

The Bolivarian Revolution
and
U.S. Foreign Policy in the Area
(that I would like to see change)

By Jo McIntire (February 2008)

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Introduction

I'd wanted to visit Venezuela for several years. The **Bolivarian Revolution** fascinated me. While in developing countries intellectuals at least debated the merits of its populist leadership, in the U.S. almost everyone I know believes that Hugo Chávez is the next worse madman "dictator" after Mahmoud Ahmadinejad.

What follows is my impression of the situation in Venezuela and the aspirations of the Venezuelan people. It's an impression gathered from reading everything I could get my hands on in the three-month period between December 2007 and February 2008, and a three-week visit to the country in January and February, during which I discussed Venezuelan affairs with people day in and day out.

What weight to give to my impressions? While I am a "gringo," I would hardly consider myself a "yanqui." I speak fluent Spanish and have traveled extensively in Central and South America. The parts of my CV that lend credibility to my impressions are experience as an American Friends Service Committee observer in Honduran refugee camps in 1982; two years documenting human rights violations in Guatemala and Mexico (Chiapas); working in development and solidarity with the Sandinista Revolution between 1983 and 1990; and two years working with the UN Development Program (UNDP) in the Philippines. Because of shared histories and cultures, many thoughts collected during all these "adventures" came back to me while in Venezuela.

To avoid defensive posturing that I might encounter introducing myself as an American, having lived in Italy the first 30 years of my life, in Venezuela I chose to pass myself off as an Italian political tourist.

How does a typical Venezuelan see the U.S.?

The 1823 Monroe Doctrine proclaimed that European powers should no longer "interfere" in the affairs of the newly independent nations of the Americas. It was a defining moment in U.S. foreign policy. Obviously, Latin Americans read the doctrine as a self-declared entitlement to hegemony of their continent by the U.S.

Decades of U.S. prosperity were achieved by importing raw materials from South America at bargain basement prices. In the case of Venezuela, that product was oil. By setting up puppet governments headed by pro-U.S. strongmen (the Royal House of Saud in Saudi Arabia, the Shah in Iran, Saddam Hussein in Iraq, and Col. Gheddafi in Libya) the U.S. held the same strangleholds on other oil-producing nations. The only other major oil producing nation other than the U.S. itself that it could not control was the

Soviet Union.

As long as these puppet governments "cooperated" with the U.S., the U.S. turned a blind eye to the greed of their ruling classes while they ravaged their national territories with

The School of the Americas

The School of the Americas was designed as an instrument of U.S. military strategy. It would provide the U.S. government access and influence into all levels of South American armed forces.

In response to international criticism of the school that trained hundreds of army officers and death squad leaders responsible for genocide, assassinations, torture, disappearances and other human rights violations throughout Latin America, in 2001 the SOA changed its name to WHINSEC, the "Western Hemisphere Institute for Security Cooperation".

Chávez suspended the training of Venezuelan military at the Georgia based school in 2005.

His lead has since been followed by Argentina and Uruguay.

enormous land grabs and human exploitation. In fact, in order to support these governments against popular uprisings born from the permitted social injustices, the U.S. army trained army officers of all these countries - providing particular attention to "counter insurgency" and "psychological operations" tactics. This training took place at the infamous School of the Americas in Panama and then at Fort Benning, GA.

The great majority of the people of Venezuela, as in other Latin American nations, were either at the service of the ruling classes or peasants trying to eke out a meager living. I was told that in 1998, 80% of Venezuelans were essentially abandoned to their fates with practically no access to health care, education, or any form of social service. The other 20% consisted of the rich ruling elite, those who did business with the U.S. (selling beef and coffee, and importing commodities) and the middle class (small entrepreneurs, technocrats, and employees). U.S. oil companies ran the oil drilling and export sector. The U.S. oil companies determined how much oil they would take and what they would pay. The same was true across Latin America: with rubber and timber from Brazil, tin and copper from Bolivia, sugar-cane from Cuba.

The aspirations of the first nationalists who emerged during the struggle against colonialism, be it Simon Bolivar in Venezuela, José Martí in Cuba, Cesar Sandino in Central America, or José Rizal in the Philippines, were to develop as sovereign, independent nations. More recently, those dreams have been advanced with more or less violence.

In some countries, nationalist politicians attempted to use the ballot box to bring about change, but until recently, most attempts were quickly thwarted by U.S. intervention. In

1954, President Jacob Arbenz' presidential palace was bombed under U.S. direction after he won the national elections in Guatemala, and Colonel Carlos Castillo Armas and a series of other dictators ruled thereafter for 40 years. The same took place in Chile in September 1973, when the CIA planned the overthrow of democratically elected President Salvador Allende and installed the infamous General Pinochet.

Ernesto Ché Guevara believed that armed struggle was necessary for social transformation. His ideology was put into practice by Fidel Castro in Cuba, the Montoneros in Argentina, the MRTA in Peru, the EGP and URNG in Guatemala, Sandinista FSLN in Nicaragua, the FMLN in Salvador, the ELN and FARC in Colombia, the Machateros in Puerto Rico, the Tupamaros in Uruguay, and the MIR in Chile. Ché remains a figure of enormous stature (at the level of Mao, Gandhi and even Christ) all over Latin America.



To the typical Venezuelan, the Latin American and Caribbean governments that the U.S. has supported – the Duvaliers', the Somozas, Battista, and many others – all have represented the elites and U.S. interests.

For most North Americans, Caracas was simply a holiday escape for wealthy U.S. businessmen.

Recent History

In broad strokes, the recent history of all of Latin America (and the Philippines, for that matter) has been:

1. Spanish colonization
2. Struggle for sovereignty
3. U.S. exploitation of natural resources and the growth of oligarchies and dictatorships
4. Struggle for freedom from U.S. dominance and to develop sustainable economies.

Through all these stages, "nationalism" has remained a firm aspiration.

It's to be acknowledged that most U.S. readers will accept points 1. and 2. above - but may brace themselves defensively at numbers 3. and 4.

A historic transformation is underway in Latin America. After more than a quarter century of neoliberal economic reform, and the worst long-term economic growth

failure in more than a century, voters have rebelled at the ballot box and have elected a generation of leaders who are seeking democratic alternatives that will restore economic growth and development and reduce poverty and inequality.

Caracas

On the flight to Caracas, I engaged the Venezuelan woman sitting next to me in conversation. Cristina had been in Miami for more than two months visiting her parents and her sister and her family. They had all left Venezuela about five years ago. Her sister and her husband had been given an Investor Visa from the INS. To obtain the L-1 visa one must demonstrate the ability to invest a minimum of \$500,000.

Cristina and her husband Roman did not have this type of money. They were both working on Master's degrees and running a cell phone business. Cristina confirmed that in times now gone by, she, her family, and many of her friends would fly to Miami or Orlando regularly "to shop."



They planned to finish their studies in Venezuela and then emigrate to Panama to operate the cell phone business there. The Chavez "regime" had made Venezuela too insecure and was too repressive to entrepreneurship.

I believe that when we will be able to empathize with our "enemies", be they the Afghanis, the Iraqis, the Lebanese, the Syrians, the Iranians, the Palestinians, the Russians, the Chinese, or the Venezuelans, will we be able to nurture reciprocal respect - and only then may we start to move collectively to achieve a less threatening environment for our children's future.



I was impressed to learn that the university's Master's program required that they prepare a project with benefits for a poor neighborhood. They were both working on weekends in *Barrio Peralta*, one of the more notorious shantytowns of the capital.

Background

Venezuela's democratic political system was born in 1958 with a popular uprising that overthrew the dictatorship of General Perez Jimenez. The first Venezuelan constitution was ratified in 1961. It gave birth to the Fourth Republic.

Since 1958, it has been generally understood that the main development goals of the country included industrialization and economic sovereignty. However, despite much rhetoric, the traditional colonial structure of the economy did not change much, and Venezuela remained almost completely dependent on imported technology from the developed world, paid for with its oil exports.

The governments ruling Venezuela between 1958 and 1998 were from two political parties, Democratic Action (*AD*) and the Christian Party (*COPEI*), assembled from various conflicting sectors of society, with the exclusion of the left. What characterized the Fourth Republic was "democracy by pacts and coalitions" - a tantamount decision by the two parties to share power between themselves and to alternate the presidency between them.

During those 40 years, a middle class grew out of the oil wealth, but the majority of the population (as much as 80%) was completely ignored. The great majority of Venezuelans considered the ruling parties to be corrupt servants of the neo-liberal

economic agenda of the U.S. Furthermore, a coherent political program that fostered industrialization never emerged. Both parties could never agree to confront the interests of that wide sector that profited from importation of goods. - and so the status quo was preserved.

In the 1980's, poverty became more accentuated. In 1988, *Accion Democratica's* President Carlos Andres Perez privatized the petroleum industry, PDVSA. The immediate result was a 100% increase in oil prices - and consequent increases in the cost of all other goods. During his presidency (1989-1993), annual inflation averaged 45.3%. Thousands of people were killed in the rioting that broke out, and the government suspended constitutional guarantees indefinitely.

In the early 1990's, the International Monetary Fund (IMF) and the World Bank pressured Venezuela to accept Washington's "consensus" on free trade. Major sectors of the economy were sold off to private entities, including telecommunications, the steel industry, and the national airline, and plans were made to do the same with the national oil and petrochemical industries. Also in the 1990's, Venezuela had the highest rate of economic growth in the Americas - as well as the sharpest increase of economic inequality ever and record levels of poverty and malnutrition, setting the stage for revolutionary change.



