

## CHALLENGER: Venezuela

### The Bolivarian Experiment

For the present, Venezuela is **Hugo Chavez**. He is a hero to many, perhaps a majority, but the *nemesis* of the (white) merchant middle-class of Caracas. The perceived success of Chavez' administration – and Venezuelan demography – will determine his fate. Chavez seems to be a contradiction – a part *Pumé* Indian rising through the military to bring popular social change in a continent that so often has seen conspicuously Caucasian militaries engage in politics to the advantage of the advantaged Caucasian elites. But this is a long-present, long dormant, element of Latin American military culture – the view that the military is the only coordinated, competent element in society that can bring about a *Bolivarian* vision of social equity. Obviously, **Cuba** is the most conspicuous example of this mechanism, and it is no accident that Chavez has intimate relations with Castro's regime. The military is doubly significant for Chavez – it is the only institution in Venezuelan society through which he could have risen through merit to a position within reach of political power.



### The People

The population of almost 26 million, with a median age 25 years, has a higher proportion of mixed-ethnicity than most other Latin American nations. *Mestizo* (mixed Caucasian, Black and Amerindian) comprise **60%** of the population, with 29% *Caucasian*, 8% *Black*, 1% *Amerindian*. This contrasts with, for instance, **Brazil** where the mix is **39%** *mulatto* (mixed), 54% *Caucasian*, 6% *Black*. Around 85% of the population live in urban areas north of the *Orinoco River*, only 5% live in the 50% of the land area south of the river. The official language is Spanish, and 96% are nominally Roman Catholic. There is wide socio-economic inequity; almost 70% of the population live in poverty and about half of these are classified as “extremely poor”. Infant mortality, a generalized measure of *public health* standards, is over 21 per 1,000 live births. Indicative comparisons are: **Singapore** 2.3; **UK** 5.1; **Cuba** 6.2; **US** 6.4; **Saudi Arabia** 12.8; **Venezuela** 21.5; **Pakistan** 70.5.



### Government

In February 1989 there were riots in Caracas and other cities against the hardship of government economic policies. Response by the security forces – in the *Caracazo* as the event is called -- led to 3,000 deaths. Three years later in February 1992, amid continuing social dissatisfaction at marked decline in living standards, future President,

then Lt-Colonel, **Hugo Chavez** led a group of army officers in a failed coup. Another failed coup followed and an impeachment with little progressive social reform. By 1998, Venezuela was ripe for change and in December Chavez won the presidency on a platform of reform, constitutional change, and action against corruption. This brought to an end the 40 years since return to civilian rule in 1958 dominated by the *Acción Democrática* (AD) and *Partido Social Cristiano* (COPEI).

After election, Chavez created a *National Constituent Assembly* to redraft the constitution and Chavez supporters were elected to over 90% of the seats. The new draft constitution was approved in a national vote in December 1999. Among the provisions of the new Constitution was a change of name to *República Bolivariana de Venezuela*, and increase of the presidential term to six years. It also established a novel *citizens branch* of government, a troika of the *fiscal general* (*public prosecutor*), *defensor del pueblo* (*ombudsman*) and the *contralor general*, who have their own functions but assembled together form the "*Republican Moral Council*" an agent of special pleading to the courts on violations of the Constitution.

In fresh elections under the new Constitution in July 2000, Chavez was re-elected as president with 59% of the vote, beating Francisco Arias with 37%, and his own *Movimiento V República* (MVP) party and ally *Movimiento al Socialismo* (MAS) party won 92 seats of 165 seats in the *Asamblea Nacional*.

Three national votes of support for Chavez in three years did not prevent his opponents trying to depose him and in April 2002 about 500,000 marched (1 million by the marchers' estimate) in Caracas demanding his resignation. Then some elements of the military arrested Chavez and a merchant Pedro Carmona, former president of the rightist *Fedecamaras* and member of *Opus Dei*, swore himself in as President and appointed a cabinet of *Opus Dei* associates. Three days later, troops loyal to the constitution returned Chavez to power. A reconciliation group comprising the *Organization of American States* (OAS), UNDP and the *Carter Center* tried to initiate constructive dialogue between the government and the opposition but bitter antagonism remained and there was a general strike on 02 December 2002. Two days later the petroleum sector joined the strike, then other sectors; all economic activity ceased for a month.

After about two months, the government prevailed; it restarted the petroleum industry and dismissed 40% of the petroleum workers for abandoning their jobs. But weeks later, a controversial and polarizing petition process started that led to a *presidential recall* election in August 2004 which Chavez won by 58% of the vote. The election was observed by OAS and the *Carter Center* and found to be fair but opponents of Chavez insisted there had been electoral fraud.

In October 2004 in national elections for governors and mayors, pro-Chavez candidates won 20 out of the 22 state governor seats. In August 2005, there was a 69% abstention in municipal elections but Chavez supporters won a majority of the seats. Just prior to the *Asamblea Nacional* elections in December 2005 most opposition candidates *withdrew* their candidacy claiming they were concerned about the secrecy of the vote and the state of the register of electors. Chavez supporters won all 167 seats in the new National Assembly but the boycott by opponents set Chavez up for claims that the mandate is in some way defective.

The Chavez administration has attempted to be responsive to its core electorate, the previously alienated and disenfranchised Venezuelan masses. Upon assuming office, it embarked on a massive *education* program; Chavez says education is a cornerstone of the revolution. Since 2002 1.5M illiterate adults have learned to read and write. In another scheme, about \$1B was distributed to *small farmers*; or should have been – much of it was embezzled by organized fraud. Cheated farmers report that "large land owners" used multiple false identities to steal much of the funds. The government is now aware of the fraud and is wiser in how future schemes should be managed. In tackling the problem of teeming, poor *barrios* with conditions little better than the worst of the third world, the government is making direct grants of around \$12,000 to numerous *barrio* cooperatives to design their own advancement programs. This has the political benefit of meeting some social need immediately while awaiting enduring and expensive public infrastructure projects that will take years to arrive. Desperately poor *barrios* in Caracas such as *Barrio*

**23 de Enero** are strongholds of fervent Chavez supporters. The police, regarded by the residents as corrupt and useless, have been ejected on several occasions and replaced by various forms of cooperative government. *23 de Enero* was one of the sections of Caracas that violently erupted when the coup was attempted against Chavez in April 2002.

## Opposition

Although the legitimacy of Chavez’s mandate is beyond dispute, he is accused of being a *demagogue* and *populist*. This does not mean popular democratically-elected leader but – when used by his critics – means he has been elected by the wrong kind of people, not the Castilian elite who claim a birthright to rule Venezuela and elsewhere in Latin America. The established parties Chavez supplanted, **Acción Democrática** (established 1941) and **Partido Social Cristiano** (established 1946), both produced presidents during the 40 years until 1998 but Chavez supporters now see these parties as responsible for what was wrong with Venezuela.

**Fedecamaras** (*Federación de Cámaras y Asociaciones de Comercio y Producción*) is a conservative employers organisation. Pedro Carmona, an **Opus Dei** member who swore himself and Opus associates in for three days in April 2002, is a former president of *Fedecamaras*. After the coup Carmona fled house arrest to **Colombia**.

The **Confederación de Trabajadores de Venezuela** (CTV; Venezuelan Confederation of Workers) is a rightist labor organisation closely associated with (or dominated by) *Acción Democrática*. CTV has received funding from the US **National Endowment for Democracy** (NED) including money for “voter education” during the presidential recall. CTV was directly implicated in the April 2002 three-day coup and its leader *Carlos Ortega*, jailed for his actions, escaped jail in August 2006, with assistance, along with three officers jailed for military rebellion.

With CTV regarded as part of the old order, Chávez supporters in the labor movement formed the **Union Nacional de los Trabajadores** (UNT; National Union of Workers) in 2003. Some unions have changed their affiliation from CTV to the UNT. The new CTV has written to the *International Labour Organization* (ILO) on occasion drawing attention to CTV’s divergence from principles expected of a labor organization.

The imminent *seizure* in late 2006 of two elite country clubs for public housing is emblematic of the unavoidable undertone of “class war” intrinsic to Chavez’ administration.

This rich and powerful array of opposition forces is dedicated to the downfall of Chavez by virtually any means. Their capability and funding is enhanced through direct connection with the US government and privileged Vatican organizations. The escape of five of the coup plotters from custody adds no stability to that picture.

