

Chávez buys \$500M in Argentine bonds, wants more

Venezuela bought half a billion in Argentine bonds and plans to buy \$500 million more, plus is seeking deals with Bolivia and Ecuador.

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BUENOS AIRES --

Venezuelan President Hugo Chávez announced on a South American trip Tuesday his government has snapped up \$500 million in Argentine bonds and is pursuing bond deals with leftist allies in Ecuador and Bolivia.

At a news conference before flying to Uruguay on a swing that also will include Ecuador and Bolivia, Chávez praised Argentine President Néstor Kirchner for their close "friendship" and said Venezuela intends to purchase another \$500 million in Argentine bonds in the coming months.

The new deals and negotiations are seen as a major push by Chávez to spread his petro-dollar influence and counter U.S.-backed free trade prescriptions.

IMF CALLED 'DRACULA'

Chávez called it another step to help an allied nation free itself from the International Monetary Fund, which he likened to a vampire.

"Argentina is freeing itself from Dracula, breaking the chains of the International Monetary Fund," Chávez said at a televised news conference before heading to Uruguay to meet leftist President Tabaré Vázquez.

Chávez said Venezuela has acquired \$5.1 billion in Argentine bonds over two years. Chávez said other bond deals are being negotiated with Presidents Rafael Correa of Ecuador and Evo Morales of Bolivia, with details to be announced "in due time."

In January 2006, Argentina repaid its entire remaining \$9.6 billion debt to the International Monetary Fund, a move Kirchner made in the name of greater economic independence.

Argentina defaulted on a record \$100 billion in debt in 2001 but later renegotiated jilted creditors on terms of about 30 cents or less on the dollar. The Argentine economy has grown robustly since the 2001-2002 financial meltdown.

ENERGY DEALS

Meanwhile, Chávez said he plans to sign a series of "energy security" pacts with most countries on his stops, as with Argentina.

The energy agreement announced with Kirchner on Monday called for cooperation on initiatives, including the distribution of natural gas through pipelines, joint oil refining projects and coordinated efforts on distributing power and alternative fuels.

Chávez also said Venezuela would invest in a regasification plant for liquid natural gas for Argentina, which is currently weathering an energy crisis. He said the plant could be completed within two years, and local reports said it would cost at least \$400 million.

Leaders of Argentina's 200,000-plus Jewish community issued a statement opposing any further warming of ties with Chávez and objected to his visit because of the Venezuelan president's close ties with Iran.