Simon Bolivar was a Venezuelan patriot who dreamed of a united Latin America, a flourishing hemisphere, with opportunity for everyone to progress and to contribute to the common interest.

In 1992, **Lieutenant Colonel Hugo Rafael Chávez Frías** led a failed military rebellion against Carlos Andres Perez. He was detained and imprisoned until 1994. While he was in prison, his Bolivarian Revolutionary Movement led a second failed rebellion.

In May 1993, Carlos Andres Perez was indicted and impeached on charges of corruption. Despite 40% abstentions, new elections in 1994 brought former president and COPEI founder Rafael Caldera to power. During Caldera's presidency (1994-1998), annual inflation averaged 59.4% and poverty levels climbed to all-time highs. The country's debt surpassed \$23 billion.

In his first year as president, Rafael Caldera pardoned Chávez and his compatriots. Chávez changed the name of his party to *Movimiento V Republica* (Movement for a Fifth Republic, MVR), and with the support of the leftist "patriotic" coalition, won the elections in December 1998 with 56.2% of the

vote. Hugo Chávez has remained in power ever since by the democratic process of the ballot.

With Chávez, Simon Bolívar's revolution was reborn.

For Chávez, the lessons learned from this history were clear: the changes needed to transform Venezuela could only be made by a genuinely revolutionary government.

In December 2006, Chávez called for a referendum and won with 63% of the vote - 1.7 million more votes than when he was first elected in 1998. It was the highest electoral turnout ever.



The opposition

Venezuela has become extremely polarized since Chávez has been in power. But it is misleading to refer to the conflict as between pro-Chávez and anti-Chávez forces. The poor and working people are overwhelmingly pro-Chávez. The upper classes (once privileged) are against him. Chávez is empowering the 80% of Venezuelans that previously had no voice. The polarization is essentially a struggle between a nascent socialism and corrupt capitalism.

I empathize with the opposition. It's not easy to accept revolutionary transformations. Even though a great part of the tremendous amount of money the government has distributed to the poor has found its way back to the upper and middle classes, and as a result their profits are better than before, their future is uncertain and their assets are at risk. Crime permeates society and *Chavistas* and *anti-Chavistas* alike are fearful of getting mugged and robbed.

I spoke to many *anti-Chavistas*. They are in no way a progressive opposition, but a selfish, self-serving, right-wing opposition. Their character is revealed by their tactics: crippling strikes, oil shut-downs, military coups, and street provocations leading to violence.

One of the most significant attacks on the Chávez government came in April 2002, in a coup attempt supported by the U.S. It only lasted a few hours, but it is interesting that the very first act of the short-lived coup government, presided over by Pedro Carmona,

was to abolish the constitution and dissolve the Supreme Court and the elected National Assembly!

After Chávez's triumphant return to power, Venezuela was subjected to a two-month national strike by upper level PDVSA personnel that crippled the country.

Apart from the one TV channel that the government operates, the press and media in Venezuela is generally dominated by the opposition - and funded by the U.S.

My impression was that the U.S. "cultural artillery" and media war was bombarding Venezuela and serving to placate and divide the people. Indeed, the class polarization in Venezuela is nothing less than astounding.

Faced with the hostility of Washington and the Venezuelan oligarchy, Chávez and his allies have periodically threatened retaliation in one form or another against corruption and have been tempted to strengthen their control over the state apparatus.

On May 28, 2007, RCTV, one of the nation's most popular TV stations, was accused of "inciting rebellion," showing "lack of respect for authorities and institutions," breaking the laws protecting minors, engaging in monopolistic practices, and failing to pay taxes. It had violated 200 conditions of its licensing agreement – and was finally shut down. It has been replaced by a public service channel open to community groups and independent producers.

However, the RCTV station continues to broadcast on a cable network.

Perhaps corruption can only be rooted out by dismantling the existing governing apparatus and replacing it with institutions of popular power. But this is not the case in

The Black-market

The official exchange rate for the U.S. dollar is 2.15 Bolivars (Bs.). The blackmarket has paid as much as 5.6 Bs, and paid 4.4-4.8 Bs. over the three weeks I was in Venezuela.

Prices of items reflect the black-market value exchange rate, not the official value.

In a globalized world, keeping caps on market prices of commodities can discentivate the producer or encourage them to sell their product on the black-market or outside of the country in order to achieve the profit they want. This speculative mind-set combined with the exploding consumer capacity that social programs have created, has resulted in food shortages.

When I arrived in Venezuelan I heard that milk farmers were selling milk to Columbian cheese-makers or on the local black market at three times the set price. The Venezuelan government conceded by loosening price controls on milk, rice and some other basic commodities. The price for raw milk paid to farmers was raised 36%, to about \$2.80 a gallon. And to guarantee proper distribution, milk farmers were invited to sell their milk to a new, highly efficient, state-run plant in Machiques, Zulia, purchased last year from Italy's Parmalat.

Venezuela, where the government allows many persons in official positions who are known to be opposed to the principles of the Bolivarian Revolution. Also, since losing the December 2 referendum (see below), President Chávez has moved in the opposite direction. He has given amnesty to the perpetrators of the 2002 coup and appointed as vice-president Ramon Carrizales, a military officer with links to big business.

The vast majority of Americans receive all their news from a mainstream media which never questions whether the U.S. has the right to dominate other nations. They rarely question the desirability of an economic system dominated by their corporate owners.

For me, the black and white claim of Venezuela being an “authoritarian state” simply doesn't fly.

Hugo Chávez:

Chávez is the head of state of a nation riddled with corruption and crime, which became cultural characteristics during the 50-year Fourth Republic. He presides over an economy in which capitalist social relations still dominate daily life.



The Chávez government is committed to “21st century socialism.” It aims to give the poor access to education and health, to deepen popular democratic control over socio-economic policy, and to distribute the enormous wealth of Venezuela more equitably. Broad economic sectors have been nationalized.

Venezuela is ripe for socialism, but to be a truly demonstrative international example, slim majority support will not suffice. **“21st century socialism”** may be based on popular power, but even that requires an overwhelming majority of democratic consent.

But it isn't easy!

While millions of previously apathetic or apolitical young workers, unemployed poor, and low-income women (domestic workers, laundresses, single parents) are joining the

Chávez movement, it is true that a growing number of disenchanted Chavistas have become frustrated by the obstructions on the road of the revolutionary process.

Chávez' call for "21st century socialism" seemed to mark the end of the period since the collapse of the Soviet Union when capitalism seemed to be the only game in town. The Bolivarian model offers a viable alternative to neoliberalism and imperialism.

Perhaps his single most significant initiative has been to empower grassroots community organizations.

President Chávez has been openly defiant of George Bush and his administration. On many occasions Chávez has referred to capitalism as a "dangerous cancer" that will bring down civilization.

"Capitalism is nothing more than a clever idea dreamed up by rich people to economically enslave the populace . . . Economic power is used to buy friends and influence - including political and legislative favors . . . Dollars do not have freedom of speech, and should not be allowed to vote . . . However, greed knows no bounds, and ultimately capitalist systems always fall of their own weight."

Chávez believes that capitalism is the "path of the destruction of life and the human species" and stresses that "only aware peoples, in organization and in motion can make history -therefore the consciousness of our peoples, of our nations, is essential."

The December 2, 2007 Referendum

Venezuelans narrowly rejected wide-ranging reforms of the constitution that were proposed by Chávez to cement socialism into Venezuelan law.

Among some of the articles presented was one that would have removed the presidential term limit and allowed the president the chance to stand for re-election as many times as the electorate wished. This became a crisis issue for the opposition and for Washington.

Actually, the constitutional reforms had the purpose of deepening and extending social democracy. The privileged would have to share a greater portion of their profits with the working class, lose their monopolies over market transactions to publicly owned firms, and see political power shift toward local community councils and the executive branch.

Prior to the vote, street demonstrations by middle and upper middle-class university students led to major street battles in and around the center of Caracas. More seriously, in a November 5th press conference, the former Minister of Defense, General Baduel, who had resigned from Chávez' government in July 2007, following the lead of the

White House, made explicit calls for a military coup. The local private mass media (overwhelmingly viscerally anti-Chávez and pro-White House) and the U.S. press played up Chávez' reactions and story after story spoke of President Chávez' "mad authoritarianism."

Not a single major newspaper has mentioned the democratic core of the proposed reforms - the devolution of public spending and decision making to local neighborhood and community councils.



Under the proposed reform, these state revenues would be allocated directly rather than through the corrupt, patronage-infested municipal and state governments. This change toward decentralization would encourage a greater practice of direct democracy in contrast to the oligarchic tendencies embedded in the current centralized representative system.

It was pointed out to me that the amendments providing for unlimited term elections were in line with the practices of many parliamentary systems, as witnessed by the five terms in office of Australian Prime Minister Howard, the half century rule of Japan's Liberal Democratic Party, the four terms of U.S. President Franklin Roosevelt, and the multi-term election of Margaret Thatcher and Tony Blair in the UK among others.

The key point of the proposed indefinite elections would always be that they are free elections, subject to voter preference - hardly an "authoritarian" context.

