

“El Fenomeno Chavez:”
Hugo Chavez of Venezuela, Modern Day Bolivar

by

Jerrold M. Post

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March 2007

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“El Fenomeno Chavez:”

Hugo Chavez of Venezuela, Modern Day Bolivar¹

EXECUTIVE SUMMARY

Hugo Chavez, the charismatic and controversial President of Venezuela, reached the ultimate seat of political power with his election as head of state in 1998. Carefully cultivating the image of an impoverished Venezuelan youth reaching the highest political office in Venezuela, Chavez has a devoted and loyal following among Venezuela's lower class. Having survived several political crises, Chavez is a masterful political gamesman who zealously guards his power while maintaining a staunchly anti-American and anti-elite stance. This requires a delicate balancing act, as he gains strength from his oppositional stance to the Venezuelan elite and the West, especially the United States, whose financial resources are crucial to Venezuela's economic survival.

His outrageous and confrontational rhetoric, which increases during times of internal instability, has consistently worked to unite his followers in support of his leadership; he portrays himself as a modern day Simon Bolivar. It is this unquestioning support by Venezuela's lower class that has enabled him to survive the slow destruction of Venezuela's economy, internal discord, and ultimately a coup attempt in 2002.

His internationally recognized victory in the August 2004 referendum has surely emboldened him. For this consummate narcissist, this victory would have been expected to have swollen his already swollen ego. The precipitous announcement on October 11, 2004, that royalties paid by foreign oil companies would be increased from 1 to 16.6 percent, represented “the second and true phase of the nationalization of the country's oil” and that “we are no longer going to give our oil away,” reflects the defiant populist bravura of Chavez. As his hold on power becomes more absolute, so does his vision of himself as the savior of Venezuela. Hugo Chavez is likely to do whatever it takes to retain his hold on power in order to secure his place in history.

Encouraged by the validation of his victory at the polls, Chavez has increasingly allied himself with, and publicly supported, major adversaries of the United States, including Iran, Syria, and North Korea, as well as Hamas. His self concept is not limited by the water's edge, but he seems to see himself as a leading international defender of the poor and the weak against the powerful. This is the theme he exploited so effectively in winning the presidency of Venezuela. His support for terrorism has not been so widespread as that for rogue state leaders, with major support to his social-revolutionary comrades operating in neighboring Colombia. There are unconfirmed reports of early support for Al Qaeda, and such support could increase if he moves out in an increasingly messianic omnipotent direction.

Chavez has revised Venezuela's military doctrine, declaring the United States to be Venezuela's prime enemy and that Venezuela would resort to the "war of the fleas" (terrorism and insurgency) against the United States, which helps explain his recent purchase of 100,000 AK-103s from Russia. There are suggestions as well that he would pursue developing a nuclear capability, as Venezuela's sovereign right.

His over-the-top performance at the United Nations General Assembly contributed significantly to the defeat of Venezuela's campaign to become Latin America's representative to the Security Council, an example of Chavez's tendency to get carried away when he is in the world's spotlight, emphasizing that his judgment can falter at these times. His recent 63 percent victory in the 2006 presidential elections, in which election laws were clearly violated, can be expected to produce a wave of hubristic defiance. He is already acting as if he has supplanted Fidel Castro, his mentor and role model, as leader of the third world, behavior which will only intensify when Castro does finally pass from the scene. Chavez will probably attempt to stage a constitutional coup, rewriting the constitution to extend his stay in office, and would not leave office voluntarily if that fails.

On the occasion of his inauguration, declaring "Socialism or death!" which was Castro's defiant vow on the collapse of the Soviet Union, he stated his intention to establish Venezuela as a "socialist republic." He announced plans to nationalize electric utilities, Venezuela's major telephone company CANT, and four highly profitable foreign oil developments. Despite the resulting financial turmoil, and a corrupt

inefficient managerial class, there is every reason to believe he will, in an accelerated fashion, follow the path of his model Fidel Castro as he seeks to consolidate his self-appointed role as Castro's successor.

“El Fenomeno Chavez:”

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Jerrold M. Post²

Introduction

“If you try to assess me by traditional canons of analysis,
you’ll never emerge from confusion.”

–Hugo Chavez statement to Larry Rohter of
the New York Times, April 10, 1999.

Hugo Chavez, the charismatic and controversial President of Venezuela, reached the ultimate seat of political power with his election as head of state in 1998. Like his hero Simon Bolivar, Chavez is a *mestizo* (mix of European, African, and indigenous blood) and spent his very early years in poverty. He has zealously clung to and cultivated the image of a lower-class child rising to the height of political power. This image has contributed to Chavez’s extraordinary popularity among Venezuela’s lower class. His MVR-200 political party receives its primary support from the lower class and alliances with other leftist parties. Since taking office in 1999, Venezuela has experienced intense political and economic chaos with estimates of his internal support ranging from 25 to 50 percent of the population.

