 50 percent, rare during his tenure and problematic for his followers as they gear up for parliamentary elections in September. Analysts say opposition could carve out space for itself in a Congress once wholly controlled by the president's allies.

Chávez has publicly expressed no concern, though he acknowledged the economic downturn in a Sunday speech.

"Is that reason to worry?" he asked the party faithful. "Not at all."

Chávez instead posited that declining car imports were a key reason economic figures had slumped. "And what does that have to do with socialism?" he asked.

The "world capitalist crisis," he explained, "for us is no tragedy."

"It's a marvelous opportunity to push a new model," he said, referring to Venezuela's increasingly state-controlled system.

Crippling blackouts

The downturn has only been compounded by the inability of Venezuela's hydroelectric dams to generate enough power. The government blames a long drought. But energy experts say

Venezuela failed to make billions of dollars in investments to upgrade hydroelectric dams and power-generating plants.

To save energy, the government has imposed rolling blackouts in major cities since Jan. 13. In some cities, the blackouts can last four hours or more a day.

"They failed to do everything," said Nelson Hernández, a professor of energy policy at the Metropolitan University in Caracas. "If you do not develop your infrastructure -- your hydroelectric generation, your electrical generation -- you're going to have a collapse."

The government has tried to ease the crisis by imposing fines on companies that use too much electricity and by "bombing" clouds to induce rainfall. Chávez also tapped his closest ally, Cuba, for help, bringing in Ramiro Valdés, a 77-year-old former rebel, to advise Venezuelan energy officials.

But Cuba has suffered through serious blackouts for a generation, and Venezuela has made little headway, even as the rains returned in recent days.

Here in San Cristobal, the capital of Tachira state, the blackouts have affected every level of an export-driven economy, said Gov. César Pérez, an opponent of the president.

"Tachira is one of the states hardest hit by the electrical crisis. The rationing is the most severe," Pérez said in an interview. "This is the result of a socialist vision."

The blackouts mean that diners at Iris Coisa's sandwich shop eat in the dark, even though she can still fry burgers on a gas grill. Across town, a company that makes buses for the state reports that production is on the verge of collapse because metals from eastern Venezuela, which has been hard hit by nationalizations and electricity shortages, are barely arriving. A toy factory has let go of half its staff because orders have plummeted.

Isidoro Teres, president of the industrial chamber of commerce in Urena, says the blackouts and state interventions have hurt his business. His warehouses store imports from Colombia.

But he said business is down more than 40 percent also because Colombian exporters are looking to other markets.

"Evidently, no one escapes the economic crisis," he groaned, standing in a warehouse that was nearly empty.

Chavez, Lula hail bilateral relations

Venezuelan President Hugo Chavez and his Brazilian counterpart Luiz Inacio Lula da Silva Wednesday hailed the achievements of bilateral relations in recent years and pledged to further strengthen cooperation among South American nations.

The two leaders were speaking after a regular quarterly meeting, which saw the signing of a series of cooperation agreements, particularly in the field of oil and power generation.

A declared defier of the United States, Chavez praised Lula for refusing to be "subordinate to the U. S." and seeking to promote ties with Venezuela and other South American countries.

During the past eight years since Lula came to power, the two countries held 17 bilateral presidential meetings and made more progress in improving ties than in the previous 200 years, they said.

Both believed the improvement of bilateral ties in the past years was "irreversible."

Lula, due to leave the presidency at the end of this year, also stressed the importance of South America to his country.

He said that when he became president, he decided to attach more importance to Mercosur -- the trading bloc made up of Argentina, Brazil, Paraguay and Uruguay -- and expand relations with Latin American countries, which allowed the region as a whole to become his country's most important partner, surpassing the European Union.

The two leaders also stressed the importance of South American Nations Union (UNASUR) and welcomed Venezuela's upcoming entry into Mercosur as a full member.

During a ceremony earlier Wednesday, Lula offered Chavez a jersey of the Brazilian football team autographed by players.

Brazil announced that the next regular quarterly meeting between Lula and Chavez is scheduled for Aug. 3 and the last will be in December, shortly before Lula leaves office.

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