The amendment allowing the executive to declare a state of emergency and intervene in the media in the face of violent activity to overthrow the constitution was thought to be essential for safeguarding democratic institutions. The amendment allowed dissent but also allowed democracy to defend itself against the enemies of freedom. The current opposition parties, business federations, and church hierarchies have a violent, anti-democratic history. Had such a measure been on the books, government could have intervened against the mass media aiding and abetting the violent overthrow of the democratic process in the lead up to the U.S.-backed military coup of April 11, 2002, and the petroleum lockout by its senior executives in 2002-2003.

The reduction of voting age from 18 to 16 would have broadened the electorate and given young people a greater stake in national politics. In Venezuela, many youngsters enter the labor market and start families at about age 16.

The amendment reducing the workday to six hours had the overwhelming support of the trade unions and workers from all sectors but was vehemently opposed by the opposition, led by the big business federation (FEDECAMARAS). The idea was to allow for greater family time, sports, education, skill training, political education and social participation, as well as membership in the newly formed community councils.

Finally, the amendment eliminating so-called “Central Bank autonomy” meant that elected officials responsive to the voters would replace Central Bankers (frequently responsive to private bankers, overseas investors, and international financial officials) in determining public spending and monetary policy. One major consequence would have been the reduction of excess reserves in devalued dollar-denominated funds and an increase in financing for social and productive activity, a diversity of currency holdings, and a reduction in irrational foreign borrowing and indebtedness.

President Chávez accepted the defeat like a dignified democrat and conciliatory statesman. He told the nation: “We weren't prepared and didn't have the level of organization or consciousness for such a big step in the revolution.”

"Indeed, after his Congressional defeat, Chávez is almost a humble man. He is releasing political prisoners, he understands he has to provide more bread and honey and less talk and talk."

Oil

Outside the Middle East, it is thought that Venezuela has the largest oil reserves in the world. The Orinoco Delta has potentially among the world's richest oil deposits.

Notwithstanding such huge oil reserves, I was impressed that Chávez had called for creating an international fund to promote solar, wind, geothermal, and other alternative energy sources in Latin

America. Also interesting was the national goal of phasing out gasoline burning vehicles and replacing them with natural gas powered vehicles starting in 2008!



As I understand it, Venezuela's offshore oil rig fleet peaked in mid-2006 and is now in a declining state of operation. Nonetheless, Venezuela remains South America's largest oil exporter and the fourth-largest supplier of crude to the U.S.

In February 2007, Venezuela decided to assume majority control of its oil and gas industry from all its international partners to guarantee national sovereignty and independence. And now, thanks to Hugo Chávez, Venezuela's oil wealth is actually being used to benefit its citizens. Petrodollars fund public works, as well as literacy and health care programs for the poor.

Petrodollars are also being used to nurture the development of other nations. Cash-strapped nations can exchange goods or services for Venezuelan oil.

The “barrios”



Caracas is surrounded by shantytowns. They are perched on the hillsides on either side of the valley where the business center is nestled. They are characterized by decades of systematic neglect. The rickety, cramped houses, referred to as “ranchos,” have only the most basic amenities. Some ranchos lack even running water and sanitation.



Oil will continue to be the currency of the Bolivarian Revolution for years to come. And PDVSA, the state oil company, has become the Revolution's business agency.

The Chávez government has created new subsidiary companies to PDVSA to promote development in different sectors of the economy: agriculture, industry, shipbuilding, and even consumer goods like shoes, clothes, tools, and electronics. Just to make the point of how significant PDVSA is, at the beginning of January, following months of shortages of basic food products, PDVSA created a subsidiary to produce and distribute food!



“Barrio 23 de enero” is a complex of 38 apartment blocks (9,000 units) in western Caracas built in the early 1950s to house 60,000 residents. Today the spaces between the apartment blocks have been filled with standard Venezuelan shantytown constructions squeezed between and stacked on top of one another. I was told that the population of 23 de enero is currently over 500,000!



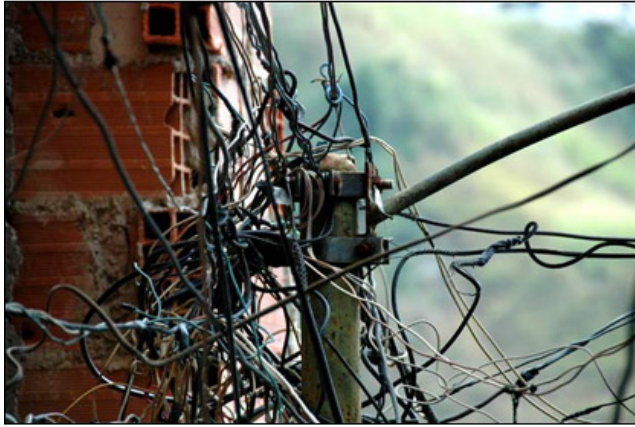
The citizens of the neighborhoods apply for government grants to buy the necessary materials and hire contractors to do neighborhood improvements – such as sewers, electrification, and road paving.

Most people in the *barrios* depend on the government’s social programs.

The *23 de enero* neighborhood was built in 1954 by Venezuela’s last dictator, Marcos Pérez Jiménez, to eliminate the scourge of poor barrios on the outskirts of the city. He named it “2 de diciembre” in honor of his own birthday - but he never let the people in.



During the 1958 struggle that eventually overthrew the dictator and introduced the Fourth Republic, the still uninhabited complex was occupied on January 23rd, the date that gave the neighborhood its new name.



It was in *barrios* such as this that in the 1980s, when the U.S. promoted neoliberal economic reform that left the poor residents of the *barrios* in abject misery, urban guerrilla and armed self-defense movements were born.

In 1989, the police and military attacked the 23 enero complex. They assassinated many popular leaders and killed as many as 3,000 supporters.

It was the residents from Barrio 23 de Enero who streamed down to the capital to defeat the April 2002 coup and returned Chávez to power.

They surrounded the presidential palace and forced the plotters to release him.

U.S. Ambassador Brownsfield was at the Presidential Palace to embrace coup President, Pedro Carmona in April 2002, and then proceeded to entertain a group of anti-Chávez opposition Venezuelans by bringing out a comedian in drag who proceeded to entertain them with a puppet show, which mocked Hugo Chávez. It is estimated that Brownfield funneled more than \$20 million to local opposition organizations through the National Endowment for Democracy and United States Agency for International Development (USAID) prior to the coup. He now serves in Colombia.

Socialism of the 21st Century

In the 1990s, the so-called “Washington consensus” of free-market cures for Latin American economies projected that poverty would be reduced via economic trickle-down from national economic growth. It hasn’t worked. In fact, externally imposed free trade and neoliberalism has widened the gap between rich and poor in most of Latin America.

New South American leaders are finding new models to deliver policies to help the poor. They believe that to be successful they must level the playing field between developed and developing countries. Consequently, they see globalization and free trade initiatives as fundamentally hypocritical and contradictory.

The democracy that the U.S. touts around the world is a model of "directed" democracy in which (in the best of circumstances) the people elect their "representatives." In practice, these delegated representatives become an elite that take charge of all decision-making.

The Bolivarian Revolution:

Under President Chávez there would be no power-sharing agreements, and no powerful economic groups would have undue influence over the government. Class conflict would be confronted, not avoided.

The Bolivarian Revolution is a development model that directly addresses those who for decades have been excluded and marginalized.

Chávez firmly believes that that economic democracy is not possible without political democracy and visa versa. Therefore, for true development to occur there has to be a flourishing of grass roots organization and a redistribution of assets to the poor.

True democracy requires real political participation from the base.

The *Misiones*

According to the Human Development Report 2007-2008, issued by the United Nations Development Program (UNDP), the poorest 10% in Venezuela share 0.7% of the country's gross domestic product, while the richest 10% control 35.2% of the GDP.

To help address this staggering disparity in the distribution of wealth, the Bolivarian Revolution has created ***Misiones*** - social programs.

There are many *Misiones*. Each has a precise social nature (summarized below) and targets a specific group. I list them because when I first heard about them I really didn't grasp the breadth of their scope:

Misión Barrio Adentro has three levels of healthcare (preventive primary care, secondary clinical care, hospital care) and is run predominantly by some 30,000 Cuban doctors and medics.

Misión Alimentación consists of neighborhood supermarkets, called *Mercales*, where poor can acquire food at subsidized prices, and soup kitchens.

Misión Habitat provides assistance to build or buy homes.

Misión Árbol develops "socialist ecology" and environmental awareness.

Misión Science compliments productivity with science and technology.

Misión Culture takes music, dance and art to poor neighborhoods.

Misión Guaicaipuro encourages indigenous and minority ethnic groups to take part in participatory democracy.

Misión Identidad provides a citizen's census and archives civic documentation.

Misión Madres del Barrio provides financial support to indigent mothers.

Misión Milagro deals with parasites, diarrhea, hypertension, diabetes, respiratory and ophthalmological issues. This mission has flown thousands of patients to Cuba for eye surgery.

Misión Miranda establishes a National Guard.

Misión Negra Hipólita helps neglected indigent persons.

Misión Revolución Energética provides rational production and distribution of energy.

Misión Ribas provides access to 1st degree university studies.

Misión Robinson 1 & 2 provides literacy program and completion of elementary school.

Misión Sucre helps adults complete their secondary education.