Chavez’s devout following of “Chavistas” often invoke “El fenomeno Chavez” (the Chavez phenomenon) in describing Chavez the man as well as his rise to power. It is this cult of personality which Chavez has so skillfully developed and maintained throughout his professional life that has greatly contributed to his continued power despite opposition from the

upper class, the oil industry, media, labor unions, and elements of the military. Despite a fifty year tradition of democracy in Venezuela and his own election by the people in 1998, Chavez appears to view himself more as a revolutionary figure vested with certain responsibilities toward the lower class. He identifies himself with heroic Latin American figures such as Che Guevara and Fidel Castro and, in particular, seems to view himself as a modern day Simon Bolivar.

Childhood and Education³

The son of two school teachers and the second of six sons, Hugo Chavez’s carefully maintained image of a background of extreme poverty is more myth than reality. His family moved to Barinas (the state capital) while he was still a child and their economic situation improved. But as a *mestizo*, he would have absorbed the psychology of the underclass, the resentment of the subaltern of the elite structure.

His family originally came from the town of Sabaneta which Chavez described as a town “with only three dirt roads by the edge of a river,” where “people lived in dilapidated houses with dirt floors.”⁴ When the young Chavez finished the sixth grade, his family moved to the state capital of Barinas, where his family remains today, so that the Chavez children could further their education.

While certainly not members of Venezuela’s upper class, the Chavez family was able to provide adequately for the children, and to ensure they received a solid education. According to a variety of sources, young Chavez was exposed to a wide range of activities at which he excelled. In addition to being a strong student, he was an outgoing and social child who was considered to be a talented musician, painter, and baseball player. He apparently enjoyed learning and spent a good deal of time reading, including encyclopedias, which his mother kept at the family home.

Chavez grew up in a politically active family of devout Catholics during the apex of the socialist-communist movement in Latin American – the time of Che Guevara and Fidel Castro. Growing up in a politically charged family during a time of social activism greatly influenced young Chavez and contributed to his unique blend of nationalism and radical socialism. In interviews Chavez recalls an early interest in Simon Bolivar,

the charismatic founding father of Venezuela, and politics – inspired, he claims, by his older brother Adan who was a devout Marxist.

After rejecting the idea of attending the University of Los Andes, where his brother went, Chavez pursued his education at the Venezuelan Military Academy (VMA). A highly competitive and well respected institution, VMA offered Chavez the opportunity to play on one of the best baseball teams in the country. Having dreamed of a career in Major League Baseball, Chavez often claims this was a major consideration in his decision to attend the Venezuelan Military Academy. It is unclear why Chavez stopped playing baseball, but dropping out of baseball allowed him to concentrate almost exclusively on his military studies and intellectual development. His new focus became politics.

Military Career Conceals Political Ambitions

While he was successful in his military studies, it was the intrigue of politics that inspired passion in the young Chavez. Chavez had to hide his interest and extracurricular studies in Marxism, as in 1970s Venezuela, military officers interested in socialism were considered a threat to state security. Chavez’s older brother, Adan, an avowed Marxist who eventually became a University professor, mentored and encouraged his younger brother to pursue his unique vision of blending the revolutionary ideology of Simon Bolivar with modern-day socialism. It was during this time that Chavez developed his idea of “revolutionary takeover [based on] an alliance between civilian activists and military officers.”⁵

Following his graduation from Venezuelan Military Academy in 1975, Chavez was deployed to jungle areas with the military to eliminate the remaining leftist insurgents. Chavez has routinely commented about how these experiences profoundly influenced him, forcing him to fight against his fellow leftist sympathizers, questioning “What am I doing here? On one side peasants in military uniforms torture peasant guerrillas, and on the other, peasant guerrillas kill peasants dressed in green...”⁶ This was, as Chavez himself states, his first existential crisis.⁷

Despite his inner turmoil, Chavez chose to remain in the military. It was during this time that he founded MBR-200 (Bolivarian Revolutionary Movement), a secret organization of officers with similar political

leanings. The organization was officially established in 1983, the two hundred year anniversary of the birth of Simon Bolivar. For nearly ten years of his military career, 1980-1989, Chavez taught military history, leadership, and ethics to VMA cadets.⁸ Although he started studying for his Masters in Political Science at Simon Bolivar University, he never completed his studies. He attained the rank of Lieutenant Colonel, but the failed coup attempt in February of 1992 effectively ended his military career.