<b>World Oil Reserves by Country</b> as of January 1, 2006 (Billion Barrels) – top 8	
Saudi Arabia	264
Canada	179
Iran	132
Iraq	115
Kuwait	101
UAE	98
<b>Venezuela</b>	<b>80</b>
Russia	60

<http://www.eia.doe.gov/oiaf/ieo/oil.html>

## Economy

The Venezuelan economy is heavily dependent on *oil* exports; as the world oil price goes, so does the country’s economy. Oil comprises almost 90% of export earnings, and about half of government revenue, through royalties. It is the fourth largest, and closest, supplier of US oil imports. Venezuela, along with **Iran, Iraq, Kuwait, Saudi Arabia**, founded **OPEC** in Baghdad in 1960. A Venezuelan *Dr Juan Pablo Pérez Alfonzo* (1903-1979) is credited with the idea.

### Petroleum

The nation’s interest is operated by the state-owned **Petroleos de Venezuela** (PDVSA), which owns the chain of **CITGO** gas outlets in the US. A new **Hydrocarbons Law** came into force in January 2002, replacing a 1943 law and the 1975 *Nationalization Law*. It reasserted Venezuelan sovereignty over *oil* and *gas* assets and promulgated new

conditions for foreign exploitation of the assets. As a reaction to legislative changes in the petroleum industry, and part of a wider strikes and protest against the Chavez administration, there was a strike in production and refining December 2002 to February 2003. The government dismissed 40% of striking workers and restarted production but the economy had been badly hit and GDP hit *negative* 9% in 2002 and 2003. However, the economy recovered strongly from 2004 onwards due to high oil prices and strong demand, largely due to **China**. In late 2004 the government increased a key *royalty* rate from 1% to 16% and in early 2005, companies with older-style “operating contracts” were ordered to convert their arrangements to *joint ventures* under the new Hydrocarbons Law or face *seizure* of their interests. All companies have complied and during 2005/2006 the government has enjoyed significantly increased petroleum revenues.

## Non-Petroleum

Apart from petroleum, Venezuela has some reserves of iron ore, gold, and diamonds. Historically Venezuela was an important exporter of *coffee* and *cocoa* but these are now largely neglected. Some boutique coffees and fine quality cocoa are valuable cash crops, but common grades require *de facto* “slave labor” to meet world prices. By July 2006, Venezuela had paid back 70% of its \$200M World Bank debt with the help of oil revenues. The GDP per capita (PPP) is \$6,100. Indicative comparisons are **Indonesia** \$3,600; **Guatemala** \$4,700; **Venezuela** \$6,100; **China** \$6,800; **Uruguay** \$9,600. Unemployment is around 12% and almost 70% of the population live in poverty. The most important trading partner for both exports (*oil*) and imports (mainly *machinery*) is the **US**.

## Energy

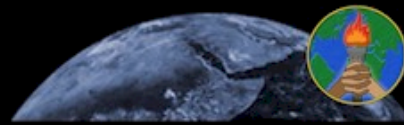
Venezuela has intrinsic energy security. It has prodigious oil and gas reserves but also plentiful hydro-power potential. There are several hydro facilities including one at *Guri* in the southeast which is the second largest hydroelectric generator in the world. Venezuela’s total electric output is over 90GWh and additional facilities are planned to meet demands of continuing growth.

## Environmental Degradation

By UN estimates, 32 % of the population, largely in rural areas, lack adequate *sanitation* and 25% lack access to *potable water*. Venezuela suffers from decades, perhaps centuries, of infrastructure neglect from governments that attended to narrow vested interests rather than visionary national goals. Although over 30% of the country is protected by a parks and reserves system, *illegal logging and mining* (gold and diamonds) are common in these reserves. The illegal operators are organized and willing to kill indigenous people and others to protect their interests. Environmental degradation through deforestation (causing *silting* and *landslip*) and pollution of local rivers accompanies human settlement everywhere. Rainforest ecosystems are extremely fragile and interference with any one subsystem invariably leads rapidly to a disastrous collapse of the whole system.

## Transnational Crime

Personal and “petty” crime -- one of the world’s highest crime rates -- is rampant in Venezuela and of national concern. The government says no overnight solution is possible as it must fix a neglected, impotent, corrupt and under-equipped police before it can make progress. With civil crime-fighting in such a poor state, organized crime is accustomed to operating with impunity, traditionally with the blessing of corrupt officials. The country is a major transit country for *cocaine* and *heroin* from **Colombia** bound for **Europe** and the **US**. Colombian paramilitary narcotics gangs penetrate Venezuela at will along a wild border region and violence in these areas has caused many Venezuelans to flee to safer territory. Venezuela reports some progress against these globalized narcotics gangs – in August 2006, it reported the capture of 45 pounds of *cocaine* bound for Amsterdam along with *Elias Verde*, an alleged leader of a transnational crime gang.



The US State Department 2006 *Trafficking in Persons Report* classifies Venezuela – along with **Belize** and **Cuba** – in **Tier-3**, “not fully complying with the minimum standards against *human trafficking* in persons and not making significant efforts to do so.”

## Proliferation

Venezuela is accused of supplying small arms to neighboring Colombian guerrilla organizations such as *Fuerzas Armadas Revolucionarias de Colombia–Ejército del Pueblo (FARC)*, which has political synergies with the Bolivarian vision of Chavez. In May 2005, the National Assembly approved the *Protocol Against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, Supplementing the United Nations Convention Against Transnational Organized Crime of May 31, 2001*.

## International Disputes

Due to bureaucratic incompetence of several parties in the 19<sup>th</sup> century, there is an unresolved dispute over all of **Guyana** west of the *Essequibo River*, about a third of the country. Venezuela claims historical sovereignty over the area from regard to the limits of Spanish, Dutch and British colonies. It is not a hot dispute and has been on the table of UN dispute resolution since 1987. The practical impact of the dispute



(and perhaps main motivation) is that the associated *maritime boundary* is relevant to the ownership of oil and gas reserves.

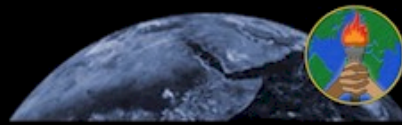
Similarly a border dispute with **Colombia** in the *Gulf of Venezuela* relates to petroleum assets. **Isla de Aves**, 300 miles north of Venezuela and west of the *Leeward* island chain, is Venezuela’s most precarious territorial claim. It is a coral atoll with one dwelling-like structure upon which Venezuela bases a 200km Exclusive Economic Zone (*EEZ*) and *petroleum rights*. Major stakeholders in the area (**US**, **France**,

**Netherlands**) accept the claim but island neighbors such **Dominica** and **Grenadines** do not. The atoll has been getting smaller each year and without remedial efforts will soon disappear; the effect that would have on Venezuela’s rights is not known..

## Foreign Relations

### Latin America

Venezuela shares three land borders: **Brazil** 2,200 km, **Colombia** 2,050 km, **Guyana** 743 km. Most of the extent of this 4,000 km of borders is in rugged jungle and it is impossible to police illegal transit comprehensively. There are complex *maritime* border arrangements in the **Caribbean**, some disputed, that relate to ownership of oil and gas reserves. A cornerstone of Chavez's domestic and foreign policy is *regional integration and cooperation*. This is implemented through membership of institutions such as *Organization of American States (OAS)*; the 35 independent states of the Americas; first proposed by Simón Bolívar in 1826) and the *Summit of the Americas*, *Mercosur*, and *CARICOM*. However, Venezuela seeks more rapid social progress through innovative cooperation arrangements, particularly energy integration. *Petrocaribe*, a Venezuelan state corporation established in June 2005, is the basis of an arrangement with CARICOM nations to buy Venezuelan oil on a 25 year financing agreement at 1% interest. Part of repayments can be in barter of commodities. **CARICOM** (Caribbean Community and Common Market; established 1973) comprises 15 Caribbean members states with Venezuela, **Mexico** and some other contiguous nations are Observers.



In July 2006, Venezuela formally joined *Mercosur* (*Mercado Común del Sur* - Southern Common Market) a customs union of **Brazil, Argentina, Uruguay, Paraguay** founded in 1991. Observers believe Venezuela's accession to the organisation is likely to transform it from a "sleepy policy organization" into a "force for profound social change". Venezuela is a member, along with **Bolivia, Colombia, Ecuador, Peru**, of *Comunidad Andina de Naciones* (**CAN**; Andean Community of Nations). There is a plan set for 2007 to replace the *Andean Community* and *Mercosur* into a new *Comunidad Sudamericana de Naciones* (**CSN**; South American Community of Nations).