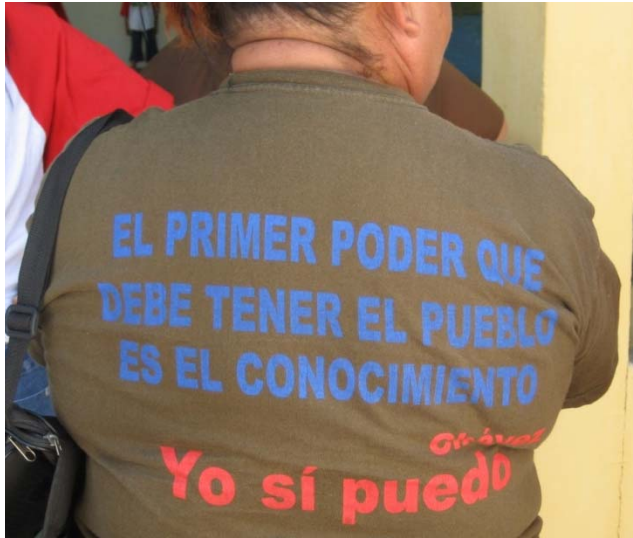
Misión Vuelvan Caras - Misión Che Guevara encourages technological renovation.

Misión Zamora assist *campesinos* to obtain and work farm land.

It is thought that nearly three-quarters of Venezuelans are receiving some form of state-sponsored health, education, housing assistance or food provision.

Even the World Bank has acknowledged that in Venezuela poverty and critical poverty are on a downward trend.

Like everywhere else, the biggest problem the *misiones* have is due to corruption, inefficiency, and insecurity. In the 2008 budget approved last November by Congress, 4% (\$2.5 billion) of GDP was designated for the “missions.” President Chávez told the National Assembly that the social missions would be “reviewed and recast” during the first trimester of 2008 to make them better.



Re empowerment:

“The first step
to empowerment
is knowledge.
Yes I can!”

I heard complaints that participation in the missions required political affiliation with the Bolivarian process, but frankly I doubt that the Venezuelan bureaucracy has that much control. I do know that Cristina and Roman told me aboard my flight to Caracas that they were studying at university within the system.

Communal Power

Asambleas, local councils, have recently been introduced in neighborhoods as a principle form of political organization. The purpose of the communal councils is to empower people at the local level and give them an effective role in the decision-making process. They represent a totally new geometry of power.

With the injection of \$5 billion in funding in 2007, the government allowed communities to become the new centers of political power in a radical, bottom-up vision of democracy in which national government is balanced by grassroots power.

The councils create the legal basis for expression of collective local demands. Their size is determined by social geography: urban councils typically unite 200-400 families;

rural councils, 20-50 families. The councils give the residents the key role in community development.

Already, about 20,000 councils exist, and more are springing up every day.

The councils operate by direct democracy. All mandates are revocable. Currently, their financial affairs are overseen by a public auditing process. It is hoped that the community councils will develop their own mechanisms of accountability and render the corrupt local mayors and state governors obsolete.

The councils organize committees by function - the water committee, land committee, health committee, electoral battle-units, and endogenous development groups.

Each communal council and social territory holds assemblies to choose and prioritize its most needed projects. The proposals are submitted to a municipal planning council for evaluation. Criteria for funding include number of residents, number who will benefit, cost, how long the request has been pending, the number of previous projects in this community, etc. Once the project is approved, the required funds are allocated directly to the community council.

"Only time will tell, whether or not the communal councils will be able to fulfill the fundamental task of decentralizing the Venezuelan state, and radicalizing and deepening 21st-century socialism toward new conceptions of democracy and popular control."

The councils give the local communities control over local development and simultaneously empower them with oversight of the activities of the central government itself. The grassroots communities are learning to handle administration, buy materials, and engage workers or contractors.

People in the barrios believe that, finally, urgent human needs are taking priority over infrastructure requirements, like road upgrades.



Barrio 23 enero elected its 1st Communal Council on April 29th, 2007.

I happened to be in Caracas on January 23 and was able to observe the pro-government street demonstration together with my contact from the Ministry of the Environment.

On my return from a visit to the barrio, I stopped at a building where people were gathering. It turned out to be a former police station that the Bolivarian Revolution had transformed into a community center.

The milk being distributed at the Community Center was confiscated at the Colombian border as it was being smuggled out at speculative prices.



The Center had a community radio station run entirely by volunteers – with lots of enthusiasm and no commercial advertisements –

... and two rooms full of computers that could be accessed for free for either personal use or to study software applications.





Barrio residents can get their groceries from the *mercales*, government-subsidized shops that sell meat, dairy products, and vegetables at a considerable discount.

Food from the *mercal* also is sent to a number of *barrio* homes or soup kitchens called *casas de alimentacion* which prepare free meals for neighbors in need.



Garbage is a huge problem that need addressing. Other obvious problems are housing, crime and corruption. But the people I spoke to told me that for the first time they feel things are looking up!

The PSUV

Chávez has recently created a new political party, the **Socialist Party of Venezuela (PSUV)**, designed to bring organizational unity and coherence among the various political organizations and grassroots groups that support the revolution.



The PSUV's first national congress took place in January 2008. All those involved believe that 2008 will be a crucial year for their revolution

Chávez began 2008 with softened rhetoric. He has offered amnesty to some 400 political adversaries linked to the failed 2002 coup against his rule. According to his recent statements, his attention in 2008 will be focused on resolving concrete problems: crime, corruption, and food shortages.

Culture

I didn't have time to scope out the music, theatre, or ballet in Venezuela.

The closest I came to culture was in Barquisimeto, where I had the good fortune to meet Ernesto, the director of the city's Department of Culture. After sharing a morning together, he invited me to his home where I was his guest for three days.

Ernesto's job is to promote music



appreciation. He targets poor neighborhoods, engaging youngsters with opportunities to study dance, theatre, or musical instruments. Instruments are provided by the state.

"Any government that succeeds in taking street children and transforming them into the stars of one of the most respected, world renowned Philharmonic Orchestra (the Simon Bolivar Orchestra) is a government that must be reckoned with."



Blind people taking free guitar lessons at City Hall four days per week.

Instruments included strings, horns and drums are supplied to anyone wishing to study.



A dance instructor, who was at City Hall one morning to help coordinate the carnival parade, invited me to her barrio to see her young “stars,” but unfortunately, the neighborhood was too difficult to get to.

Indigenous Issues and National Parks

The Bolivarian constitution of Venezuela seeks a “process of restructuring the Republic through deep social transformations that will establish a democratic, sovereign, responsible, multi-ethnic and pluricultural society, comprised of men and women who have a strong interest in their community while maintaining humanistic values as well as their national identity.”



I spent three days in the Orinoco Delta on a “tourist” package. The tour afforded me many hours navigating pristine riverways, a visit to Puerto Capure (the closest point to Trinidad), a stop at another village to look at handicrafts, a walk through a small section of jungle, and even piranha fishing.



The base-camp lodgewhere we stayed, and several others around there, was owned by a Lebanese businessman.

It was clear to me that the tourist package should be replaced by a more genuine “ecotourism” that provides tourists with a more significant dose of information concerning conservation, and which also involves local people as stewards of the environment and provides them much needed income.

My impression was that the people had little or no access to health services or education and their only income is derived from fishing or selling lumber (probably illegally) and selling trinkets and other souvenirs to tourists.



The indigenous people I saw were very poor.

Their homes were rudimentary shelters – often simply a raised floor and a roof, with no walls.

Plastic products are new here, and disposal of plastic is a problem that has not yet been addressed.

In January 2008, the Venezuelan government created a Ministry for Indigenous Peoples to promote community-oriented practices and extend the state-run social, political, and economic programs to indigenous people. A component of that program will certainly be ecotourism. The Ministry counts 3,473 indigenous communities throughout the nation.



Homes being built by the government for indigenous communities.

The communities have electric generators, schools, and water treatment facilities.

Scarlet ibises along the shores of the Orinoco River



The second week of my stay in Venezuela was with folks from the Department of the Ministry of the Environment, which deals with protected parks. Together we visited Acun de Iturre, in the State of Maracaibo, a small and very poor fishing village near the Cienega de los Olivetos Refuge, home to more than 25,000 flamingos.

I celebrated International Wetlands Day at Ancun with schoolchildren from the community.

The interaction between Ministry bureaucrats and the children was heart-warming.



The trips out to the flats and mangroves of the Cienega de los Olivetos Refuge to see the bird life was extraordinary.

Two delightful Cubans, both biologists, one with expertise in teaching environmental principles, the other with expertise in ecotourism, were working with the local councils and with the 50 fishermen families studying sustainable development options for the Cienega de los Olivetos Refuge. They shared their 18 months in Venezuela between this community and several indigenous communities in the Orinoco Delta.

Spending carnival week at this very isolated town afforded me all the time I wanted to discuss with my new friends issues affecting Venezuela.



The multinational salt producing enterprise has made all previously existing cottage industry in the area obsolete.

I was urged to visit another ecotourism initiative in the tropical Andes. From Maracaibo I took an overnight bus to Merida where, after taking the funicular up the 5,000 m Pico de Bolivar, Venezuela's highest peak, I had a wonderful ecotourism adventure with AndesTropicales.org.