The Path to Political Leadership

The growing popular dissatisfaction with the Perez administration, exemplified by the 1989 food riots resulting in the deaths of hundreds of civilians, mobilized Chavez’s MBR-200 party, and three years later on February 4, 1992, Chavez led a failed coup attempt against the Venezuelan government. The coup attempt resulted in the deaths of 18 persons and left 60 injured before Chavez gave himself up. Despite the fact that the details of the coup attempt remain unclear to this day, and that it failed, the role of Chavez in the event has become part of Venezuelan lore. The event has been recast as a case of Chavez leading his followers against a “false democracy” marked by corruption and resentment among Venezuela’s impoverished majority. It was this event that catapulted the young, previously unknown, soldier to the attention and admiration of many of the Venezuelan people.

Although he had been sentenced to thirty years in prison for his role in the attempted coup, Chavez was pardoned and left prison after serving only two years and immediately began his political career. Showing remarkable resiliency, just three years after his release, in April 1997, Hugo Chavez announced his candidacy for President. His fiery anti-establishment rhetoric became the basis of his charismatic appeal and energized the Venezuelan population resulting in Election Day turnouts far surpassing any previous election. A gifted orator, Chavez united the nation’s political left wing and gave his followers a voice for their rage against a perceived corrupt and elitist system. With a commanding 56 percent of the vote, Hugo Chavez was elected President in December 1998 with a campaign platform that centered on giving prominence to the needs

of impoverished and disenfranchised elements of Venezuelan society. The same year that Hugo Chavez was elected President of Venezuela, his father was elected governor of the Barinas state.

Chavez as President

Since becoming president, through 2001, Chavez has visited his heroic model and revolutionary soul-mate Fidel Castro six times, the latest being a visit to an ailing Castro in a Havana hospital. In the summer of 2000, as the only South American member and as the sitting president of OPEC,⁹ Chavez visited many of the OPEC producing countries. In open defiance of the United States, on August 11, 2000, Chavez traveled to Baghdad and visited with then Iraqi President, Saddam Hussein. He was the first head of state to visit Iraq since the 1991 Gulf War.

A year later, in August of 2001, Cuban leader Fidel Castro visited Chavez in Venezuela. He was received with full military honors and was awarded the Order of Angostura, Venezuela's highest civil award, which commemorates the independence struggle of the South American liberator, Simon Bolivar. Chavez, a strong supporter of Castro, greeted the aging Cuban dictator saying, "We welcome the brother, the friend, the revolutionary soldier who has been an example of dignity for this entire continent, for the heavens and the sea."¹⁰ He went on to "welcome this 75-year-old youngster, the same Fidel as ever." That Fidel occupies a special place in Chavez's political psychology seems clear, suggesting he hopes to acquire his mantle of leadership, emulating Castro's leadership style, i.e., winning popular support from the Venezuelan lower classes by confronting the "Norte Americanos" who are blamed for Venezuelan economic and social difficulties, just as Castro has so successfully portrayed the United States over the years.

It is still an open question whether Chavez is drawn to Castro's revolutionary ideology and person simply as a means of mobilizing domestic Venezuelan support for himself and his party, or whether he seriously aspires to spread revolution to other areas of Latin America such as his heroes Fidel Castro and Che Guevara attempted. He has been openly supportive of leftist candidates through South America, including Evo Morales, the newly elected President of Bolivia¹¹ and the leftist

candidate for President of Mexico, Lopez Obrador. It is interesting to note that his other hero, Simon Bolivar, between 1810 and 1824 took up the sword to free Venezuela, Bolivia, Panama, Colombia, Ecuador, and Peru from Spanish control. Bolivar, his hero, then became dictator over these areas. If he follows the Bolivar, Castro, Guevara models in international affairs he will be prone to support violence as a means to a revolutionary end. The jury is still out as to whether he will confine his activities to building domestic support by criticizing the United States and its Western Allies or whether he will cross the line and promote terror and revolutionary practice in the hemisphere outside his borders.

In April 2002, Hugo Chavez faced the biggest crisis of his political life. Amidst falling popularity among most sectors of his constituency, along with his alienation of the business sector elites and labor leaders, strikes and protests erupted around the country. In retaliation for the violent outbursts against his government, Chavez ordered his troops to break up the demonstrations, using force if necessary.

The bloodshed triggered a rebellion by the military and anti-Chavez demonstrators, culminating in a coup on April 12, 2002, which resulted in Chavez being captured and arrested in his own presidential palace. The interim government led by Pedro Carmona, head of the business leader's association, claimed Chavez resigned. The coup was short-lived as Chavez supporters and loyalist troops rose up in protest against the capture of their leader. Lasting less than 48 hours, the coup was defeated and Chavez, who in fact had never resigned, was reinstated. Reflecting an ironic sense of symmetry and justice, Chavez, who likes to see himself as a fair and just leader, sentenced Carmona to two years in prison, the same amount of time he himself spent in prison following the attempted coup of 1992 almost exactly ten years earlier.

