

George Bush Should Get Down on his Knees and Kiss Hugo Chavez's Behind

by Greg Palast

From The Progressive



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You'd think George Bush would get down on his knees and kiss Hugo Chavez's behind. Not only has Chavez delivered cheap oil to the Bronx and other poor communities in the United States. And not only did he offer to bring aid to the victims of Katrina. In my interview with the president of Venezuela on March 28, he made Bush the following astonishing offer: Chavez would drop the price of oil to \$50 a barrel, "not too high, a fair price," he said — a third less than the \$75 a barrel for oil recently posted on the spot market. That would bring down the price at the pump by about a buck, from \$3 to \$2 a gallon.

But our President has basically told Chavez to take his cheaper oil and stick it up his pipeline. Before I explain why Bush has done so, let me explain why Chavez has the power to pull it off — and the method in the seeming madness of his "take-my-oil-please!" deal.

Venezuela, Chavez told me, has more oil than Saudi Arabia. A nutty boast? Not by a long shot. In fact, his surprising claim comes from a most surprising source: the U.S. Department of Energy. In an internal report, the DOE estimates that Venezuela has five times the Saudis' reserves. However, most of Venezuela's mega-horde of crude is in the form of "extra-heavy" oil — liquid asphalt — which is ghastly expensive to pull up and refine. Oil has to sell above \$30 a barrel to make the investment in extra-heavy oil worthwhile. A big dip in oil's price — and, after all, oil cost only \$18 a barrel six years ago — would bankrupt heavy-oil investors. Hence Chavez's offer: Drop the price to \$50 — and keep it there. That would guarantee Venezuela's investment in heavy oil.

But the ascendance of Venezuela within OPEC necessarily means the decline of the power of the House of Saud. And the Bush family wouldn't like that one bit. It comes down to "petro-dollars." When George W. ferried then-Crown Prince (now King) Abdullah of Saudi Arabia around the Crawford ranch in a golf cart it wasn't because America needs Arabian oil. The Saudis will always sell us their petroleum. What Bush needs is Saudi petro-dollars. Saudi Arabia has, over the past three decades, kindly recycled the cash sucked from the wallets of American SUV owners and sent much of the loot right back to New York to buy U.S. Treasury bills and other U.S. assets.

The Gulf potentates understand that in return for lending the U.S. Treasury the cash to fund George Bush's \$2 trillion rise in the nation's debt, they receive protection in return. They lend us petro-dollars, we lend them the 82nd Airborne.

Chavez would put an end to all that. He'll sell us oil relatively cheaply — but intends to keep the petro-dollars in Latin America. Recently, Chavez withdrew \$20 billion from the U.S. Federal Reserve and, at the same time, lent or committed a like sum to Argentina, Ecuador, and other Latin American nations.

Chavez, notes *The Wall Street Journal*, has become a “tropical IMF.” And indeed, as the Venezuelan president told me, he wants to abolish the Washington-based International Monetary Fund, with its brutal free-market diktats, and replace it with an “International Humanitarian Fund,” an IHF, or more accurately, an International Hugo Fund. In addition, Chavez wants OPEC to officially recognize Venezuela as the cartel's reserve leader, which neither the Saudis nor Bush will take kindly to.

Politically, Venezuela is torn in two. Chavez's “Bolivarian Revolution,” a close replica of Franklin Roosevelt's New Deal — a progressive income tax, public works, social security, cheap electricity — makes him wildly popular with the poor. And most Venezuelans are poor. His critics, a four-centuries' old white elite, unused to sharing oil wealth, portray him as a Castro-hugging anti-Christ.

Chavez's government, which used to brush off these critics, has turned aggressive on them. I challenged Chavez several times over charges brought against Sumate, his main opposition group. The two founders of the nongovernmental organization, which led the recall campaign against Chavez, face eight years in prison for taking money from the Bush Administration and the International Republican [Party] Institute. No nation permits foreign funding of political campaigns, but the charges (no one is in jail) seem like a heavy hammer to use on the minor infractions of these pathetic gadflies.

