Confronting Venezuela?

Jeremy Bigwood and James S. Henry

© SubmergingMarkets.Com, 2005

In recent months there have been mounting tensions between the Bush Administration and Venezuela's popularly-elected, if left-leaning, President, Hugo Chavez. If this were the mid-20th century, Latin America watchers might fear that they were witnessing the early stages of yet another US-backed coup, like those that ousted other popularly-elected, if left-leaning, governments in Guatemala (1954, 1963), Argentina (1962, 1976), Brazil (1964), the Dominican Republic (1965), Bolivia (1971), Chile (1973), and, indeed Venezuela itself (1948).

Today, more than 15 years into the "post-dictatorship" era, Latin America is still struggling to recover from the disastrous long-term effects of these US-backed regime changes. These efforts may or may not have warded off socialist revolutions, but they undoubtedly produced a hit parade of corrupt, repressive dictatorships.

They also persuaded a whole generation of progressive young Latin Americans that the only route to social justice was by way of violent revolution, and contributed mightily to the whole region's excessive debts and economic regression.

Fortunately, those Cold War days are long gone – or are they?

RECENT DEVELOPMENTS

The latest development in this little *Bush-Chavez joropo* came this week, with the release of a <u>strongly-worded protest letter</u> from PROVEA, an otherwise highly-regarded, Venezuelan human rights organization that has often criticized Chavez.

Addressed to US Ambassador William Brownfield in Caracas, PROVEA's letter expresses grave concern about a stream of increasingly menacing statements

that have recently been emanating from senior members of the Bush Administration. PROVEA believes that, taken together, these statements may be creating a climate of fear that is <u>threatening</u> to Venezuela's sovereignty and self-determination:

"We wish to express to you and your government our concern about the tone, the frequency and the possible implications of the declarations of high-level officials of the present U.S. administration regarding Venezuela."

PROVEA's letter singles out recent <u>statements</u> by US <u>Secretary of State</u> Condoleeza Rice, Roger Noriega, the <u>Assistant Secretary of State</u> for Western Hemisphere Affairs, and several <u>right-wing members of Congress</u>. It also takes note of a <u>fiction-filled white paper</u> on Venezuela by the Center for Security Policy, an obscure right-wing think tank that apparently just cannot get its fill of aggressive US foreign policy.

According to PROVEA, these aggressive statements have grossly misrepresented Venezuela's situation by using terms like "dictatorship" to describe the Chavez government, and by implying that he is on the verge of establishing some kind of refuge for FARC rebels and al-Qaeda terrorists just across the Caribbean from us – worst of all, paid for by our own oil purchases.

PROVEA has also reminded US Ambassador Brownfield that, for what it is worth, the US and Venezuela have both signed the Articles of the Organization of American States (OAS) Charter, guaranteeing member countries rights of self-determination. Of course in this Boltonian Era, with this international treaty and a few bolivars you can buy a café Negro.

The comments by PROVEA (the Venezuelan Program for Education and Action in Human Rights) are interesting because it is no mere Chavez mouthpiece. It is a 17-year old NGO that has been funded mainly by Protestant and Catholic churches, whose work has often been cited by international human rights monitoring organizations like Human Rights Watch and Amnesty International. Indeed, the US State Department has often relied on PROVEA's assessments in its annual "Country Reports of Human Rights Practices," describing the organization as "a highly respected human rights NGO."

PROVEAs comments also reflect a growing concern among independent observers that Washington and Caracas may be on the road to confrontation. Several other events have also contributed to this perception.

WILL THE REAL TERRORIST HAVEN PLEASE STAND UP?

First, there is the recent dispute over the fate of the 77-year old Cuban-Venezuelan terror suspect Luis Posada Carriles. In late May, he was arrested by the Department of Homeland Security in Miami. He'd sought refuge after winning an early release from a Panamanian prison, where he had served 3 years for allegedly plotting to kill Cuba's President Fidel Castro. At first the Bush Adminstration claimed that it couldn't find Posada Carriles, but after he turned up on a Miami TV station, a former FBI agent tracked him down and took away that excuse.

Needless to say, the fact that a notorious, convicted international terrorist was able to enter the US at will and then disappear into hiding hasn't done much for Homeland Security's image.

As international terrorists go, Sr. Posada Carriles is a poster boy. Venezuela has requested his extradition to try him again for his alleged role in the 1976 bombing of a Cuban airplane that killed 73 people, including several Venezuelan citizens. The Bush Administration is jumping through hoops trying to dodge this request, which appears to be perfectly normal under international law – it is, in fact, a right that the US exercises frequently. Just this week an El Salvador judge has suddenly expressed interest in extradicting Posada Carriles for unspecified charges in that country, where he reportedly worked with the CIA during the contra wars and hid out in the 1990s.

Separately, Castro would also like to try him for his alleged role in a Havana bombing that killed an Italian tourist, and several other assassination attempts. Sr. Posada Carriles, who has a long history of involvement with both the CIA and anti-Castro Miami exiles, claims that he is innocent. So far the U.S. government has refused to hand him over, asserting that the Venezuelan extradition request is not detailed enough. Both the Castro and Chavez governments have organized massive street protests over this episode, and Venezuela has threatened to sever diplomatic ties.