**Pico de Bolivar, Venezuela's highest peak
5,000 m**



Along the 4-day uphill hike with our packing mule, I was able to interact with isolated farmer families and was hosted for meals by families who were members of the ecotourism network.



**The “Mocoposadas” in the Andes Nubladas
associated with AndesTropicales.org**

The *campesinos* in this area support their families with self-sustaining farming. Typically, their only cash income is from selling untoasted coffee beans – for which they might earn about \$600 a year.

Obviously, the ecotourism project is very important to them, even though visitors are few. I was the only guest. For me, it was a real privilege to be in such a beautiful setting with such humble and gracious people.



Humble dwellings ...



... good eating ...



... long hiking ...

Religion



Signs of Roman Catholic religiosity can be found throughout Venezuela. There are mini-chapels, as well as shrines to Saint Barbara and the Virgin of Coromoto, patroness of Venezuela.

Chávez has frequently attested to his belief in Christ - but he believes that the reign of Christ must be here on earth, "in equality and in socialism" - not in the sky. He also has said that for him, "the people are the voice of God" - not the church hierarchy.

Jews in Venezuela

In a stay as brief as three weeks it's hard to assess complex matters such as anti-Semitism, but I will say that when I brought up the issue of Israel/Iran/Palestine, I found that the people I spoke to were decidedly anti-Israeli.

The majority of Venezuela's Jewish community arrived during and after World War II and thrived in the oil-rich country. In 1998, when Chávez came to power, the Jewish community numbered about 16,000. It has since declined to approximately 12,000.

The main complaint I heard was not so much about Judaism or the typical anti-semitic rhetoric, but concerned the ties Israel has with and the support it gets from the U.S. The Venezuelan government's strengthened ties with Iran has also brought with it much of that government's perspective about Jews.

Anti-Israel tensions escalated in 2006 during the summer war between Israel and Hezbollah in Lebanon. At that time, Chávez accused Israelis of behaving like Nazis and recalled the chargé d'affaires of the Venezuelan Embassy in Tel Aviv. In turn, Israel recalled its ambassador.

Relations between Venezuela and Israel remain sour, and although there have been no instances of physical violence against Jews in the country, in the past six months the

Jewish lobby in the U.S. has aligned itself strongly with U.S. foreign policy.

Baptist Missions



***“For unto whomsoever
much is given, of him
shall be much required.”***

***- and so it is in
Venezuela.***

Few North Americans live in Venezuela, but those I found happened to be Baptist evangelists working either with a mission or independently.

A retired Texan I met at a bus station had spent time with the Warao Indians. He said to me:

"God has special plans for the Warao people," and added: "As an offering of faith, the Warao Christians have given financially to advance the growth of Baptist churches . . . and request that the money go toward another people group in a different part of the world that needs to learn to know God."

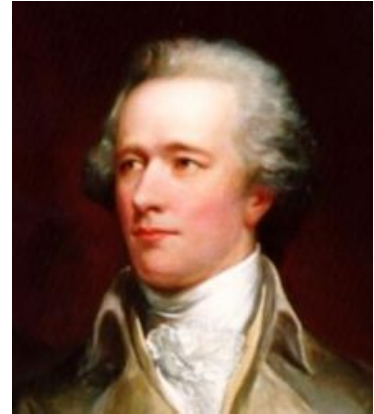
I learned on the Internet that the World Bible Translation Center, based in Fort Worth, Texas, is creating a network of home churches on the Colombia-Venezuela border. On its web site it uses terminology such as "evil rulers" and call on their mission to "respond with righteous opposition."

New Trade Partners

It is easy to forget how vehemently opposed to "free trade" the U.S. was in the 19th and 20th centuries, when we were building our industrial base and British politicians and intellectuals such as Adam Smith preached about its "miracles."

At that time, we thought very much the way Hugo Chávez and other Latin American leaders think today. Alexander Hamilton was eloquent in stating that the U.S. could not become fully independent until it was self-sufficient in all necessary economic products.

Latin America has been told for decades that free trade is the path to modernization, but Latin American leaders are getting tired of empty promises.



President Hugo Chávez of Venezuela has become the most outspoken opponent of the free trade doctrine. Like many U.S. leaders a century ago, he understands that "free trade" is unfair for the weaker, less developed nations, and that the true path to national development and advancement is the strengthening of one's own nation's industry and production through direct state support, guidance, and intervention.

Before free trade could ever be fair trade, Venezuela and the rest of Latin America will have to become stronger and more independent.

On the international scene, Venezuela has nurtured several infrastructural initiatives. These are numerous and I have not looked at these more than summarily.

In Venezuela, bilateral agreements are geared to developing nascent local industrial projects. Abroad, the initiatives are geared to help the other countries develop their respective economies, to build lasting reciprocal links, to nurture international solidarity, and to counter U.S. influence in those areas.

All the new terms of partnership are based on Venezuelan sovereign independence. Chávez seeks to rid Venezuela of capitalist speculation and attract long term foreign investors to work as partners. In this he has been very successful.

ALBA

ALBA (Bolivarian Alternative for the Americas) was formed in December 2004. It is Venezuela's alternative to the U.S.-backed Free Trade Areas of the Americas (FTAA).

While the FTAA opens markets for U.S. products, inevitably at the expense of local production, the ALBA (and PetroCaribe) agreements are based on cooperation, including economic cooperation and solidarity.

ALBA allows Caribbean member nations to purchase Venezuelan oil at a deeply discounted price, thus alleviating their energy woes and lessened their dependence on U.S. financial aid.

ALBA members currently include Bolivia, Cuba, Dominica, Iran, and Nicaragua.

Hugo Chávez has suggested that ALBA create a joint military to better defend itself from possible U.S. military aggression.

Bolivia

Indigenous President Evo Morales is a strong admirer of Hugo Chávez and has followed Venezuela's example, nationalizing Bolivia's natural gas sector and standing up to the U.S. Chávez has been very supportive of Morales' development programs for Bolivia and has provided millions of dollars in aid for them.

Bolivia is currently negotiating the sale of natural gas to Chile - a country it has been at odds with, since Bolivia lost its coast to Chile more than a century ago.

Cuba

Relations between Venezuela and Cuba have been the driving force for Latin American integration.

Trade between Cuba and Venezuela has risen to \$7 billion a year, up from \$388 million when Chávez was elected in 1998.



Twenty-six joint ventures have been established as part of the growing ties of exchange between Venezuela and Cuba. Ten more are being negotiated.

Chávez is an ardent supporter of improving Cuba's oil-producing capacity and believes the island has significant off-shore petroleum reserves. Five international oil companies have paid reserve fees to the Cuban government to secure exploration rights there.

By bilateral agreement, Cuba has sent as many as 39,000 Cubans to work in Venezuela in practically all sectors of society. Nearly 31,000 of them are engaged in health services for the poor. In addition, over 3,500 young Venezuelans are being trained as doctors in Cuban universities. In exchange, Venezuela provides some 100,000 barrels of oil a day to Cuba.



In Ciudad Guyana, I met with a Cuban orthopedic surgeon I knew from Baracoa. In Maracaibo, I met two Cuban biologists, one of whom had worked with the St. Augustine-Baracoa Friendship Association's coloring book project. They were working on ecology and ecotourism. In Barinas, I had the pleasure of meeting with Baracoa's city architect, who is helping his Venezuelan counterparts determine how to best preserve extraordinary buildings and churches considered national patrimony.

U.S. policy towards both Cuba and Venezuela is geared to destroying their respective revolutions and cutting off relations between the two governments.

Dominica

Dominica, with a population of 72,000, joined ALBA at the end of 2007.

Under ALBA, Venezuela plans to store crude oil in Dominica for processing and distribution to other Caribbean countries. The plan also calls for building an \$80 million oil refinery on the island, believed capable of processing some 65,000 barrels per day.

Already, 1,000 Cuban and Venezuelan professionals are in Dominica.

In the meantime, Dominica will pay for 40% of its oil imports (about 900 barrels a day) -- with bananas! In addition, Venezuela has forgiven Dominica its \$1.5 million debt and given it \$10.1 million to refurbish its airport.

Nicaragua

Nicaragua, or Project Bolivar-Sandino, is geared to exchange Nicaraguan agricultural products for Venezuelan oil.



PetroCaribe

Venezuela sells more than 200,000 barrels of oil a day to PetroCaribe countries.

PetroCaribe was established in 2005. Under the plan, Caribbean countries without their own hydrocarbon resources could receive oil at preferential prices and under soft financial conditions.

It's a sweet deal: as long as the price of crude is above \$40 a barrel, countries pay 60% of the cost of Venezuelan oil and fuels at the time of purchase. Buyer nations retain the remaining 40% of the cost as financing for development projects. The financing portion is then amortized after a two-year grace period and paid to Venezuela over 23 years at merely one percent annual interest.



Honduras is the 17th member to join PetroCaribe, only a few weeks ago. It imports from Venezuela all of its crude oil and 30% of its gasoline and diesel fuel for internal consumption. Chávez also forgave an old Honduran debt worth \$30 million.

President Chávez promotes PetroCaribe as part of a larger effort to create a regional confederation that reaches from Argentina to Cuba.

What a contrast from the predatory lending practices of the World Bank and the IMF!

PetroCaribe members' collective debt for Venezuelan crude is currently near \$1.2 billion and is expected to grow to \$4.5 billion by 2010.