Bush's reaction to Chavez has been a mix of hostility and provocation. Washington supported the coup attempt against Chavez in 2002, and Condoleezza Rice and Donald Rumsfeld have repeatedly denounced him. The revised National Security Strategy of the United States of America, released in March, says, “In Venezuela, a demagogue awash in oil money is undermining democracy and seeking to destabilize the region.”

So when the Reverend Pat Robertson, a Bush ally, told his faithful in August 2005 that Chavez has to go, it was not unreasonable to assume that he was articulating an Administration wish. “If he thinks we're trying to assassinate him,” Robertson said, “I think that we really ought to go ahead and do it. It's a whole lot cheaper than starting a war . . . and I don't think any oil shipments will stop.”

There are only two ways to defeat the rise of Chavez as the New Abdullah of the Americas. First, the unattractive option: Cut the price of oil below \$30 a barrel. That would make Chavez's crude worthless. Or, option two: Kill him.

Q: Your opponents are saying that you are beginning a slow-motion dictatorship. Is that what we are seeing?

Hugo Chavez: They have been saying that for a long time. When they're short of ideas, any excuse will do as a vehicle for lies. That is totally false. I would like to invite the citizens of Great Britain and the citizens of the U.S. and the citizens of the world to come here and walk freely through the streets of Venezuela, to talk to anyone they want, to watch television, to read the papers. We are building a true democracy, with human rights for everyone, social rights, education, health care, pensions, social security, and jobs.

Q: Some of your opponents are being charged with the crime of taking money from George Bush. Will you send them to jail?

Chavez: It's not up to me to decide that. We have the institutions that do that. These people have admitted they have received money from the government of the United States. It's up to the prosecutors to decide what to do, but the truth is that we can't allow the U.S. to finance the destabilization of our country. What would happen if we financed somebody in the U.S. to destabilize the government of George Bush? They would go to prison, certainly.

Q: How do you respond to Bush's charge that you are destabilizing the region and interfering in the elections of other Latin American countries?

Chavez: Mr. Bush is an illegitimate President. In Florida, his brother Jeb deleted many black voters from the electoral registers. So this President is the result of a fraud. Not only that, he is also currently applying a dictatorship in the U.S. People can be put in jail without being charged. They tap phones without court orders. They check what books people take out of public libraries. They arrested Cindy Sheehan because of a T-shirt she was wearing demanding the return of the troops from Iraq. They abuse blacks and Latinos. And if we are going to talk about meddling in other countries, then the U.S. is the champion of meddling in other people's affairs. They invaded Guatemala, they overthrew Salvador Allende, invaded Panama and the Dominican Republic. They were involved in the coup d'etat in Argentina thirty years ago.

Q: Is the U.S. interfering in your elections here?

Chavez: They have interfered for 200 years. They have tried to prevent us from winning the elections, they supported the coup d'etat, they gave millions of dollars to the coup plotters, they supported the media, newspapers, outlaw movements, military intervention, and espionage. But here the empire is finished, and I believe that before the end of this century, it will be finished in the rest of the world. We will see the burial of the empire of the eagle.

Q: You don't interfere in the elections of other nations in Latin America?

Chavez: Absolutely not. I concern myself with Venezuela. However, what's going on now is that some rightwing movements are transforming me into a pawn in the domestic politics of their countries, by making statements that are groundless. About candidates like Morales [of Bolivia], for example. They said I financed the candidacy of President

Lula [of Brazil], which is totally false. They said I financed the candidacy of Kirchner [of Argentina], which is totally false. In Mexico, recently, the rightwing party has used my image for its own profit. What's happened is that in Latin America there is a turn to the left. Latin Americans have gotten tired of the Washington consensus — a neoliberalism that has aggravated misery and poverty.

Q: You have spent millions of dollars of your nation's oil wealth throughout Latin America. Are you really helping these other nations or are you simply buying political support for your regime?