President Bush has resisted the temptation to invite Posada Carriles to the White House and award him the Medal of Freedom. But just last week, Bush did meet another indicted Venezuelan right in the White House -- María Corina Machado, an *elitista* opposition leader who is facing charges of "conspiracy" to overthrow Chavez. Her organization, Súmate, is has received grants from the US Government to help organize the 2004 anti-Chavez recall referendum – which he won handily anyway. Súmate has also received support from wealthy Venezuelans and Cuban Americans.

Since the Chavez Government has often been accused – to date, at least, without proof – of harboring international terrorists from groups like Spain's ETA, Colombia's FARC, and even leading members of al-Qaeda, this is an especially interesting development. Interestingly, Spain, which also have a huge stake in fighting several of these groups, maintains warm relations with Hugo.

From Chavez' standpoint, if there *are any* terrorists who just happen to have been hiding out in Venezuela's vast reaches, this would be a perfect time to do the right thing and make the trade – handing them over the International Criminal Court, for example.

COLOMBIA TENSIONS

As the guerilla war in neighboring Colombia has escalated, with US military aid to the Colombian government approaching \$3 billion, there have also been several incidents that have convinced the US, at least, that Chavez is aiding the country's left-wing guerillas. This issue was highlighted in December 2004, when Rodrigo Granda, a senior spokesman for the FARC, was seized while attending a conference in Caracas.

FREE TRADE ZONE

With left-leaning, democratically-elected governments now in place all over Latin America, and Hugo's position at home more secure than ever, he has seized the opportunity to barnstorm the continent to support increased Latin American integration, and – to Washington's immense displeasure – to oppose one of the Bush Administration favorite neoliberal proposals, the <u>"Free Trade Zone of the Americas."</u> Chavez alone is not responsible for stalling the treaty – Brazil's Lula has also said that it is off the agenda for now. But Hugo's vocal opposition has not won him any points in Washington.

OIL SQUEEZE

With oil prices at record levels, and the US relying on Venezuela for supplying more than 1.2 million barrels per day of oil, up to 15 percent of all US oil imports, Venezuela has been feeling its oats. The surge in oil revenues has permitted Chavez to increase domestic spending, shore up his political base, and "strut his stuff" all over the continent. The US still accounts for more than 60 percent of Venezuela's oil exports. To reduce this dependency, Chavez has started to negotiate new long-term contracts with other hungry markets, especially China. This has also not been popular with the Bush Administration, whose own popularity has been hurt at least as much as Hugo's has been helped by soaring energy prices.

OTHER IRRITANTS

Chavez's close relationship with Cuba in general and Fidel in particular is another thumb-in-the-eye for US policymakers. Chavez has agreed to provide the island with oil at subsidized prices – partly in exchange for several thousand Cuban doctors. Meanwhile, he is also upgrading Venezuela's ill-equipped military, ordering 100,000 AK-103s and 10 helicopters from Russia to replace his army's 50-year old FAL rifles. Meanwhile, Colombia, one of the US' few remaining allies in the region, makes all the Galils that it wants under license from Israel, without any protests from Washington.

But it is not as if Chavez is only dealing with Russia and Cuba. Spain is selling him fast boats for drug control, and Brazil is selling him Super Tucano airplanes for border patrol. The US DEA is apparently delighted with these acquisitions, and with Hugo's cooperation on the anti-drug front in general, but it is unlikely to come to his defense in public.

At a news conference in Brazil last March, Donald Rumsfeld, the peripatetic US Secretary of Defense, commented that "I can't imagine why Venezuela needs 100,000 AK-47s." Perhaps Secretary Rumsfeld should get a briefing on the difference between AK-103s and AK-47s. He should also read the PROVEA letter.

SUMMARY

The stark reality is that, despite its vaunted "superpower" status, the US really doesn't have much leverage with Venezuela -- unless Chavez does something incredibly stupid, a possibility that we cannot entirely rule out.

Apart from that possibility, it really does appear to be Venezuela that is the true "superpower" in this situation. With oil markets tight, the US economy slowing, and the Chinese market waiting in the wings, this is hardly the time to mess with a major oil supplier.

Chavez' popularity has also increased sharply since last year's referendum, and this is not just because of the surge in petrodollars. After fumbling the April 2002 coup and punting last year's referendum, the hapless Venezuelan opposition has demonstrated conclusively that it is far better at schmoozing in Miami, Houston, and Washington than at organizing an effective grassroots political movement. It should return home, end its financial ties to gringos and Cuban exiles, and work harder.

As for "military options," so long as Chavez keeps his own Army happy, respects international law, and maintains his popularity, there aren't any. Cold War triumphaliists and national security experts who think otherwise should take a crash course in Caribbean tanker routes, US refinery economics, and the capabilities of the latest generation of Russian anti-ship missiles.

More fundamentally, the real reason that a self-educated populist blowhard like Chavez has managed to win at least four nationwide electoral contests since 1998 is neither because he is a ruthless thug or a brilliant demagogue.

It is because the Venezuelan elite that dominated the country's economy, executive branch, legislature, judiciary, military, press, and church for four decades, with close support from the USG and Wall Street, left the country a debt-laden, corruption-ridden mess. (See The Blood Bankers for all the gory details.)

Every time the US government lectures Hugo, muscles him, or tries to artificially inseminate its friends and hirelings in the "Venezuelan opposition" into Venezuelan history, it merely reminds people of this unfortunate fact.



© SubmergingMarkets.Com, 2005