In search of the technology needed to build new national industries, the Chávez government has built close relations to countries that are interested in cooperating.

These include Argentina, Belarus, Brazil, China, Iran, Russia and others.

Cooperative projects are rapidly increasing and a "south-south" industrial network is being established.

With its huge natural resources, Venezuela is building a vertically integrated, multinational industrial framework in which initial lower-level industries will in the future supply more advanced industries, such as the automotive and shipbuilding sectors.

Chávez has said that Venezuela "must walk on its own feet." Its "feet" are its massive mineral and natural resources on top of which the nation's industry is being built.

Venezuelan industrial plans include construction of more than 50 factories to produce products such as plastics, chemicals, and pharmaceuticals.

In addition, Venezuela recently announced it will construct more than 200 "socialist" factories over the next two years, spread around the country to bring employment to poorer regions. With cooperation and technology from Belarus, Brazil, Italy, and Vietnam, the factories will produce electronics, motorcycles, housing and building materials,

health care products, and more. The factories will be managed and operated by the local communities in which they are built.



Mercosur is South America's largest business network linking Argentina, Brazil, Chile, Uruguay, and Paraguay. Venezuela is seeking membership.

Chávez is urging the formation of an alliance between Venezuela, Mexico and Brazil (PDVSA and the state companies PeMex, and PetroBras) to create new ways of cooperating to unify policies and increase reserves. For the time being it seems that some right-wing members of the Brazilian senate are obstructing Venezuela's entry.

Argentina

Argentina supplies technology for more than 56 industrial projects in Venezuela that produce consumer goods, foods, auto parts, furniture, home appliances, and more.

More than 300 Argentine experts are expected to arrive in Venezuela later this year to help create an agricultural research center in the Orinoco strip.



Brazil

Venezuela also plans to build joint oil and natural gas refineries in Brazil, as well as the huge Gas Pipeline of the South project that will carry Venezuelan gas through the Brazilian Amazon all the way to Argentina.

At the end of 2007, Brazilian chemical giant Braskem and Venezuelan Pequiven announced the creation of a joint venture to build the “Jose Industrial Complex” in Venezuela. The complex promises to be the most modern and competitive integrated petrochemical project of the Americas. The initiative involves investment of nearly \$3.5 billion.

PDVSA Naval, the shipbuilding subsidiary, has signed an agreement with Brazil to construct a joint shipyard in Venezuela to build 42 new oil tankers by 2012.

China



A joint venture between China and Venezuela will soon produce computers for the Venezuelan and Latin American market. Venezuela has started producing computers with Chinese technology. The agreement assures a progressive transfer of technology for the production of computer components inside Venezuela.

China's 2008 \$6 billion investment for the rights to explore for oil in Venezuela's Orinoco

region is said to be the largest single Chinese investment in an overseas energy project to date – and a huge blow to U.S. economic hegemony in world.

On the political significance he attaches to China, Chávez has stated:

“Relations between China and Venezuela should be at the highest strategic level, and in the front lines of the battlefield”!

The joint venture will include construction of oil tankers to transport oil between Venezuela and China. Venezuela intends to triple exports of oil to China and to construct three refineries there.

China has also agreed to invest several billion dollars in construction of a national train system in Venezuela, not only for the transport of oil, but also passenger trains.

Ecuador

In January 2008, Venezuela and Ecuador signed an agreement to explore gas in the Gulf of Guayaquil. Venezuela has agreed to finance the initial \$150 million.

India

India's state-run ONGC Videsh Ltd. is buying a 40% stake in a 160.16 square kilometer oil field in San Cristobal, Venezuela, for \$356 million plus an equal amount they are taking as a loan. Venezuela's PDVSA will retain the remaining 60%.

The reserves in the oil field are estimated at 232.38 million barrels. It is predicted that the project will yield up to 100,000 barrels of oil per day.

Iran

The growing frustration Latin American countries have with Washington has given Iran an opportunity to expand its influence in the region.

Iran currently provides assistance to Venezuela, Bolivia, Cuba, Ecuador, and Nicaragua.

Iran and Venezuela have developed a strong, productive relationship. In 2007, Iran and Venezuela signed 44 documents for cooperation in various areas. Thirty-three industrial projects are expected to be implemented by the end of 2008.



Venezuela supplies cut-price gasoline to Iran to meet a shortage that has already caused riots in that country.



From Iran, Venezuela is acquiring technology to produce cars and tractors. Through an agreement for the transfer of technology, Iran and Venezuela have established joint factories to produce 25,000 cars annually and 20 tractors daily, with an increasing percentage of parts produced nationally.

By 2011, Venezuela expects to have a line of cars that is 100% nationally produced. Tractor production is moving in the same direction.

Venezuela and Iran are also cooperating in exploration and refining of oil, as well as in other technologies, e.g., for the production of corn flour in Venezuela.

Iran has agreed to invest billions of dollars in joint petrochemical initiatives that will be established both in Iran and in Venezuela to benefit both countries.

For his solidarity, Iran bestowed on President Chávez the Islamic Republic Medal - its highest state honor. The award was to show Iran's gratitude for his "support for Iran's stance on the international scene, especially its opposition to a resolution by the International Atomic Energy Agency."

Chávez is a strong proponent of alternative energies and supports Iran's nuclear energy program, and an outspoken opponent of the U.S. diplomacy towards Iran which in his opinion is doing nothing but nurturing hate, threatening sanctions and military intervention.

Italy

Maire Tecnimont, a Rome-based engineering group, was recently awarded a contract to build and operate a new €90m petrochemical plant in El Tablazo, Zulia, due to start production in 2011.

Russia

With Russia and Belarus, Venezuela plans to establish joint companies to manufacture special natural gas tankers, heavy machinery, construction tools, bicycles, and plastics. Belarus will supply Venezuela with seismic technology needed by the oil industry, a new

aerial defense system, and needed aid for the distribution of natural gas to Venezuelan cities.

Moscow has also signed bilateral agreements to work with Venezuela in the areas of science and technology, agriculture, petrochemicals, energy, and military cooperation. It has provided Venezuela with military equipment to update its army, including a factory to manufacture AK-47 rifles.

Trade with the U.S.

Be it a real attempt to help the needy get heating oil in the U.S. or simply a political tool, Venezuela's CITGO is the only oil company that has donated fuel to help underprivileged Americans heat their homes!

Through the **Kennedy Program** Venezuela distributes 112 million gallons of **free** heating oil to low-income households in 23 states. The beneficiaries are some 224,000 households and 250 social service providers. Criteria in their selection included household size and annual income.

Senator Kennedy's office disclosed the income limit as 60% of the state median. So a New York family of four, for example, must make less than \$43,302 to qualify. The only income verification is the applicant's signature.

I buy my gasoline from CITGO whenever I can!

The U.S. consumes 20 million barrels of oil per day.

Last year, Venezuela nullified six concessions to Anglo-American Loma de Niquel because, among other things, the company failed to maintain roads near its mine and failed to provide workers with low-cost food. The company owned 91.4% of Loma de Niquel, which produced 16,600 metric tons of nickel in 2006 from 4,780 acres of land.

In February 2007, New York based Verizon's 28.5% share of CATV was nationalized. Verizon accepted \$572 million as compensation. Virginia-based AES was paid \$739 million for its 82% stake in Electricidad de Caracas, the country's largest power company. In October 2007, Gold Fields Ltd. left Venezuela after it failed to receive water permits from the government.

Crystallex International Corp. also left Venezuela in 2007 after finding itself unable to obtain the permits it needed to run its Las Cristinas gold mine.

At the beginning of 2008, Venezuela told U.S.-based Peabody and Britain's Anglo-American it wanted to renegotiate terms governing the Guasare Coal International joint venture that operates the Paso Diablo coal mine in the state of Zulia. The company produces around 6 million tons of coal per year and sells to clients in Europe, Brazil,

Canada, the U.S. and the Caribbean. Venezuelan Carbozulia currently holds only 49% of the stock, while Anglo-American and Peabody each have 25.5%.

January 2008 opened the way for Texas-based Cameron International to sell \$190 million in special off-shore equipment and services to PDVSA for the Dragon and Patao natural gas development projects. The equipment will permit "angled drilling," which allows wells to exploit multiple deposits from a single rig.

ExxonMobil

Taking on the world's toughest energy challenges™

Texas giant ExxonMobil deserves a section all its own.

In 2007, Venezuela's state oil company, PDVSA, nationalized the multi-billion dollar Cerro Negro heavy oil project in the Orinoco Delta. ExxonMobil (and British

Court documents show that Exxon Mobil's Venezuelan unit had net income of \$362 million on sales of \$758 million in 2006, the company's last full year of operations in Venezuela. This ratio of profits-to-sales is four times the company's worldwide average!

ExxonMobil reported comprehensive profits of over \$12 billion in the last quarter of 2007!

Chávez has referred to Exxon as "imperialist bandits, white collar thieves, corruptors and over-throwers of governments" and to the freeze as "economic terrorism".

Petroleum) had partnered with PDVSA in that project in the 1990s with an investment of about \$750 million and an agreement to pay Venezuela royalties in the amount of 1% of the value of the oil extracted.