Chavez: We are brothers and sisters. That's one of the reasons for the wrath of the empire. You know that Venezuela has the biggest oil reserves in the world. And the biggest gas reserves in this hemisphere, the eighth in the world. Up until seven years ago, Venezuela was a U.S. oil colony. All of our oil was going up to the north, and the gas was being used by the U.S. and not by us. Now we are diversifying. Our oil is helping the poor. We are selling to the Dominican Republic, Haiti, Cuba, some Central American countries, Uruguay, Argentina.

Q: And the Bronx?

Chavez: In the Bronx it is a donation. In all the cases I just mentioned before, it is trade. However, it's not free trade, just fair commerce. We also have an international humanitarian fund as a result of oil revenues.

Q: Why did George Bush turn down your help for New Orleans after the hurricane?

Chavez: You should ask him, but from the very beginning of the terrible disaster of Katrina, our people in the U.S., like the president of CITGO, went to New Orleans to rescue people. We were in close contact by phone with Jesse Jackson. We hired buses. We got food and water. We tried to protect them; they are our brothers and sisters. Doesn't matter if they are African, Asian, Cuban, whatever.

Q: Are you replacing the World Bank and the International Monetary Fund as "Daddy Big Bucks"?

Chavez: I do wish that the IMF and the World Bank would disappear soon.

Q: And it would be the Bank of Hugo?

Chavez: No. The International Humanitarian Bank. We are just creating an alternative way to conduct financial exchange. It is based on cooperation. For example, we send oil to Uruguay for their refinery and they are paying us with cows.

Q: Milk for oil.

Chavez: That's right. Milk for oil. The Argentineans also pay us with cows. And they give us medical equipment to combat cancer. It's a transfer of technology. We also exchange oil for software technology. Uruguay is one of the biggest producers of software. We are breaking with the neoliberal model. We do not believe in free trade. We believe in fair trade and exchange, not competition but cooperation. I'm not giving away oil for free. Just using oil, first to benefit our people, to relieve poverty. For a hundred years we have been one of the largest oil-producing countries in the world but with a 60 percent poverty rate and now we are canceling the historical debt.

Q: Speaking of the free market, you've demanded back taxes from U.S. oil companies. You have eliminated contracts for North American, British, and European oil companies. Are you trying to slice out the British and American oil companies from Venezuela?

Chavez: No, we don't want them to go, and I don't think they want to leave the country, either. We need each other. It's simply that we have recovered our oil sovereignty. They didn't pay taxes. They didn't pay royalties. They didn't give an account of their actions to the government. They had more land than had previously been established in the contracts. They didn't comply with the agreed technology exchange. They polluted the environment and didn't pay anything towards the cleanup. They now have to comply with the law.

Q: You've said that you imagine the price of oil rising to \$100 dollars per barrel. Are you going to use your new oil wealth to squeeze the planet?

Chavez: No, no. We have no intention of squeezing anyone. Now, we have been squeezed and very hard. Five hundred years of squeezing us and stifling us, the people of the South. I do believe that demand is increasing and supply is dropping and the large reservoirs are running out. But it's not our fault. In the future, there must be an agreement between the large consumers and the large producers.

Q: What happens when the oil money runs out, what happens when the price of oil falls as it always does? Will the Bolivarian revolution of Hugo Chavez simply collapse because there's no money to pay for the big free ride?

Chavez: I don't think it will collapse, in the unlikely case of oil running out today. The revolution will survive. It does not rely solely on oil for its survival. There is a national will, there is a national idea, a national project. However, we are today implementing a strategic program called the Oil Sowing Plan: using oil wealth so Venezuela can become an agricultural country, a tourist destination, an industrialized country with a diversified economy. We are investing billions of dollars in the infrastructure: power generators using thermal energy, a large railway, roads, highways, new towns, new universities, new schools, recuperating land, building tractors, and giving loans to farmers. One day we won't have any more oil, but that will be in the twenty-second century. Venezuela has oil for another 200 years.

Q: But the revolution can come to an end if there's another coup and it succeeds. Do you believe Bush is still trying to overthrow your government.

Chavez: He would like to, but what you want is one thing, and what you cannot really obtain is another.