Venezuela is instrumental in establishing the *Alternativa Bolivariana para las Américas* (ALBA, "dawn"; *Bolivarian Alternative for the Americas*) which comprises **Cuba, Bolivia, Venezuela**, a direct alternative to the US-backed *Área de Libre Comercio de las Américas* (*Free Trade Area of the Americas*), an extension of the *North American Free Trade Agreement* (**NAFTA**; **Canada, Mexico, US**) first mooted in 1994. Venezuela, particularly in the person of Chavez, maintains close relations with nearby **Cuba** and advocates normalization of US-Cuba arrangements. Venezuela has signed oil agreements with **Ecuador** and **Brazil**, has negotiated construction of a petroleum refinery in **Panama** and has commenced a gas pipeline project with **Colombia**. Venezuela's relations are not cordial with all of Latin America. Chavez has an ongoing disaffection for **Peru's** President-elect *Alan Garcia*, in June 2006 saying of him "*His owner is in Washington, he's a lap dog, a tool of the [US] empire*"

## World

Venezuela is an active member of the *Non-Aligned Movement* (**NAM**) and Chavez is seen by many as a natural replacement for *Fidel Castro's* charismatic role in the organization. Venezuela has campaigned vigorously for election to an upcoming temporary seat on the **UN Security Council**. The **US** opposes Venezuela's bid and is backing **Guatemala** for the seat. In a wide-ranging world tour in mid 2006, Chavez cemented trade alliances mainly relating to oil and gathered support for the UN seat. To date he has obtained public statements of support from **China, Malaysia, Argentina, Brazil, Iran**, and implicitly from many other states including **Angola** and **Syria**. **Chile** has not expressed explicit support but has condemned **US** pressure on how to vote. Support from states such as Iran has not softened the **US** position – Venezuela is seen as a proxy for **NAM** nations such as **Cuba** and, via its **OPEC** interests, for unfriendly Islamic nations such as Iran. Iran and Venezuela, both original members of *OPEC*, strengthened already good relations during 2006, a time when both countries had attracted the condemnation of the **US** for different reasons. They have a common interest in high oil prices and common antipathy for the **US** and Israel's Palestine policies (for different religious/political reasons). Iran has become Venezuela's closest ally outside Latin America.

Although most Venezuelan armaments in service are of **US** origin, recent **US** restrictions on spares and new sales – which Venezuela sees as a **US** policy to neutralize its capability – has led Venezuela to buy armaments from **Russia**. In a \$1B deal, it has ordered **SU-30MK** fighters, helicopters, 100,000 **Kalashnikov AK-103**, and other items. Chavez also intends to start manufacturing **Kalashnikovs** under license. He feted **Mikhail Kalashnikov**, inventor of the weapon, at Independence day celebrations in Caracas on 05 July 2006. Chavez says this significant re-equipment program is insurance against a **US** "invasion". Chavez has also established strategic ties with **China**. The two have established a \$5B fund for infrastructure projects in Venezuela and **China** is a ready buyer for Venezuelan oil -- Chávez says a recent million-barrel a day oil deal with **China** is a "Great Wall against American hegemony".

For these several reasons, the **US** views Venezuela as a direct competitor for leadership and influence in Latin America and a proxy for **US** opponents throughout the world. Chavez has done little to allay **US** concerns. In September 2006, he referred to the *diabolical* role of **US** hegemony in a speech at the **UN**, to the amusement of some and to the annoyance of others.

## Military Affairs

Venezuela's *military expenditure* of \$1.7B is 1.5% of GDP, low by world standards; indicative comparisons are (**Canada** 1.1%, **Venezuela 1.5%**, **Iran** 3.3 %, **US** 4.1%, **China** 4.3%, **Israel** 7.7%)

The Venezuelan armed forces retains connection to its role in Venezuelan independence [as does the *TNI* in **Indonesia**] as *Forjador de Libertades* (Forgers of Freedoms). As in many Iberian nations, the military is never far from politics. Under the presidency of Chavez, the military is undergoing a comprehensive reorganization and modernization. In 2001, a civilian rather than a military officer was appointed Minister of Defense, a healthy break with many years of tradition, but in June 2006 Chavez appointed *General Raul Isaias Baduel* as Minister to "protect the country against US asymmetric destabilization". In 2006, the *Fuerza Armada Nacional* was re-formed into six services – Army, Navy, Air-Force and *Fuerzas Armadas de Cooperacion* (Armed Forces of Cooperation, formerly National Guard), *Reserva Nacional* (National Reserve), *Guardia Territorial* (Territorial Guard).

Following years of difficulties with procurement of military equipment (such as F-16s and spares) from the US, Venezuela has embarked on procurements of fighters, helicopters, weapons, armour, radars and other military equipment from **Russia**, **China**, other Eastern suppliers and **Spain**. The **US** asked Russia to "reconsider" plans to sell military aircraft to Venezuela but Russia did not change its position. This deliberate divergence from traditional acquisition from the US is likely to be a long-term commitment. The US claims recent acquisitions are excessive and threaten an arms race in Latin America: Venezuela's response is that equipment is long overdue for upgrade and the US is no longer a reliable (nor friendly) supplier.

## US Relations

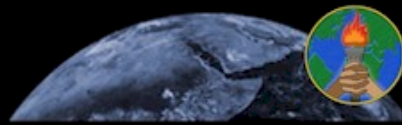
The **US** is Venezuela's most important trade partner for both exports and imports. Historically, commercial ties have been close, but both Chavez and the US have made clear they now have marked differences. The US accuses **Cuba** of buying influence in the region funded by Venezuelan oil, but Venezuela and Cuba accuses the US of overt and covert subversion against both of them and that the Cuba blockade has now been extended to Venezuela. Chavez claims – with considerable supporting evidence – that the US assisted with the attempted coup against him, the presidential recall, and is liaising with opposition presidential candidates. Venezuela has taken a position not in the US camp on Middle East questions. Shortly after a visit to **Iran** in August 2006, Chavez joined Iran in condemning **Israel**'s actions in **Lebanon** and *recalled* his ambassador from Israel.

Starting in 2004 *counter-narcotics* cooperation with the **US** deteriorated and in March 2005, Venezuela removed its experienced members from a joint Drug Task Force. In August 2005, Venezuela accused the US DEA of espionage under cover of narcotics operations and terminated cooperation; in September 2005 President Bush decertified Venezuela as a partner in counter-narcotics cooperation.

On 18 August 2006, the **Director of National Intelligence** created the new post of *Mission Manager for Cuba and Venezuela*. Since 2002, **USAID**'s *Office of Transition Initiatives* has distributed over \$26 million to Venezuelan recipients under a "Venezuela Confidence Building Initiative" – these monies originate in "disaster assistance" appropriations and can be distributed quickly with little formality. The *National Endowment for Democracy* has also funded the Venezuelan opposition. Chavez claims that mysterious arms shipments such as weapons, possibly originating in **Turkey**, intercepted in September 2006 are probably evidence of stockpiling for destabilization during the presidential election in December.

The US Defense *Quadrennial Defense Review Report* of February 2006 refers to "populist authoritarian political movements in some countries, such as Venezuela" but does not discuss why popular democratic regimes are intrinsically unstable.

*In Latin America, there has been steady progress toward political and economic development over the past several decades. Still, slow economic growth, weak democratic institutions and continuing stark*

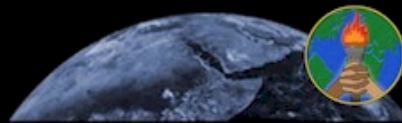


*economic inequality have led to a resurgence of populist authoritarian political movements in some countries, such as **Venezuela**. These movements threaten the gains achieved and are a source of political and economic instability.*[p. 28]