British Petroleum, Chevron, Total of France, ENI of Italy, and Norway's Statoil all agreed to give PDVSA a 60% controlling hand in their Venezuelan projects and stay on as minority partners. But ExxonMobil (and Conoco) rejected Venezuela's compensation offer last June, left Venezuela, and filed an arbitration claim with the International Center for Settlement of Investment Dispute¹, an establishment controlled by the World Bank.

At the beginning of February, courts in New York, London, the Netherlands, and the Netherlands Antilles ordered a freeze of \$12 billion (!) in

Venezuelan assets in the U.S. and Europe to guarantee "appropriate" compensation to Exxon. Hugo Chavez responded by suspending oil shipments to Exxon.

From the perspective of most of the developing world, the contrast between ExxonMobil

¹ The International Center for Settlement of Investment Dispute (ICSID) is thought by many to operate as a group of kangaroo courts, set up to issue blanket decrees in favor of transnational corporations and financial institutions.

and PDVSA couldn't be starker. It considers ExxonMobil a greedy corporation which has left a trail of death and environmental destruction stretching from Alaska to Iraq to Indonesia to Nigeria. From massive oil spills to criminal wars for oil that have destroyed entire countries, ExxonMobil has developed a reputation as the epitome of corporate greed and brutality.

PDVSA, on the other hand, is owned and operated by the Venezuelan people and for the benefit of the Venezuelan people. In 2007, more than \$13.3 billion dollars of PDVSA's revenues was used on social programs in Venezuela. The money generated by PDVSA is used to pay for health care facilities and doctors, food and nutrition programs, schools and teachers, and many other social programs in Venezuela. One of PDVSA's biggest contributions to Venezuelan society has been its work in the development of water systems around the country that now pump clean drinking water into homes for the first time.

The ExxonMobil Corporation and the U.S. government want to cause pain to the Bolivarian Revolution and to humiliate Chávez. But people all over South America and beyond, and in the OPEC for that matter, are watching this bully tactic. The image that they perceive will not be that of a company seeking fair compensation, but rather another example of U.S. capitalist brutality, wielding yet another geopolitical destabilization machination, to get oil at the expense of humanity. They will take the position that Venezuela has the sovereign right to exploit its resources under its own laws and its own development policies.

U.S. Foreign Policy in Latin America

The U.S. government has historically opposed socialist initiatives in Latin America and supported oligarchies that have used the church and the military to keep peasants at arm's length from their comfort zones.

In Venezuela, a key element of U.S. strategy is to demonize Chávez and de-legitimize his government. The U.S. and international media have enthusiastically embraced relentless anti-Chávez propaganda.

The U.S. government calls any nation that resists U.S. domination a "rogue," "rebel," or "terrorist" state. The U.S. resents opposition to its "free market" economic model. For the White House, President Chávez is "a dictator."

Third and fourth world countries have referred to the "free trade" model as "genocide." They see, in Iraq and Afghanistan, how the U.S. "promotion of free elections, freedom of the press, etc." translates into violent coercion!

From the Venezuelan perspective, the U.S. displayed its military interventionist aspirations soon after Hugo Chávez became president. In December 1999, torrential rains struck the State of Vargas, causing floods and landslides that killed hundreds and washed away thousands of homes. The U.S. response was to send naval ships and helicopters to aid in the rescue. Chávez refused the military aid!

When in January of 2007, John Negroponte² claimed that Hugo Chávez posed a “threat to democracy,” Venezuela announced it would beef up its military capabilities in preparation for conflict.

Indeed, the democratically elected governments of Venezuela, Bolivia, and Ecuador all remember the CIA overthrows of democratically elected governments in Guatemala and Chile. They know the wrath of the U.S. economic embargo against Cuba. They remember the U.S.-directed war in El Salvador and Nicaragua as well as the invasions of Haiti, Panama, Grenada – not to mention Vietnam, Lebanon, Somalia, Afghanistan, and Iraq.

The U.S. State Department under George Bush has resurrected many of the same “tacticians” from the Reagan years. Otto Reicht, Assistant Secretary for Hemisphere Affairs, is an anti-Castro fanatic. The “psychological operations” being implemented against Venezuela are the same as those used by Robert McFarlane when he was Ronald Reagan’s National Security Advisor– and they are viewed with disdain throughout Latin America:

- Isolate Chávez in the international community
- Work with national and international press agencies to distort information
- Accuse the Venezuelan government of being a human rights violator and international pariah
- Contract polling companies to create fraudulent polls
- Provoke general uprisings; encourage violent street protests and disruptive actions such as strikes to create chaos
- Coordinate with potential “coupsters”
- Support opposition groups, businesses, and social associations
- Sustain anti-Chávez propaganda
- Encourage a military rebellion
- Keep the U.S. military bases in Curacao and Colombia active to maintain constant pressure on Venezuela and to provide support to future actions there.

Narco-traffic

² John Negroponte was the U.S. Ambassador to Honduras during the Contra war against Nicaragua and now serves as U.S. intelligence chief,

U.S. "Drug Czar" John Walters has accused Venezuelan President Hugo Chávez of being a "major facilitator" of the trade in cocaine. One strategy to degitimize him has been to associate the Venezuelan government with 200-300 metric tons of cocaine smuggling that is "victimizing" the United States and Europe!

People I spoke to in Venezuela rejected the charges, and claimed associating the Chávez government with drug traffickers was a strategy of destabilization. They argued that the mafia trafficking the drugs through Venezuela established their smuggling network well before Chávez.

In his most recent State of the Union Address last month, President Bush included Venezuela on the list of states which "posed the most danger to the U.S." - sharing that position with Iran and North Korea.

If there is a U.S. military intervention in Venezuela, it is expected to be swift and merciless.

Colombia is the supplier, the US the consumer: Venezuelans takes the rap!

A young Venezuelan working in the mangrove swamps in the Oliveto refuge was quick to point out to me that in Afghanistan the Taliban had eradicated 3/4 of the world's crop of opium poppies prior to the U.S. invasion in late 2001 - and that now, largely under U.S. military control, Afghanistan is back to being the world's number one producer!

Colombia and the FARC



UH: How can we stop meditating on annual inflation, food scarcity, high crime, and the deteriorating health services?

AH: Concentrating on a war on Colombia.

After the U.S., Venezuela is Colombia's second largest export market.

As of September 2007, Venezuelan imports from Colombia totaled \$3.24 billion. Venezuela buys from Colombia food staples such as eggs, chicken, milk, and beef; car parts, spare parts, and assembled vehicles; and clothing and shoes. Industrial and agriculture trade amounted to another \$3.02 billion and \$223 million, respectively. Over the same period, Venezuelan exports to Colombia were only \$1.19 billion.

A true humanitarian crisis

The insurgency in Colombia and Venezuela's Bolivarian Revolution are both rooted in progressive, anti-capitalist ideology.

The struggle in Colombia began in the late 1940s. The same old story: a hard-line military dictatorship and a corrupt and greedy oligarchy squeezing out working people from any hope of land reform and the opportunity for a subsistence economy and a fair chance in life. The state's presence in the rural areas consisted of coercive offensives against the peasantry. The military was seen as an instrument that perpetuated the interests of Colombia's ruling class.

After a cruel civil war, the "insurgents," together with dissident members of the Liberal and Communist parties, left the mainstream and established their own "independent republics" deep in the south of the country. There, they established communal, peasant-based settlements founded on socialist ideology.

Ever since, the Colombian government has struggled to reassert its control over the entire state.

In 1964, the Colombian military, supported by the U.S., waged a devastating napalm attack against the independent republic of Marquetalia. The survivors reacted by expanding their agenda into a nationwide Revolutionary Armed Forces of Colombia-People's Army (FARC-EP) and declared war against the state.

During the 1970s and 1980s, the FARC established its own schools, judicial system, health care, and agrarian economy and became the largest left-wing group in South America.

In 1984, President Betancur initiated cease-fire negotiations based on recognition of the FARC as a legitimate political party, the *Unión Patriótica*. The political goal was to lead Colombia to a peaceful democratic juncture independent of neo-liberal and imperialist expansion. Peace accords were signed.

The *Unión Patriótica* party espoused anti-corruption policies, harsh penalties against narco-traffickers, and progressive land and economic reforms. But, as they won more municipal and national elections, its members became targets of right-wing death squads and paramilitary organizations incorporating "counter-insurgency" strategies taught at the School of the Americas. Since 1984, at least 5,000 *Unión Patriótica* members, including presidential candidates, mayors, and legislators, were murdered or disappeared.

With diminished hope of true political participation, the FARC saw no alternative but to modernized its military capability and in 2000 launched the clandestine political party, "Bolivarian Movement for a New Colombia." To finance itself, it seized control of coca and poppy fields throughout the country and began collecting "taxes" from farmers, residents, and workers of narcotics plantations. Their strategy has always been to establish a broad-based national movement that would respond to the existing influence of U.S. capitalism in Colombia.

As an incentive to bring the FARC to commit to a cease-fire, Colombian President Andrés Pastrana offered the guerrilla group a demilitarized zone around its historic stronghold in southern Colombia - an area comprising about 42,000 square kilometers populated by nearly 120,000 residents. During those negotiations, the FARC released several hundred hostages, some of whom had been held for years.

But in the end, the negotiations went nowhere: peace talks grew increasingly more frustrating. FARC fighters carried out a series of brutal attacks that involved kidnapping and murder.