Chavez seemed to have gained momentum following the resolution of the coup. The base of his constituency—the poor and the lower class—were energized around him and have insulated him from several attempts to bring him down since the 2002 coup (in 2003 more protests and strikes surfaced). In December 2002, in response to a popular uprising, four oil executives were fired by Chavez's government. Describing the men as “rebels” and “subversives wearing ties,” Chavez used this move to control the protests and demonstrations.

In July 2004, Chavez led a call for a united South American economic bloc before economic relations outside of the region were developed. His speech criticized the Free Trade agreement that other South American countries (Colombia, Ecuador, Peru) have with the United States. This confrontational and anti-American stance is in keeping with his *modus operandi* of intensifying his anti-American rhetoric as domestic instability increased.

Chavez’s rule has led to a polarization of the country – those who see him as a spokesman for the poor, and those who regard him as a populist demagogue. He has continued to emphasize his beliefs that it is the people who must decide his future, although there was little doubt that he will ensure his own political survival, for in his mind Venezuela requires his leadership.

After two petitions, Chavez finally faced a national referendum vote on August 15, 2004. The high oil prices had permitted Chavez to embark on a \$17 billion social spending program. He campaigned that a “yes” vote in the referendum to recall would be a vote for American imperialism. Venezuela voted by a large margin—58 to 42 percent—to retain Chavez as president, a pivotal event and a powerful vindication for the pugnacious populist who had survived four strikes and a coup. Adding to his euphoric response was the affirmation of international observers including the Organization of American States and Jimmy Carter (and the Carter Center) that the election was fair, despite opposition claims that “they have perpetrated a gigantic fraud against the will of the people.” This was balm to Chavez’ threatened ego. And his response gave his victory a sacred significance: “The Venezuelan people have spoken, and the people’s voice is the voice of God.” He pledged that his government would continue with the so-called Bolivarian revolution.¹²

Wielding the Oil Weapon

On October 11, 2004, in a surprise announcement with no warning, Chavez declared that Venezuela was increasing the royalties paid by foreign oil companies from the earlier 1 percent, implemented in order to attract foreign investors, to 16.6 percent. He called this “an act of justice

and sovereignty” which “marked the second and true phase of the nationalization of the country’s oil.”¹³

The importance of Venezuela’s oil in the political arena was given added weight during a four-day visit to China in late December 2004. During that visit, Chavez announced that Venezuela’s oil and natural gas fields would be open to China. Under the terms of the agreement, Chinese companies would gain development rights to fifteen oil fields in eastern Venezuela and would be allowed to build oil refineries there.

Further casting doubt on whether Venezuela would continue as a reliable source of oil for the United States, in early February 2006, Chavez signaled that his government was looking to sell as many as eight refineries in its American oil-refining operations. The refineries are owned by CITGO, the Houston-based subsidiary of Venezuela’s state owned oil company, Petroleos de Venezuela.

Ever seeking opportunities to provoke the giant United States, Chavez agreed to provide eight million gallons of discounted heating oil to low income residents of the South Bronx from CITGO. The agreement was negotiated with U.S. Representative Jose Serano, an outspoken Congressional supporter of both Fidel Castro and Chavez.

Hurricane Katrina gave Chavez another opportunity to mock the United States. On September 5, 2005, after Hurricane Katrina hit the United States, the Chavez administration offered aid to its “North American brothers.” In a rather brilliant public relations stroke, Chavez offered tons of food, water, and a million barrels of extra petroleum to the United States. He has also proposed to sell, at a significant discount, as many as 66,000 barrels of heating fuel to poor communities that were hit by the hurricane, and offered mobile hospital units, medical specialists, and power generators. (Castro made a similar “generous” offer.) As Chavez undoubtedly knew he would, President Bush declined this aid.

On November 23, 2005, Venezuelan officials struck a deal with Massachusetts officials to provide cheap heating oil to low-income homes, sold at 40 percent below market price from CITGO petroleum. This was another slap at President Bush as the post-hurricane Katrina oil market significantly increased heating oil prices.

Venezuela took control of two oil fields, one from France’s Total SA, the other from Italy’s Eni SpA, on April 3, 2006, after the companies refused to sign an agreement to turn the site over to a state-controlled joint

venture, Petroleos de Venezuela SA (PDVSA). Exxon Mobil Corporation decided to sell their stakes among the 32 Venezuelan oil properties rather than go along with the new terms.