NEAR-TERM	Mid-Term	Long-Term
<p>The <b>República Bolivariana de Venezuela</b> in its very name offers a challenge to any who would think ill of equitable social change in Latin America. Chavez’ policies are anathema to some in the industrialized world, particularly in the US. However a 70% poverty rate should make some impression on those who have regarded Venezuela for many decades as no more than a convenient source of <i>oil</i>. Chavez is the “revolution” Venezuela had to have. The West would be wise to consider what worse socialist alternatives, far more iconoclastic than Chavez has been, that the actual social conditions could produce.</p>	<p>A thread of social conscience runs through Venezuelan history. One of <b>OPEC</b>’s visions was development of impoverished oil nations and Chavez has built a complex web of alliances beyond OPEC throughout Latin America and the world. With the <b>Alternativa Bolivariana para las Américas</b> and the establishment in 2007 of the <b>Comunidad Sudamericana de Naciones</b>, Venezuela becomes a nation not to be ignored in hemisphere politics. These mercantile groupings, together with Venezuela’s access to political assemblies such as <b>NAM</b>, make it a unique player in the region and a valuable ally.</p>	<p>If the oil equation changes in next decade, it will only be for the worse. Neither <b>Iran</b> nor Venezuela is likely to find difficulty selling oil into the <b>China</b> or <b>India</b> markets. In choosing diplomatic war with both of these oil suppliers (as well as others such as <b>Russia</b>) the US will become increasingly dependent upon suppliers such as <b>Saudi Arabia</b> which may bring unintended long-term impacts. The age of diplomacy that has already commenced has <i>energy</i> rather than <i>ideology</i> as the main focus. The US has overcome ideology in dealings with <b>China</b>; it could do this also with Venezuela.</p>

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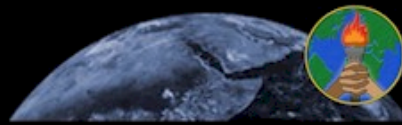
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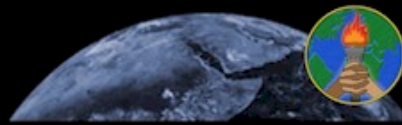
Hazard Level

Change Codes
↓ Deteriorated
• Steady
↑ Improved
↗ Alert

week-ended	See daily <a href="#">list of news items</a>
<b>2007 Jul 01</b>	<ul style="list-style-type: none"> <li>• Four <i>foreign oil companies</i> met Venezuela's demand on new arrangements tantamount to <b>nationalization</b>; two companies – <i>Conoco</i> and <i>Exxon</i> -- will quit their operations -- "<i>Conoco's shares fell 2.9 percent on Tuesday to \$75.80 as investors reacted to the announcements from Caracas.</i>"</li> </ul> <p>A <b>US psychological profile</b> of President <b>Chavez</b> is unflattering -- <a href="#">Venezuela's Chavez seen wanting office "for life"</a>.</p> <p><i>Venezuelanalysis</i> says that in reporting Venezuela <b>Reporters Without Borders</b> is 'Reporters Without Integrity' -- "<i>purportedly non-partisan and independent. However, it receives funding from the National Endowment for Democracy and the International Republican Institute ...</i>"</p> <p>President <b>Chavez</b> warns of a coming <b>war of resistance</b> war against the <b>US</b> -- "<i>We must continue developing the resistance war, that's the anti-imperialist weapon. We must think and prepare for the resistance war everyday.</i>"</p> <p>President <b>Chavez</b> is visiting <i>Moscow</i>, probably to talk <b>submarines</b>, rather than attend a conference of the 'old <b>Mercosur</b>'.</p>
<b>2007 Jun 24</b>	<ul style="list-style-type: none"> <li>• Some of the world's biggest <b>oil</b> players, yet unidentified, are heading towards a showdown with Venezuela's new oil <b>nationalization</b> policy -- <a href="#">Venezuela says some oil majors reject takeovers</a>.</li> </ul> <p>Venezuela says <i>Show or Fold</i> on constant <b>US</b> accusations of state-sponsored <b>drug trafficking</b> -- <a href="#">Venezuela to US: Give Us Drug Facts</a>. Without offering details, <b>US World Bank</b> appointee <b>Zoellick</b> says cash-rich Venezuela is a "<i>a country where economic problems are mounting</i>" -- <a href="#">Zoellick: Venezuela Economy in Trouble</a>.</p> <p>A poll of 600 Venezuelans found that <u>56%</u> supported students from a <i>Catholic university</i> who were protesting the closure of a rightist <i>TV channel</i>; Chavez accused the students of being part of a <b>US-backed "soft revolution"</b> -- <a href="#">Most Venezuelans back student protests, says poll</a>.</p> <p>President <b>Chavez</b> has threatened to <b>expropriate</b> land from producers who refuse to follow <b>government price controls</b> [on commodities such as <i>milk</i>]; President Chávez said that the private firms lose their "<i>right to play a role in the economy</i>" when they buy any items at prices exceeding the regulated price. -- <a href="#">Govn't threatens to expropriate farmers</a>.</p>
<b>2007 Jun 17</b>	<ul style="list-style-type: none"> <li>• Venezuela seems set to buy five pre-loved <b>Russian submarines</b> -- "<i>Venezuela is interested in examining within a strategic context the possibility that these submarines fit our defense plans.</i>"</li> </ul> <p>President <b>Chavez</b> says "<i>We're not copying Cuba, but Castro is a 'key influence'</i>" -- "<i>We're in the middle of building it, like an artist painting a picture. We aren't copying anything.</i>"</p> <p><a href="#">Colombia, Venezuela inch toward Cold War</a> -- "<i>behind their smiles ... neither seems</i></p>



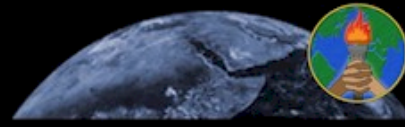
	<p><i>above the espionage and psychological operations that once characterized the Cold War."</i></p>
2007 Jun 10	<ul style="list-style-type: none"> <li>• Authorities seize <u>2.5 tons</u> of <i>cocaine</i> bound for <b>Sierra Leone</b> was seized at <b>Margarita</b> Island airport.</li> </ul> <p>President <b>Chavez</b> suggests a <i>defence alliance</i> built on the <i>Bolivarian Alternative for the Americas</i> trade group -- <a href="#">Hugo Chavez calls for leftist nations' defense pact</a>.</p> <p>A "<i>student movement</i>" centered on <i>Andres Bello Catholic University</i> protesting the closure of <i>RCTV</i> for <i>sedition</i> may [or may not] form the core of a serious <i>opposition</i> movement -- <a href="#">Anti-Chavez Movement Grows In Venezuela</a>.</p>
2007 Jun 03	<ul style="list-style-type: none"> <li>• Amid serious <i>protests</i> quelled by water cannon, Venezuela's <i>oldest TV network</i> has ceased broadcasting -- <a href="#">Amid protests, Venezuela's TV station goes off the air</a>.</li> </ul> <p>President <b>Chavez</b> warns he may also take action against TV news channel <i>Globovision</i> if it continues to incite viewers over his closure of <i>RCTV</i>.</p>
2007 May 27	<ul style="list-style-type: none"> <li>• National Guard soldiers retrieved <u>480kg</u> of <i>cocaine</i> from a <i>Cessna</i> that crashed in eastern <b>Venezuela</b>.</li> </ul> <p>President <b>Chavez</b> is planning for a <i>community police force</i> to make inroads on <i>crime</i> which is now the top polling public concern -- national police will supply <i>training</i> and <i>equipment</i> to local communities.</p> <p><b>Colombia</b> denies it is plotting with the <b>US</b> to prepare "an ambush" against <b>Venezuela</b> -- <a href="#">Colombian FM denies plot with US against Chávez</a>.</p>
2007 May 20	<ul style="list-style-type: none"> <li>• President <b>Chavez</b> has demanded the <b>Pope</b> apologize for his comments implying that <i>genocide</i> at <i>Spanish catholic</i> [and <i>Portuguese</i>] hands was the best thing that could have happened to the <i>indigenous peoples</i> -- "<i>apologize because there was a real genocide here and, if we were to deny it, we would be denying our very selves</i>." [It seems the Pope prefers the <i>Cowboys</i> to the <i>Indians</i>.] The <b>Chavez</b> regime reiterates that <b>RCTV's</b> licence will not be renewed because it <u>actively supported on-air</u> the 2002 <i>Opus Dei coup</i> against him. Venezuelan <i>state radio</i> is being <i>jammed</i> ... by someone.</li> </ul> <p>Amid fear, loathing ... and hope ... Venezuela's largely peaceful <i>land redistribution</i> continues; "<i>Mr. Chávez's supporters have formed thousands of state-financed cooperatives to wrest farms and cattle ranches from private owners</i>" -- <a href="#">Clash of Hope and Fear as Venezuela Seizes Land</a>.</p>
2007 May 13	<ul style="list-style-type: none"> <li>• With a new <b>Cuba-like</b> motto -- <i>Patria, socialismo o muerte</i> -- the Venezuelan <i>military</i> now declares loyalty to specifically a <i>socialistic</i> nation.</li> </ul> <p><i>Nationalization</i> continues with the Venezuelan <i>state oil company</i> buying 93% of <b>Electricidad de Caracas</b> for \$836M. President <b>Chavez</b>, under veiled threat of <i>nationalization</i>, is pressuring a major <i>steelmaker</i> to supply local needs -- "<i>the company ... mainly exports its steel, leaving Venezuelans to import the product from as far away as China</i>."</p> <p>The <b>US</b> has (again) urged <i>European</i> nations to use their influence with Venezuela's President Hugo <b>Chávez</b> to help curb what he called an increasing flow of <i>cocaine</i> to the US. But Venezuela says the <b>DEA</b> has a side-job -- "<i>We were able to determine the presence of a new drug cartel in which the United States Drug Enforcement Agency was monopolizing the shipment of drugs</i>" alleges Interior Minister <b>Carreño</b>.</p>
2007 May 06	<ul style="list-style-type: none"> <li>• President <b>Chavez</b> says Venezuela will pull out of the <b>IMF</b> and <b>World Bank</b>, "<i>a largely symbolic move because the nation has already paid off its debts to the lending institutions</i>" says <b>Associated Press</b> -- <a href="#">Chavez: Venezuela to pull out of IMF, World</a></li> </ul>