On February 23, 2002, with the peace process in shambles, the FARC kidnapped French-Colombian presidential candidate Ingrid Betancourt, a woman who had written



extensively in support of peace talks and about government corruption. The FARC commanders responsible for guarding hostages obviously have orders to kill their captives if the army attempts to free them by force.

In 2006, Conservative President Uribe, one of the best friends and partners the U.S. has in South America, won the "democratic"

On the event of president Uribe's inauguration in July 2006, several bombs exploded in Bogota and other sites. A civilian was killed and 19 soldiers were injured.

President Uribe blamed the FARC.

Only last week, it was revealed that the placement of the bombs was in fact the work of Colombian Military Intelligence! And for the record, the officers directly involved were Fort Benning School of Americas graduates. In addition, they are all linked to U.S. Special Forces operations and U.S. aid in Colombia.

election at a time when the great majority of the country abstained from the election.

One reason for Uribe's unpopularity is the knowledge that his father had associations with various drug cartels, and members of his cabinet have been associated with death squad activities. While President Uribe's hard line against the FARC is portrayed by Washington as a bulwark for democracy, in South America he is considered by many to be "a puppet of U.S. Imperialism."

President Uribe has made little progress in negotiating peace or the release of any of the several hundred hostages held by the FARC in jungle camps, some for nearly a decade. He has consistently set unacceptable terms and has proceeded to ratchet up offensive military actions.

Colombia's insurgency war is now in its forty-third year, with no end in sight. After Afghanistan and Iraq, Colombia is the third largest recipient of U.S. counterinsurgency aid.

President Chávez has acknowledged "solidarity" with the FARC. It would be logical if there were some level of cooperation between Venezuela and the FARC leadership.

Recently, in an attempt to bring international attention to the region, Chávez took the initiative to negotiate the release of hostages held by the FARC. While Europe has become engaged, Colombia and the U.S. (despite the existence of 3 U.S. Northrup Grumman contractors in the hands of the FARC) have discounted the efforts and are increasing the level of tension against Venezuela.

U.S. media have been silent on the subject. Only Massachusetts Democrat Rep. William Delahunt has been involved.

A quick note about "Plan Colombia"

In 2000, President Clinton signed a \$1.3 billion spending bill for "Plan Colombia" -- the country's road map in its fight for drug-free development (read eradicating the insurrection in Colombia).



Florida residents Keith Stansell, Mark Gonsalves and Thomas Howes, Northrup Grumman contractors in the hands of the FARC since February 2003.

They were engaged in aerial drug surveillance for the Department of

It took only eight months after 9/11 for Congress to overtly expand U.S. engagement from fighting drugs to "a unified campaign against narcotics trafficking [and] against activities by organizations designated as terrorist organizations." U.S. Special Forces are mobilized in Colombia to train Colombian soldiers to hunt down guerrillas and protect an oil pipeline partly owned by Occidental Petroleum. As mentioned previously, Colombia is the largest recipient of counterinsurgency aid for the U.S. after Iraq and Afghanistan.



Former hostage Clara Rojas (right) reunited with her mother Clara Gonzalez

Colombia is home to three groups classified as terrorists: the left-wing FARC and ELN guerrillas and the pro-government paramilitaries.

Despite evidence that the incestuous relationship between Washington and Colombia's military machine was not meeting its objectives, President Bush committed another \$3.4 billion to the effort and has proposed an additional \$590 million in his fiscal year 2008 budget. In addition, President Bush has asked Congress to approve a "free-trade" agreement with Colombia in 2008. While the FTA eliminates tariffs on U.S. agricultural products exported to Colombia, it is unclear how it would help the poor of Colombia.

Aerial herbicide fumigation costing U.S. taxpayers \$200 million a year has left thousands of Colombian coca-growing peasants with precarious livelihoods. Coca cultivation has now migrated into national parks (where aerial spraying is not permitted) and into neighboring Peru and Bolivia.

Colombia is experiencing a major economic recession. Many factories have closed and the unemployed workers scabble for under-employment on the streets of the cities. Farmland is increasingly concentrated in the hands of a few rural barons, causing a million recently dispossessed *campesinos* to crowd into slums. The country's infrastructure, its roads, schools, and clinics, are slowly deteriorating.

President Chávez has repeatedly reiterated that a first essential step to peace is for each side of any conflict to recognize the other. In the case of the FARC, Venezuela is calling on the world to recognize the FARC as an "insurgent group" (with a political agenda) - rather than as "terrorists." I find the argument compelling. Political conflict cannot be

resolved by demonizing the other side. Dialogue is the only way. When an organization is labeled "terrorist," its members are subject to arrest without *habeas corpus* rights or rights guaranteed by the Geneva Convention.

Thanks to the diplomatic intervention of President Chávez, politician Consuelo Gonzalez and Clara Rojas, an aide to fellow hostage and former Colombian presidential candidate Ingrid Betancourt, were released by the FARC on January 8, 2008, after 6 1/2 years in captivity.

The U.S. defines terrorist organizations as those that target civilians to achieve political ends. While this certainly is the case with the FARC, what alternative have they had in such an asymmetrical conflict?



When one side has satellite surveillance, drones, fighter aircraft, humvees, night vision, communications, napalm, etc., and the other side consists of poor farmers with barely a pair of shoes, their tactics cannot be governed by the same rules.

A sure way to prolong a conflict is for one or both sides to refer to their enemies as "terrorists." That's a fact the U.S. should factor into its diplomatic efforts.

Venezuela's Defense Capability

I did not focus at all on Venezuela's defense capabilities and will limit my comments to information I have read in newspapers.

In 2006, Venezuela signed contracts with Russia to buy 53 Mi-24 armored helicopter gunships, 30 fighter planes, and 100,000 Kalashnikov rifles.

There has been talk about building a factory to manufacture AK-47 assault rifles in Venezuela.

More recently Chávez has been negotiating to acquire high-performance aircraft and submarines.

So . . .

Where do we go with all this?

There is no doubt, Hugo Chávez's Bolivarian revolution has aroused great interest among progressives who applaud the social programs that benefit the poor.

But is the Venezuela experience a viable path to liberation in today's world? Or is this generation of socialism, with all its aspiration for full participatory democracy, a bankrupt ideological philosophy?

"Admiral Michael Mullen, the chairman of the Joint Chiefs of Staff, in the company of Colombia's Defense Minister and Armed Forces Chief General, said the United States was greatly concerned about a Venezuelan military buildup." - the U.S. Press

President Chávez has said that the U.S. is planning to use Colombia in a military aggression against his country.

The Chávez government is pursuing sovereign industrial development and technology transfer on its own terms, with the help of a variety of allies. The Venezuelan economy has shown impressive growth in recent years. The manufacturing sector has been growing especially rapidly. Imports of final-consumption goods have been reduced.

Venezuela is building industry like never before and doing so by going against almost everything the free trade model calls for. The Venezuelan state rejects any illusions that the market will magically bring modernization and is instead playing an active role in directing, planning, and guiding the development of the country. To put it mildly, Venezuela has clearly shown that following the demands of Washington is not well-advised. More bluntly, the Bolivarian Revolution seems to demonstrate that the real path for the industrialization and development of the third world is social and economic revolution.

A March 2007 poll by *Datanalisis* found that 64.7% of Venezuelans have a positive view of Chávez's performance in office. Moreover, the majority of Venezuelans are optimistic

and confident about the future, and there is a high level of support for the new institutional and constitutional framework that the government has established.

According to *Latinobarometro* polling, the percentage of Venezuelans satisfied with their political system increased from 32% in 1998 to over 57% and Venezuelans are more politically active than the citizens of any other surveyed country - 47% discuss politics regularly (against a regional average of 26%), while 25% are active in a political party (the regional average is 9%). Fifty-six percent believe that elections in the country are "clean" (regional average 41%), and along with Uruguayans, Venezuelans express the highest percentage of confidence in elections as the most effective means of promoting change in the country (both 71%, compared to 57% for all of Latin America).

The promiscuous use of the terms "populist" and "authoritarian" to describe Chávez is one of the primary reasons why the nature, appeal, and the durability of Chavismo has been so manifestly misunderstood. "Populism" glosses over the complex mechanisms of linkage, reciprocity, and accountability that exist between government and civil society in Venezuela, and the dynamics that shape the relationship between the administration and multiplicity of grassroots organizations across the country, the majority of which are far more autonomous and organizationally coherent than is implied in the "populist" narrative.

The bottom line is that ordinary people feel empowered by this government.

No reputable human rights organization has claimed, nor would claim, that civil liberties or human rights have deteriorated under the Chávez government - or that it compares unfavorably on these issues within the region.

I believe that the U.S. missed an enormous opportunity after 9/11. It was self-evident that we had gone wrong somewhere. Rather than flexing muscle and going to war against "Al Qaida" (whatever that is), we could have engaged in serious introspection, admitted that our economic and foreign policies in most places have been not only self-serving but also exacted a high cost from others, and expressed to the world that we now wanted to use our wealth, strength, and technological know-how to find a way to listen to our "enemies" and to help provide wellbeing to marginalized peoples and nations everywhere.

In the U.S., we have hugely underestimated the Bolivarian Revolution and Chávez' narrative about development. Instead of trying to strangle the Bolivarian Revolution that is trying to improve the life of Venezuelans, if we can't get on board – let's at least get off their backs!