In early April 2006, Chavez, who hosted the OPEC meeting on June 1, 2006, in Caracas, indicated his intent to set the price of heavy crude oil at (U.S.) \$50 a barrel. Doing so would redefine reserve oil supplies and give him the highest percentage of oil reserves, more so than anyone in the Middle East. The U.S. Department of Energy estimates that the Venezuelan government controls 1.3 trillion barrels of oil – more than the entire declared oil reserves of the rest of the planet. Previously, heavy crude oil set at (U.S.) \$20 a barrel was too expensive to process and was not counted in the reserves.

Chavez the Populist

Reminiscent of the land appropriation program of President Mugabe of Mozambique, in January 2005, Chavez promised to end what his government calls “latifundios,” estates of at least 5,000 hectares (approximately 12,500 acres) that remain idle, as part of a fast-moving land reform program. Chavez, playing to his peasant support, has trained his sights on 6.6 million acres of private holdings, leading to widespread concern by major farmers, worried that the government will seize their property.

Chavez and the Media

Ever sensitive to criticism, Chavez has sought to muzzle the critics. In December 2004, Chavez signed a law that permitted the government to censor news reports. The vaguely worded law stipulated that the news media could not disseminate reports that endanger national security or incite disruption of public order, and outlined 78 possible infractions. In passing this law, Chavez made the following observations:

“Let’s say this, first of all we have to say something that John Paul II said. There is no freedom without limits. All

freedom should be regulated in a way. You are free to go around Paris, but you need a document, right, or an identity card, otherwise you could go to prison. You could have a car which is your own car but that doesn't mean you have to violate all traffic lights and the traffic code. Your freedom is limited. You can be the owner of a gun, you bought it, it is yours, but you cannot shoot people around, all right?

So all freedom has limits, some constraints, it has to be regulated. It is the same with freedom of speech, the use of the media especially should be regulated. What we have done in Venezuela very recently is a law of social responsibility of radio and television. For instance a TV channel can not incite hatred, cannot incite a coup, that is a crime, and it happened in Venezuela when during the coup in April 2002 all the private TV channels were supporting the coup, and calling the people to take to the streets to go against the palace and to give orders to the leaders and they weren't allowing the public to express themselves. They published a great lie, that I had renounced my post as President, and that was false. We are passing this law to save the freedom of speech of everyone.”

Having muted the opposition, Chavez then sought a channel for his own views. In what embassy officials have dubbed “the Al Jazeera of Latin America,” Chavez initiated Televisora del Sur (Television Station of the South), a pan-Latin American television network based in Caracas, Venezuela. Intended to be a counter-weight to privately-owned networks such as CNN en Espanol, the network has taken on the slogan, “News from the South.” It is funded with U.S. \$10 million provided by the countries that jointly own the network and will collaborate on technology and news content: Venezuela, 51 percent, (the controlling share), Argentina, 20 percent, Cuba, 19 percent and Uruguay, 10 percent. The newly elected populist president of Bolivia, Evo Morales, has agreed to buy a 5 percent stake. The news channel has 160 employees and correspondents throughout Latin America, based in Argentina, Brazil, Bolivia, Colombia, Cuba, Haiti, Mexico, and Uruguay as well as in the United States. There is a distinctly anti-imperialist coloration to the news programs.

Hugo Chavez the Man

Chavez is described as warm and genuine with a friendly, engaging demeanor. His main vice appears to be espresso coffee – drinking up to 26 cups a day and sleeping only two to three hours a night. (This excessive amount of caffeine consumption could be expected to contribute to irritability, feeling “wired,” and over-rapid decision-making.) He has no known medical problems other than reports of frequent and profuse nosebleeds as a cadet. He is a highly intelligent man, who despite his inflammatory rhetoric is, for the most part, in good touch with political reality.

While Chavez apparently has many friends and has a busy social life, he has had difficulty in sustaining happy marriages or developing relationships with his children. In his mid-twenties Chavez married a not particularly attractive young woman from his hometown and had three children with her, two daughters and a son. Nancy, Chavez’s first wife, was from a poor family and was racially-mixed, dark and native in appearance, like Chavez himself. Little else is known about her or their relationship. They subsequently divorced in the late 1980s after 18 years of marriage. During nine of those years, he also pursued an affair with a young historian, Herma Marksman. Chavez sent his two daughters with Nancy to school in Cuba.

Maria Isabel, Chavez’s second wife, is a stark contrast to Nancy. She is an attractive, fair-skinned blonde from an upper-class family of privilege. Chavez met her during his 1997 Presidential Campaign. They were married after she found out she was pregnant. This marriage has produced another daughter. Chavez and his second wife are now separated and he is reputed to have little contact with any of his four children or his single grandchild.