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	<p><a href="#">Bank</a>. But <b>Reuters</b> says President <b>Chavez</b> is ahead of himself; Venezuela cannot leave the IMF until it repaid the <u>\$21B remaining of its debts</u> -- <a href="#">Chavez IMF bombshell sows Venezuela debt confusion</a>. [I.e., the reports are contradictory.]</p> <p>A handy brief analysis of Venezuela's <i>security</i> posture -- <a href="#">Memorandum to the Press: Venezuela's Security Factors and Policy Goals</a>.</p> <p>As foreshadowed, the May Day take-over of Venezuela's <i>oil-assets</i> has been effected; now only some heavily-negotiated paperwork remains. "<i>From Mexico to China, more than 75% of the world's oil reserves are controlled by national oil companies</i>", but both <b>Chavez</b> and <b>Bush</b> are spinning the move as highly radical -- <a href="#">Chavez's Not-So-Radical Oil Move</a>. President <b>Chavez</b> envisions a <i>Latin American refineries network</i> -- "<i>Venezuela hopes to gradually sell off its refineries in the United States and build a new network of refineries in Latin America</i>".</p> <p>For May Day, President <b>Chavez</b> announced <i>minimum wage increase</i> to \$286/month, three times that of Latin America's lowest, and a move towards a <u>36-hour week</u>.</p> <p>A discussion contrasting the Mexican-initiated <i>Plan Puebla Panama</i> and <i>Alternativa Bolivariana para las Américas (ALBA)</i> comprising <b>Bolivia, Cuba, Nicaragua</b> and <b>Venezuela</b> -- <a href="#">Activists Back Venezuela-Driven Alternative Integration</a>.</p>
2007 Apr 29	<ul style="list-style-type: none"><li>• A poll reveals majority opposition to closure of a virulently anti-<b>Chavez TV station</b>, but this seems largely because of the vapid <i>soap operas</i> and other popular programs it offers.</li></ul> <p>All foreign oil companies except <b>Conoco</b> have agreed to Venezuela's provocative <i>oil nationalization</i> arrangement -- ConocoPhillips has the heaviest presence of any foreign company in Venezuela's vast <i>Orinoco</i> belt.</p>
2007 Apr 22	<p>↓ Venezuela is praying to <b>Christ, Bolivar</b> and <b>Marx</b>; and the horse on the state Coat of Arms has been turned around to now move <i>right</i> towards the <i>left</i> -- <a href="#">Extremes of Hugo Chavez's ideology</a>.</p> <p><b>Chile's</b> president told President <b>Chavez</b> to watch his mouth after he described the Chilean Senate as controlled by <i>fascists</i>.</p> <p>Venezuela says it may <u>not compensate</u> large <i>oil companies</i> in the impending oil takeovers -- "<i>Venezuela had previously warned it did not want to give compensation in cash and would possibly offer some kind of payment in oil.</i>" Chavez warns that aggression by the US would launch a "100 years' war" -- "<i>Venezuela is free, it is nobody's colony.</i>"</p> <p>The government is set <u>not</u> to renew the license for <i>Radio Caracas Television</i> because it was actively involved in not reporting but <i>fomenting</i> the 2002 coup.</p>
2007 Apr 15	<ul style="list-style-type: none"><li>• Carlos <b>Ortega</b>, who was imprisoned for the <i>rebellion</i> of 2002/2003 and escaped in August 2006, has confirmed his determination to bring down <b>Chávez</b> in a video-taped address. Venezuela is seeking the <i>extradition</i> from <b>Colombia</b> of the leader of the 2002 coup Pedro <b>Carmona</b> -- he is accused of the crime of civil rebellion. Still burned by the <i>coup</i> five years ago backed by the US and led by <i>Opus Dei</i> saviors, President <b>Chávez</b> now tells the <i>military</i> to support Venezuela's <i>socialism</i> or leave.</li></ul> <p>President <b>Chávez</b> says detente with the US is 'impossible' -- "<i>a thirst for oil motivated both the U.S.-led invasion of Iraq and a failed 2002 coup against him.</i>"</p> <p>President <b>Chávez</b> has guaranteed a Latin American energy supply for "a 100 years" - - "<i>All energy Latin America needs is here in Venezuela</i>"; Chavez also ridicules the <b>Bush ethanol</b> revolution - "<i>corn or sugar cane -- not to feed people, but to feed the</i></p>

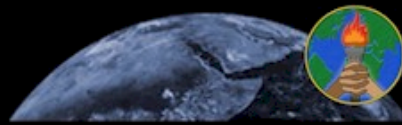
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	<p><i>cars of the US empire". President <b>Chávez</b> has not blinked yet in his ultimatums to <b>foreign oil companies</b> -- "Chávez is playing a game of chicken with the largest oil companies in the world."</i></p>
2007 Apr 08	<ul style="list-style-type: none"><li>• Venezuela's coercive renegotiation of <b>petroleum resource contracts</b> continues to hit a tender nerve with the <b>US</b> and others. A <b>Jewish</b> lobby is adding to Washington's anti-<b>Chavez</b> pathology; "<i>another concern is over Chavez's increasingly close economic and political ties to Iran.</i>"-- <a href="#">Under Chavez's Rule, Jews Fear for Future in Venezuela</a>.</li></ul> <p>Minister of the Interior Pedro <b>Carreño</b> bemoaned the <b>escape</b> of a former opposition <b>governor</b> imprisoned for corruption -- "<i>briberies from those that have money and elude justice are the negative values of capitalism</i>". Many were arrested in the wake of the escape – one scenario involved the old sleeping draught in the guard's cake trick....</p> <p>Venezuela says it has 15 million <b>reservists</b> to defend the nation -- "<i>the risks posed by US military maneuvers in the <b>Caribbean</b>, as well as the near presence of the <b>Plan Colombia</b> and a base for "ranger" training in <b>Guyana</b>.</i>" Venezuela says it will "not fold its arms" if the <b>US</b> attacks <b>Iran</b> -- "<i>we feel a party to this conflict, not because we are in the region, but because we do respect self-determination.</i>"</p>
2007 Apr 01	<ul style="list-style-type: none"><li>• <b>Chavez</b> has a revolutionary agenda similar to <b>Gadhafi's</b> but he may learn in time from a jaded <b>Libya</b> that generosity to neighbors does not buy friends -- <a href="#">The Chavez-Gadhafi link</a>.</li></ul> <p>President <b>Chavez</b> opened the new <b>Partido Socialista Unido de Venezuela</b> for membership; other parties may lawfully exist but are likely to be ineffective.</p> <p><b>Belarus</b> has offered Venezuela "<i>... an arms package for anti-aircraft and high-tech weapons designed to defeat US military technologies ...</i>"</p>
2007 Mar 26	<ul style="list-style-type: none"><li>• The <b>US</b> has undiplomatically rebuked <b>Argentina</b> for permitting Venezuela's President <b>Chávez</b> to hold a <b>rally</b> during President <b>Bush's</b> recent <b>visit</b>. [Free speech obviously has its limits.] Venezuelan financial support to <b>Latin America</b> presently exceeds <b>US aid</b> -- "<i>Venezuela, as modest as it is, is helping Latin America much more than the United States</i>" Chavez said.</li></ul>
2007 Mar 19	<ul style="list-style-type: none"><li>• <b>Cocaine</b> trafficking from Venezuela, rather than <b>Colombia</b>, is said to be now 98% successful.</li></ul> <p>Venezuela will redenominate and rename its <b>currency</b> -- the "<i>Bolívar Fuerte</i>" will equal 1,000 old <i>Bolívar</i>, an almost neutral <b>anti-inflation</b> measure, or an act of pointless insanity, depending on view. A Bolivian academic articulates the risks of the current <b>Bolivarian revolution</b> -- "<i>the most flagrant confusion is that which conflates state and nation</i>" -- <a href="#">A taste of 21st-century socialism</a>. An interview: <a href="#">Interview with the President of the Bolivarian Republic of Venezuela, Hugo Chávez Frías</a>.</p> <p>President <b>Chavez</b> remains a firm supporter of <b>Iran</b> but has disavowed the destruction of <b>Israel</b>. Venezuela continues its <b>energy diplomacy</b> among its poorer neighbors with discounted <b>petroleum</b> and infrastructure <b>joint ventures</b>.</p>
2007 Mar 12	<ul style="list-style-type: none"><li>• A <b>National Guard</b> general has been arrested in connection with an alleged <b>coup</b> plot.</li></ul> <p>Venezuela has given \$20M in <b>aid</b> to <b>Haiti</b> to fund for basic necessities, including <b>healthcare, education</b> and <b>housing</b>.</p> <p>In its annual report, the <b>US State Department</b> singles out Venezuela and <b>Cuba</b> for</p>

