

Venezuela Gives “Condi” Rice Nightmares

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US Secretary of State Condoleezza Rice is having nightmares over Venezuela. The bad dream has President Hugo Chavez destroying his country by redistributing a portion of its oil wealth to previously excluded sectors and cutting into the share taken abroad by foreign firms.

“I believe there is an assault on democracy in Venezuela,” Rice told lawmakers on Capitol Hill. “I do believe that the president of Venezuela is really, really destroying his own country, economically, politically.”

Rice’s comments were provoked by the nationalization underway of the CANTV telecommunications giant and Electricity of Caracas. The two firms have heavy US corporate investment from Verizon Communications and AES Corp. respectively.

President Chavez and his legislative majority believe these industries could better serve the Venezuelan population by not having their profits flow out of the country.

The nationalizations come on the heels of Chavez being granted special powers so he can move the country forward to what he calls “21st century socialism”, under which public sector investment, employment, education, health care and public welfare take priority over corporate gain.

In response to Rice’s “concern”, Venezuelan Foreign Minister Nicolas Maduro told reporters Friday in Ecuador, “No US official has the morality to qualify Venezuelan democracy or the democratic leadership of President Chavez and life in our society.”

DEFENDING HER OWN

Coming from the US corporate world (she served on the boards of Chevron, Rand, Transamerica, Hewlett Packard, Charles Schwab, etc.), Condi, as President Bush calls her, considers any move to favor a Third World population over foreign business interests and their local partners scandalous.

However, the Bush administration’s hostility is unlikely to change Chavez’ mind. He has also already announced plans for Venezuela to assume a controlling stake in oil projects based in the country’s rich Orinoco Belt later this year. While not totally excluding them, such a move would affect the huge oil giants including Exxon, Mobil, Conoco Phillips, Chevron, Statoil and BP.

The White House warns that any US corporations affected by nationalization must be compensated “fairly”, without taking into account the decades of their uncontrolled and

virtually untaxed profits and capital flight.

It's no surprise that the administration's favorite corporation, Halliburton, with multi-billion dollar no-bid contracts in Iraq, provides services big-time to oil companies in Venezuela.

Halliburton's Chief Financial Officer, Christopher Gaut, told the press last Thursday at an investor's conference in Vail, Colorado: "I think that all of us in the energy business follow up closely the Venezuelan market." He added "There is a limited appetite there." Guat's statement appears to be recognition that while Venezuela is the US fourth largest oil supplier, the days of the free lunch may be numbered for foreign corporations.

The US government backed the kidnapping of Chavez and a coup against his government in April 2002, but it failed after 72 hours when most of the military and the general population demanded his return to the presidency. The same local forces supported by Washington tried to bring down the government via an oil industry management strike in 2003, but that too failed.

Since then, Chavez has won two key elections. He defeated a recall referendum with just under 60 percent of the vote in 2004 and in December 2006 won reelection for a six-year term with another landslide 63 percent victory. Both elections were recognized as highly fair and democratic by numerous election observer groups including The Carter Center.

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