Flamboyant Political Style

Chavez is known for his outrageous and often unprovoked tirades against his opponents. His bellicose and often inappropriate public commentary suggests not a lack of regard for public opinion beyond his

immediate supporters, but rather that he enjoys the attention such antics produce. His staunchly anti-American, anti-old establishment and anti-elite stance empowers his lower-class followers who identify with him, demonstrating in their eyes his ability to stand up to the resented elements of society, which they blame for their feelings of powerlessness.

Narcissistic Personality

Chavez is an authoritarian narcissistic leader who has dreams of glory, and can be overly sensitive to criticism. The arrogant certainty conveyed in his public pronouncements is very appealing to his followers. But under this grandiose facade, as is typical with narcissistic personalities, is extreme insecurity. When under stress, his defiance becomes more pronounced, as does his tendency to blame others for his own shortcomings.

Chavez has cultivated a larger-than-life self-image, approaching messianic proportions, yet is not out of touch with political reality. However, at times he seems to become captive of his own inflammatory rhetoric. He certainly has a sense of entitlement about his position.

Chavez has skillfully used religious rhetoric in this devoutly Catholic state. While he appears to believe he has a “mission” as the leader of Venezuela, it is more in the image of Simon Bolivar than Jesus Christ. But, since the election, Chavez has become increasingly seized with his messianic role, and likens himself to Christ. In an interview with Ted Koppel, (September 16, 2005) Chavez remarked:

“I’ve been in revolt for years against ignominy, against injustice, against inequality, against immorality, against the exploitation of human beings. One of the greatest rebels, who I really admire: Christ. He was a rebel. He ended up being crucified. He was a great rebel. He rebelled against the established power that subjugated. That is what rebellion is; it’s rebellion out of love for human beings. In truth, that is the cause, the cause of love: love for every human being, for every woman, for every child, for every man, for every brother.”

Paranoid Personality Features

Chavez is a man who has built his career, and in many ways his life, on plots and subplots of political intrigue. At times he seemed surprisingly unconcerned with conspiracy theories and earlier had refused many of the standard security protocols of state leaders – he freely mingled with people during his political rallies and refused to wear a bulletproof vest. As a man of the people, he did not seem to be consumed by paranoid fantasies himself, but rather appeared to use the conspiracy theories of his followers as a tool in his leadership and manipulation, rather than being dominated by paranoid fears.

But more recently he has been consumed with paranoid fears, suggesting his underlying insecurity. A member of the Colombian security service who was a member of the presidential detail on a state visit described the lengths to which Chavez went to protect himself as being unusual to the extreme, surrounding himself with a virtual phalanx of security guards, personally checking out every detail of his protection. On several occasions he has threatened retaliation for plots. In the September 2005 interview with Ted Koppel, Chavez stated with certainty that he had proof that the United States had plans to invade Venezuela.

In mid-August 2005, Venezuela prepared to deport 16 of 133 Colombians arrested outside Caracas who, Chavez charged, were paramilitary soldiers sent to assassinate him, charges ridiculed by Colombian diplomats. Several days later, on the 700 Club broadcast of August 22, 2005, the Pat Robertson call for Chavez' assassination did nothing to dampen his fears.

"There was a popular coup that overthrew him [Chavez]. And what did the United States State Department do about it? Virtually nothing. And as a result, within about 48 hours that coup was broken; Chavez was back in power, but we had a chance to move in. He has destroyed the Venezuelan economy, and he's going to make that a launching pad for communist infiltration and Muslim extremism all over the continent.

You know, I don't know about this doctrine of assassination, but if he thinks we're trying to assassinate him, 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. But this man is a terrific danger ... This is in our sphere of influence, so we can't let this happen. We have the Monroe Doctrine, we have other doctrines that we have announced. And without question, this is a dangerous enemy to our south, controlling a huge pool of oil, that could hurt us very badly. We have the ability to take him out, and I think the time has come that we exercise that ability. We don't need another \$200 billion war to get rid of one, you know, strong-arm dictator. It's a whole lot easier to have some of the covert operatives do the job and then get it over with.”

These remarks, of course, produced a firestorm, with denials of any intent to assassinate from prominent Senators and indeed from President Bush himself.

Four days after these remarks, his paranoid fears heightened, Chavez suspended permits for foreign missionaries. And in October, he ordered a Christian missionary group working with indigenous peoples to leave the country after accusing its members of “imperialist infiltration” and spying.

On February 2, 2006, Chavez announced that his government had ordered the expulsion of the American naval attaché, John Correa, at the U.S. Embassy in Caracas for spying. This was immediately followed on February 3, 2006, by remarks by Vice President Cheney, comparing Chavez to Hitler, that were not designed to ease Chavez' paranoid fears.