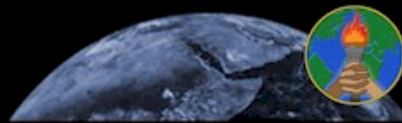
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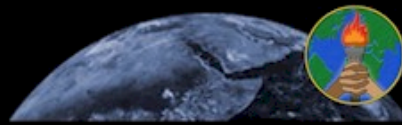
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	<p>having the worst <i>human rights</i> records in the region.</p> <p>Venezuela claims it has feeble <i>intelligence</i> capability in the face of <i>al Qaeda</i> threats against <i>petroleum infrastructure</i> -- "<i>there is need to trigger very thorough intelligence mechanisms, but I am afraid they do not longer exist in the country</i>".</p> <p>In another almost weekly exchange on the topic, Venezuela's <i>National Anti-Drug Office</i> says a <b>US</b> drug accord is not needed -- "it's not necessary to sign an agreement with any particular country". [However, a bilateral accord is in place with <b>Germany</b>.]</p>
2007 Mar 05	<ul style="list-style-type: none"><li>• President <b>Chavez</b> calls John <b>Negroponte</b> a "<i>professional killer</i>" in his continuing charm offensive against the <b>US</b> and refers to John Negroponte's time as <b>US ambassador</b> to <b>Honduras</b>. Venezuela refused to sign the <b>OAS counter-terrorism</b> declaration, pointing to the <b>US</b> protection of a man accused of <b>bombing</b> a <b>Cuban</b> jetliner in 1976. Venezuela is planning to buy 9 more <i>submarines</i> -- "<i>Venezuela will have 11 submarines, the largest fleet in South America, followed by Peru with six, Brazil 5, Colombia and Chile 4, Argentina 3 and Ecuador 2.</i>"</li></ul> <p>Funded and encouraged by Venezuela, <b>Bolivia</b> continues its plans to export raw <i>coca</i> products -- "<i>just like in the past we used coca for the benefits of humanity, now we'll industrialize it. We don't have evil ends in mind.</i>"</p>
2007 Feb 26	<ul style="list-style-type: none"><li>• A recent raft of <i>military purchases</i> makes Venezuela "<i>Latin America's largest weapons buyer placing it ahead of other major purchasers in international arms markets like Pakistan and Iran.</i>"</li></ul> <p><b>Japan</b> signed a 15-year <i>oil</i> deal with Venezuela -- a 15-year loan will fund <i>development</i> of petroleum reserves to which Japan will have preferential access. Venezuela has signed an attractive long-term <i>oil</i> deal with <b>London</b> Lord Mayor Ken ["<i>Red Ken</i>"] <b>Livingstone</b>.</p>
2007 Feb 19	<ul style="list-style-type: none"><li>• <b>Chávez</b> remains committed to the dangerous policy of <i>food price controls</i> -- "<i>Authorities have raided warehouses and confiscated tons of food - mostly beef and sugar - from vendors unwilling to sell inventories at the official price.</i>" Chávez threatens to jail violators of price controls but he is risking an all-out battle with powerful forces prepared to destroy him at any cost -- "<i>If the government insists on sticking to policies that are clearly failing, we may be headed down the road of Zimbabwe</i>".</li></ul> <p>President <b>Chávez</b> continues to dispense largesse to poorer neighbors by opening a <i>fuel</i> depot in <b>Dominica</b> -- "<i>We are one nation -- the Caribbean nation</i>".</p> <p>After the dismissal of Luis <b>Correa</b> as head of the <b>National Antidrug Office</b> there is still evidence of high-level involvement in <i>drug</i> exports. Venezuela claims success with its campaign against <i>drug crime</i> in the regions bordering <b>Colombia</b> and will extend the program -- "<i>Although Venezuela is not a large drug consumer, its territory is used as corridor in the drug route from Colombia ...</i>"</p> <p><b>US</b> undersecretary of state for political affairs says the <b>US</b> is turning to <i>biofuels</i> because it does not want to depend on Venezuelan oil – the oil minister says the <b>US</b> should feel free not to buy Venezuelan oil.</p>
2007 Feb 12	<ul style="list-style-type: none"><li>• Many poor neighborhood <i>health clinics</i> are in crisis as <b>Cuban doctors</b> depart – they are leaving at the end of their three year term, or for other unknown reasons. A Venezuelan loan will aid <b>Bolivian</b> President Evo <b>Morales</b> in a project to commercialize <i>coca</i> ... into legal products such as <i>coca tea</i>. <b>Iran</b> and Venezuela are to begin <i>direct flights</i>. <i>Meat</i> and <i>sugar</i> are reported scarce in Venezuela's shops – some say it is <i>government price controls</i> to blame; others that it is "unscrupulous</li></ul>

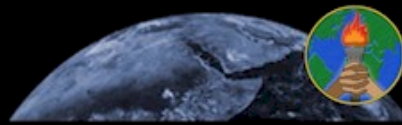
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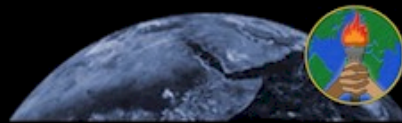
	<p><i>speculators</i>" manipulating the markets.</p> <p>Venezuela's foreign minister dismisses the cut in cooperation with the <b>US</b> and <b>US anti-drug funding</b> -- the nation is not interested in funding coming from "the devil". <b>US</b> Secretary of State <b>Rice</b> believes <b>Chavez</b> is "destroying" Venezuela -- "I do believe that the president of Venezuela is really, really destroying his own country, economically, politically." Newly seated <b>US</b> Deputy Secretary of State <b>Negroponte</b> says the "<b>radical populism</b>" of <b>Chavez</b> is a threat to "democracies in the region" [how is not clear].</p>
<p><b>2007 Feb 05</b></p>	<ul style="list-style-type: none"> <li>• Amid concerns over plans to take control of the <b>oil</b> sector, some observe "<b>Chavez</b> isn't going to commit political suicide by driving out foreign oil interests with an unreasonable takeover." With legislative approval giving power to president <b>Chavez</b> to <b>rule by decree</b>, the pressure is on to show that benevolent dictatorship can get things done. Chavez says "We are increasing power, but it's the power of the nation, national power. It's not anyone's personal power."</li> </ul> <p>Venezuela may build unmanned airplanes with <b>Iran</b> -- "[UAVs] can be used for <b>environmental, surveillance</b> and <b>border</b> patrolling purposes." Venezuela intends to buy <b>Russian anti-aircraft missiles</b> "to defend <b>oil installations</b>."</p>
<p><b>2007 Jan 29</b></p>	<ul style="list-style-type: none"> <li>• President <b>Chavez</b> has reminded the <b>US</b> envoy in Venezuela that his comments on the proposed <b>nationalization</b> of <b>telecommunications</b> and other industries violate diplomatic forms and could earn him expulsion.</li> </ul> <p>Venezuela has given <b>Cuba</b> use of its <b>Simon Bolivar Satellite</b> and made agreements on <b>fiber-optic cable</b> projects and a joint-owned <b>stainless steel</b> factory. The plan by <b>Lula</b> and <b>Chavez</b> to build a \$20+ billion <b>pipeline</b> in over 8 years as the core of a <b>Latin American energy grid</b> may be a pipe dream; at minimum it will be difficult.</p> <p>Venezuela confirmed it will "always back <b>Syria, Iran</b> against <b>US madmen</b>" – the <b>US</b> "is an empire of madmen" said <b>Chavez</b> in his weekly radio television show "Hello President".</p>
<p><b>2007 Jan 22</b></p>	<p>↓ President <b>Chavez</b> says "Socialism isn't going to fall from the sky. We are going to understand it, work on it, plant it, sweat it.... Socialism is built on practice." The legislature will give Chavez some powers to rule by decree -- he needs "revolutionary laws" to enact sweeping political, economic and social changes. For Chavez, "<b>neoliberalism</b>" is now dead in Latin America and he (and others) are staking much in the unifying force of <b>Mercosur</b> as an energy and political grouping -- "by strengthening a part, you strengthen the whole".</p> <p>Chavez is adamant on <b>state control</b> of the <b>petroleum</b> industry -- "There's no possible negotiation .... We will have an effective majority control."</p> <p>The head of the <b>Venezuelan Anti-Drug Bureau (ONA)</b> denies claims made by gang boss <b>Feris</b> that he has drug gang connections.</p>
<p><b>2007 Jan 15</b></p>	<p>↓ President <b>Chavez</b> announced radical moves that seem to take even his advisors by surprise -- "We're moving toward a socialist republic of Venezuela, and that requires a deep reform of our national constitution". The <b>US</b> said "We would expect Venezuela to follow through on all of its contractual obligations". <b>Petroleum</b> interests, referring to talks on <b>state control of assets</b>, said that Venezuela had suddenly become a <b>dictatorship</b>. As for Venezuela's well-connected <b>Church</b>, Chavez threatened a fight - "I do not want to return to the era of confrontation with the <b>bishops</b>, but it's not my choice, it's that of the Venezuelan bishops."</p> <p>As <b>Nicaragua</b> became the fourth member of <b>Alternativa Bolivariana para las Américas (ALBA)</b>; Venezuela pledged 200 years of <b>oil</b> at modest prices and to build</p>



