

Peru and Venezuela close rift

After an eight-month dispute, the presidents of Peru and Venezuela agreed to resume diplomatic ties.

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QUITO - (AP) -- Peruvian President Alan García and Venezuelan leader Hugo Chávez agreed Monday to mend diplomatic relations eight months after an escalating exchange of insults between them prompted a recall of ambassadors.

"I have spoken with Hugo Chávez. We will reestablish diplomatic relations within one month, sending our ambassadors," García said after the swearing-in of Ecuadorean President Rafael Correa.

García said the two nations, which since May have maintained relations through the commercial sections of their embassies, would also discuss cooperation in the energy sector.

Chávez confirmed that the ambassadors would be back in place within a month and said that he had agreed with García "to work on the issue of petroleum and gas to seek integration" in the region.

The squabble between García and Chávez started in April 2006 when the Venezuelan leader openly endorsed García's opponent -- nationalist candidate Ollanta Humala -- ahead of Peru's presidential election.

Chávez, South America's staunchest anti-U.S. crusader, called García a "thief" and a "lapdog" of the Bush administration for supporting a free-trade pact with Washington.

García, whose first term in the 1980s left Peru nearly bankrupt and mired in leftist guerrilla violence, called Chávez a "historic loser" and accused him of using Venezuela's immense oil wealth to bully other Latin American nations.

García's predecessor, Alejandro Toledo, recalled Peru's ambassador after Chávez referred to Toledo and García as "alligators from the same water hole."