“I mean, we've got Chavez in Venezuela with a lot of oil money. He's a person who was elected legally – just as Adolf Hitler was elected legally – and then consolidated power and now is, of course, working closely with Fidel Castro and Mr. Morales and others.”

In retaliation for the expulsion of John Correa, the United States declared persona non grata and ejected Jenny Figueredo Frias, identified as chief of staff to the Venezuelan ambassador. Upon returning to Venezuela, Frias received a hero's welcome.

Defending against the Hitler metaphor, on February 4, 2006, Hugo Chavez told a rally of supporters on Saturday that U.S. President George

W. Bush was worse than Hitler and vowed to buy more arms to defend his nation as diplomatic relations deteriorated after a week of tit-for-tat diplomatic expulsions.

Chavez warned he could shut Venezuelan oil refineries in the United States and sell oil for the U.S. market elsewhere if Washington cuts off ties, although U.S. officials had made no suggestion they plan to break relations.

All of this populist defiance played well to the followers of Chavez, who admired his courage in standing up to the giant United States.

Politically Adroit

Hugo Chavez is a skilled political manipulator, who is adroitly Machiavellian. His continual emphasis of his mission of championing of Bolivarian ideals, his oft stated pride in his being a *mestizo*, and his continuing emphasis on his own roots in poverty is employed to maintain his hold on power.

To keep his followers engaged, he must continue the outrageous and inflammatory attacks on the United States, the Venezuelan elite and other perceived enemies. It would appear that while he does, in fact, believe in the essence of these world views, he also knows that they provide a platform for maintaining his popularity in Venezuela.

Episodic Flawed Decision-Making

There are two circumstances when Chavez’s messianic personality adversely affects his decision-making, with a potential for flawed judgment – when he has just achieved a major success and when he perceives himself as failing. When Chavez is succeeding, he can become heady with success, feeling he is invulnerable. That the major increase from 1 to 16.6 percent in oil royalties followed his electoral success suggests that it may well have flowed from his being heady with success.

When Chavez is failing, meeting setbacks, facing points of crisis – when his leadership is imperiled because of economic decline and loss of popular support – then his rhetoric and actions become bolder and more

confrontational. Consistently, as instability in Venezuela rises, so too does his anti-American, anti-elite rhetoric and actions.

In many ways, Chavez will respond to internal crisis by creating a crisis with the elites or the international community. This, in turn, then draws his supporters together, strengthening his internal base. Chavez sees himself as the very embodiment of Venezuela, so had the ineffective government led to a legitimate major defeat at the polls, this would have been psychologically intolerable for Chavez, who would have either declared martial law or arranged to reverse the electoral defeat.

Hugo Chavez and Post-August Election Venezuela – Heady With Success

Rather than allowing the August 2004 referendum to slow down or undermine his popularity, it seemed to embolden Chavez and solidify his base. Always appealing to the poor and impoverished of Venezuela, Chavez portrayed his margin of 58 percent to the opposition’s 42 percent of the electoral vote as a victory for the people despite American interference. With the Carter Center mission, led by former U.S. President Jimmy Carter, and the Organization of American States certifying the results shortly after voting, Chavez’s victory was internationally recognized. Although the opposition continued to cry foul, the United States quickly followed the international observers’ recommendations and recognized the results, firmly establishing Chavez’s control.

The opposition based its claims of fraud on three specific points: (1) an exit poll supervised by an American polling company showed the opposition winning by 18 percent; (2) a pattern of polling stations where electronic voting machines returned identical results; and (3) in some districts there were fewer “yes” votes to recall Chavez than had been on a petition the previous year. Carter Center observers have addressed each of these points. First they call into question the accuracy of exit polls based on framing of questions, voters chosen to participate and ultimately the honesty of answers given to pollsters. There was extensive testing of the voting machines prior to the elections and Carter Center observers participated in post-election vote counting and believed in the accuracy of the count. They address the final point by saying that when it came time

to vote, despite what people had indicated on a petition a year prior, they could have changed their minds on voting day. Ultimately though, the recognition of the referendum results by the international observers undermined the opposition more effectively than Chavez himself could have done.

Chavez moved quickly to take advantage of the momentum from the August referendum. He has announced a “new stage” of his Bolivarian revolution. The government is expanding the “electoral patrols” – neighborhood groups that had mobilized the pro-Chavez vote and there is increasing legislation to further limit civil rights throughout Venezuela. Freedom of speech and press are being severely restricted. Chavez has increased nationalization of industry with the establishment of a national airline, TV station and telecommunications industry. Chavez was on a roll.