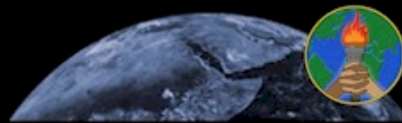
	<p><i>refineries</i>. The <b>Iranian</b> President visited to "strengthen ties".</p>
2007 Jan 08	<ul style="list-style-type: none"> <li>Following <i>re-election</i> with a handy margin, President <b>Chavez</b> appoints a <i>vice president</i> and <i>ministers</i>.  <i>A prison revolt</i> left 16 dead -- "...the revolt at the prison around 400 kilometres from Caracas was brought under control through <b>military</b> intervention."            Following President <b>Chavez</b>'s statement of intention to not renew the license of an <b>opposition TV station</b>, Venezuela's <b>prelate cardinal</b> expresses support for the station. The <i>Organisation of American States (OAS)</i> also warns Chavez not to close the station -- "The closing of a mass communications outlet is a rare step in the history of our hemisphere and has no precedent in the recent decades of democracy."            Chavez calls the Secretary of OAS "an idiot" and reminds the world the TV station was directly involved in fomenting the <b>Opus Dei</b> coup against him.</li> </ul>
2007 Jan 01	<ul style="list-style-type: none"> <li>[nothing significant to summarize but see links to stories in this topical area]</li> </ul>
2006 Dec 25	<ul style="list-style-type: none"> <li>Although not yet a member of <b>Mercosur</b>, <b>Bolivia</b> (aligning with Venezuela) wants reforms to it and to the <b>Community of Andean Nations</b> group. A visiting <b>Cuban</b> delegation will advise the Venezuelan government on putting together an <b>anti-corruption</b> commission. <b>Malaysia</b> and Venezuela have agreed to range of mutually beneficial projects and investigations in both countries -- Venezuela is particularly interested in Malaysia's very successful <b>poverty alleviation</b> programs. President Chavez has called for pro-government parties to unite into a single <b>United Socialist Party of Venezuela</b> -- other parties are free to stay in opposition. Venezuela has taken delivery of (an undisclosed number of) <b>Mi35</b> and <b>Mi26 Russian helicopters</b>. Venezuela will use record <b>oil revenue</b> to retire \$800M in <b>government bonds</b> -- "the move is part of an effort by President Hugo Chavez's government to trim the nation's foreign debt to about \$21B by the end of 2007 from about \$26B now." Venezuela dismantled an <b>oil-smuggling gang</b> -- "the action seriously affected the criminal organizations of the area." Venezuela said it will strengthen military protection of its <b>borders</b>. Venezuela says that although it has severed ties with the <b>US DEA</b> in 2005, the country had intensified <b>anti-narcotics</b> cooperation with its European and Latin American counterparts. Venezuela will issue new <b>biometric smart ID cards</b> -- "the ID cards will have all the citizen's data: facial features, name and family name."</li> </ul>
2006 Dec 18	<ul style="list-style-type: none"> <li>[nothing significant to summarize but see links to stories in this topical area] [Analysis: The fact that a nation's issues are <u>not</u> appearing on the "front page" can be just as significant as headlines.]</li> </ul>
2006 Dec 11	<ul style="list-style-type: none"> <li>Isolated commentators say <b>Hezbollah</b> is active in the <b>Tri-Border Area</b> (for fund-raising) and has the nominal goal to "convert Latin America to Islam through Jihad". <i>Citigroup</i> says Venezuela may have to <b>devalue currency</b> -- "The rise in spending has spurred demand for <b>imports</b> and threatens to erode Venezuela's trade surplus," The <b>OAS Observation Mission</b> thinks all is well with the Venezuelan <b>vote</b>. Made yet more modest by re-election, President <b>Chávez</b> says "We've taught a lesson in dignity to North American <b>imperialism</b>". <b>Brazilian</b> think-tank <b>CEBRI</b> says of Hugo <b>Chavez</b> "<i>From Nicaragua to Bolivia he's already taken on obligations that will be hard to fulfill ... There are limitations to his petro-populism</i>". Venezuela is considering building its own <b>military helicopters</b> -- "... according to the initial studies, it [the factory] would be located near San Carlos, the capital city of western Cojedes state."</li> </ul>
2006 Dec 04	<ul style="list-style-type: none"> <li>Even enemies of President Hugo <b>Chávez</b> concede he has been <i>re-elected</i>, but say the battle is not over.            The first two <b>Russian SU-30</b> jets have landed in Venezuela. President <b>Chavez</b> unveils an <b>auto plant</b> funded by <b>Iran</b> -- "Within five years, our Iranian brothers will</li> </ul>



	<p>have given us all the technology and knowledge so that all the components are manufactured here in Venezuela.” Speaking of his links with Venezuela’s <b>Chavez</b> and Cuba’s <b>Castro</b>, <b>Bolivia</b>’s President <b>Morales</b> told the <i>Handelsblad</i>: "They call us the <b>axis of evil</b>, but we are the <b>axis of humanity</b>." <b>Rafael Correa</b> has been elected President of <b>Ecuador</b>, joining other left-leaning leaders in <b>Bolivia</b>, <b>Brazil</b>, <b>Argentina</b>, <b>Chile</b> and <b>Venezuela</b>.</p> <p>Venezuela arrests the leader of "<i>Hezbollah Latin America</i>"; distinct from the authentic <b>Hezbollah</b> and a strange blend of <b>Jihadism</b>, <b>Marxism</b>, and <b>Liberation Theology</b>.</p> <p>The <b>US</b> has appointed a <i>mission manager</i>, <b>Norman A. Bailey</b>, for the new "one-stop shop for the intelligence community on <b>Cuba</b> and <b>Venezuela</b>".</p>
2006 Nov 27	<ul style="list-style-type: none"> <li>• "An operational event that affected a furnace of the Hydrosulfurization Unit Number 4 of the <i>Amuay refinery</i>" was heard 10km away.</li> </ul> <p>“<i>Coup d’État In Venezuela: Made In The USA</i> ... The second step has been to use the mass media to create the perception that the <b>elections</b> are fraudulent." Observers from the <b>OAS</b>, the <b>EU</b> and the Atlanta-based <b>Carter Center</b> will oversee the vote in Venezuela’s presidential election.</p> <p>Venezuela is leaving the <b>Group of Three</b> it shares with <b>Mexico</b> and <b>Colombia</b>, "a <i>neo-liberal scheme</i> which had destroyed economies in the region", in favor of <b>Mercosur</b>.</p>
2006 Nov 20	<ul style="list-style-type: none"> <li>• President <b>Chavez</b>, facing election in two weeks, continues photo opportunity <b>building projects</b> in the poor barrios where 244,000 dwellings have already been built.</li> </ul>
2006 Nov 13	<ul style="list-style-type: none"> <li>• Three weeks away from an <b>election</b>, <b>Hugo Chavez</b> confides to the world press “I’m not a populist, I’m a revolutionary”. President Chavez continues his charm offensive on the <b>US</b> Administration, suggesting President Bush should receive the death sentence before Saddam.</li> </ul>
2006 Nov 06	<ul style="list-style-type: none"> <li>• After over 40 ballots, the <b>Guatemala-Venezuela</b> vote for the <b>rotating UN Security Council</b> seat ended in stalemate – <b>Panama</b> was elected as a compromise. The <b>US</b> says Chavez lost; Chavez says the US didn’t get their choice (Guatemala).</li> </ul>
2006 Oct 30	<ul style="list-style-type: none"> <li>• The <b>US</b> is investigates alleged Venezuelan ties with the software on <b>US voting machines</b> -- "the role of the young Venezuelan engineers who founded <i>Smartmatic</i> have become less visible in public documents ...." In the face of <b>deadlock</b> over a rotating seat on the <b>UN Security Council</b>, Venezuela may throw its support behind <b>Bolivia</b>.</li> </ul>
2006 Oct 23	<p>↓ A <b>US</b> report has called Venezuela a "potential hub of <b>terrorism</b>" because it has issued " thousands of social security cards to people from <b>Cuba</b>, <b>Colombia</b> and <b>Middle Eastern</b> nations..."</p> <p>Analysts say President Chavez " has used the country’s <b>petrodollars</b> to fund social programs that have garnered him tremendous support among the poor in Venezuela". [OPEC’s decision to cut production this week is probably good news for Chavez.]</p>
2006 Oct 16	<ul style="list-style-type: none"> <li>• Chavez says "Venezuela will not keep its arms crossed if the <b>Bolivian</b> government and people are attacked from outside or within." Regarding Chavez’ gift of <b>heating oil</b> vouchers to New York’s poor, the <b>US</b> Energy Secretary says "I can’t find my way clear to object to Venezuela being charitable".</li> </ul>
2006 Oct 09	<ul style="list-style-type: none"> <li>• Around 10,000 marched in Caracas in support of <b>opposition</b> presidential candidate</li> </ul>



	<p>Manuel Rosales - "We have a government that is governing from Cuba." <b>Bolivia</b> and Venezuela agreed to build a <i>gas</i> plant under the framework of the <b>Bolivarian Alternative for Latin America</b>(ALBA). <b>Argentina</b> has expressed support for Venezuela's wish to be a non-permanent member on the <b>UN Security Council</b>. "Bush had told his followers, including some <i>assassins</i>, that they could do whatever was effectual to remove him from office" says President Chavez; he said also that he has a White House <i>informant</i>. Venezuela's defense minister reassured the region on the peaceful intentions of the <i>military re-equipment</i>.</p>
2006 Oct 02	<ul style="list-style-type: none"> <li>Venezuela and <b>Russia</b> have signed 18 cooperation agreements.</li> </ul>
2006 Sep 25	<p>↓ <b>DHS</b> denied the Venezuelan <i>Foreign Minister</i> was mistreated at JFK Airport -- but the <b>State Dept</b> apologized for a "regrettable incident". <b>Chile</b> demanded apology for "unacceptable" remarks the Venezuelan ambassador made about Chile's Christian Democrat Party. The second-most-wanted man in <b>Colombia</b>, a <i>cocaine</i> boss, has been arrested in Venezuela with Colombian cooperation. <b>President Chavez</b> exorcised the <b>UN</b> podium of "the Devil" and said <b>President Bush</b> had left a smell of sulfur in the chamber from his appearance the previous day. <b>OPEC</b> members Venezuela and <b>Iran</b> have confirmed they are united against "[US] hegemony".</p>
2006 Sep 18	<ul style="list-style-type: none"> <li>[nothing significant to report]</li> </ul>
2006 Sep 11	<ul style="list-style-type: none"> <li>As Castro's star fades, Chavez readies to play a leading role in <b>NAM</b> -- his country's place in <b>OPEC</b> and a possible <b>UN Security Council</b> seat will help — <b>China</b> and Venezuela have established a \$5B fund for infrastructure projects in Venezuela — it may go down to a <b>General Assembly</b> secret ballot whether Venezuela or <b>US-backed Guatemala</b> will win a Security Council (rotating) seat.</li> </ul>
2006 Sep 04	<ul style="list-style-type: none"> <li>President Chavez continued his whistle-stop tour of <b>China, Malaysia, Syria, and Angola</b> in pursuit of oil agreements and support for a <i>Security Council</i> seat. President Chavez indicates he would be willing to serve Venezuela longer than the present two term limit and will put that <i>constitutional</i> change to a referendum in 2010. Venezuelan Customs confiscated <i>guns</i> shipped from <b>Turkey</b> possibly as part of destabilization efforts.</li> </ul>
2006 Aug 28	<ul style="list-style-type: none"> <li>Venezuela said <b>China</b> joins <b>Russia</b> in support for its <i>Security Council</i> seat, and confirms the importance of Chinese deals on Venezuelan <i>oil</i> — Venezuela put further doubt on an already-stalled <i>anti-drug agreement</i> with the <b>US</b> because the <b>DNI</b> has created a new Mission Manager for <b>Cuba</b> and Venezuela — with an interest in high oil prices and antipathy for the <b>US</b> and <b>Israel</b> in common, <b>Iran</b> has become Venezuela's closest ally outside Latin America.</li> </ul>
2006 Aug 21	<ul style="list-style-type: none"> <li>A labor-leader opponent of Chavez and three army officers convicted of rebellion have escaped together from prison — Venezuela and <b>China</b> continued fraternal relations, trading a foothold in South America for Chinese investment in oil infrastructure . [see "Hugo Chavez's World Tour", Council on Foreign Relations - USA, 20060816 for a detailed revue of Venezuela's foreign policy and threat posture.]</li> </ul>
2006 Aug 14	<ul style="list-style-type: none"> <li>The alleged head of a transnational <i>cocaine</i> smuggling group has been arrested in Caracas.</li> </ul>
2006 Aug 07	<p>↓ Venezuela recalled its ambassador from <b>Israel</b> and announced it will <i>source air-defense</i> system/s from <b>Russia, Belarus, or Iran</b>.</p>
2006 Jul 31	<ul style="list-style-type: none"> <li>The <b>US</b> has asked <b>Russia</b> to reconsider plans to sell military aircraft to Venezuela, but Russia did not listen – Venezuela says it needs to arm against US intervention.</li> </ul>



	<p>President Chavez is mobilizing his campaign team for the <i>election</i> in December – the target is 10 million of an estimated 11 million votes so that even the <b>US</b> can not dispute the mandate. <b>US</b> pressure on Venezuela’s neighbors not to support the bid for a <b>Security Council</b> seat has infuriated <b>Chile</b>.</p>
<b>2006 Jul 24</b>	<ul style="list-style-type: none"><li>• Venezuela agreed a joint oil venture with <b>Brazil</b>, was admitted to the Caribbean-based <b>Mercosur</b> trade bloc, and announced state visits to <b>Belarus, Russia, and Iran</b>.</li></ul>
<b>2006 Jul 17</b>	<p>↓ The <b>US</b> accused <b>Cuba</b> of imperialism funded by Venezuelan oil; Venezuela accused the US of continued subversion in the region; Cuba said the US blockade has now been extended to Venezuela; flush with oil money, Venezuela almost retired its World bank debt; <b>CARICOM</b> said it may not agree with Chavez on everything, but it is not surprising to support him on some regional issues. [CARICOM -- Caribbean Community and Common Market -- Barbados, Jamaica, Guyana, Trinidad and Tobago]</p>
<b>2006 Jul 10</b>	<ul style="list-style-type: none"><li>• Venezuela defied its enemies in a May-Day style Independence Day parade, then got back to work selling its oil and gas to the world.</li></ul>
<b>2006 Jul 03</b>	<p>↓ Chavez continues his mission as a rallying point for Latin American socialist regimes and, with <b>Iran</b> as an unlikely ally, has positioned itself as a leader of non-aligned and developing nations.</p>

Commencement of Service

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