He put the large infusion of funds from oil revenues to work to solidify his political base. The foundation of Chavez’s support, the poor and disenfranchised, see results. There has been a massive increase in public spending. New medical clinics are being set up throughout the country. There are reports of upwards of 11,000 neighborhood clinics being established with assistance of Cuban doctors and medical equipment. There has been a “redistribution” of roughly 2.3 million hectares to 117,000 families throughout Venezuela. Secondary education is now available for more children than ever before. In addition to the three new university campuses functioning in 2003, there are reports of six more to be completed by 2006, through an increase of the education budget by almost 5 percent of the GDP from the previous government.

With no real foundation for a viable economic model in Venezuela, the question becomes how are these reforms being financed? And, how long can it last? Hugo Chavez knows that his base constituency is the poor who are benefiting from these new programs.

Venezuela’s state oil company, Petroles de Venezuela (PDVSA), saw massive changes as a result of a power struggle in 2003 resulting in Chavez taking control of the company and purging its senior management. Reports vary, but, in general, it seems that PDVSA’s production has decreased in the past year and private operators now account for about 1 million barrels/day of the company’s output – a figure many expect to increase.

With PDVSA unable to maintain the necessary production to finance Chavez’s plans, he is clearly in need of external multinational investment. The December 2004 agreement with China, which itself is increasingly avid for petroleum supplies, is in the service of that goal, and such ventures are expected to increase.

Aspires to be leading Latin American Social Revolutionary, at Hazard to more Broad Support of Terrorism

Chavez’s populist “in your face” anti-American stance has been rewarded by his victory at the polls. There is every reason to believe this stance will not only continue but will be intensified. Will he provide support to terrorist groups as a consequence of this leftist social revolutionary stance? To answer this question requires an examination of his core political personality. His style is one of open, overt defiance against the demonized enemy, the United States. This is what wins him points both domestically and internationally. His mentor and model is Fidel Castro, and he has watched carefully and admired the manner in which Castro has politically exploited his anti-Western defiance, including support to African separatist movements. His first two trips after his election were to meet with his mentor Castro, whose mantle of leadership as Latin American leftist leader he hopes one day to acquire, and to Saddam Hussein. The latter visit was designed to tweak the United States; it was a “thumb in the eye” of the United States, an act of public defiance, designed to appeal to his supporters.

There are widespread reports he has supported the Colombian social revolutionary insurgency directly supporting the FARC in battles against the Colombian military, and there are scattered reports of both material and financial support to other insurgency/terrorist groups operating in the region. In particular, Venezuela is reported to have allowed both the FARC and the ELN to operate safe havens on Venezuelan territory.

In the summer of 2000, Olga Martin, prominent FARC leader, spoke on the floor of Venezuela’s National Assembly and praised Chavez as a hero of the rebel movement and thanked the Venezuelan government for its “support.” Within weeks, the Colombian government reported

confiscating more than 400 rifles and machine guns bearing the insignia of the Venezuelan armed forces.

In February 2001, Jose Maria Ballestas, a leader of ELN, the other main Colombian social-revolutionary terrorist organization, was captured in Venezuela by Interpol. Although he was wanted for a 1999 airline hijacking, he was immediately released from custody by order of the Chavez government, which denied he'd been arrested. This led to a major diplomatic crisis with Colombia, which released a video of his capture to put to a lie the Venezuelan claim that he had not been arrested.

To repair relations with Colombia, Chavez made a state visit in May 2001, but had the effrontery to have as his chief body guard Diego Serna, a FARC member. Later that fall, Venezuela's intelligence chief Jesus Urdaneta denounced Chavez for supporting the FARC, publicizing documents showing that the Chavez government offered fuel, money, and other support to the terrorists, including signed letters from a Chavez aide to provide support to the FARC. The signatory was later to become Chavez' minister of justice. A group of female journalists released video shortly thereafter showing meetings between Venezuelan military leaders and FARC guerilla commanders. The Colombian Air Force also captured a Venezuelan plane loaded with ammunition intended for FARC terrorists.

Particularly powerful confirmation of the Venezuelan-FARC connection was provided when a high ranking FARC commander, Ricardo Granada, known as FARC's "foreign secretary," was arrested on the Colombian border in December 2005. In Caracas, Granada had enjoyed Venezuelan citizenship and had participated in a "networking conference" in which Chavez, Daniel Ortega of Nicaragua, and other socialist revolutionary leaders participated. Colombia has become increasingly frustrated with the apparent impunity of Venezuela when it has been harboring terrorist leaders. The arrest in Columbia in January 2005 and subsequent extradition to the United States of Simon Triubada, the nom de guerre of Ricardo Palmero, a high-ranking FARC terrorist, was a major blow to the FARC. Palmero is currently awaiting trial in the United States. During the trial, the details of Venezuela's support for the FARC can be expected to become a major part of the prosecution case.¹⁴

Given reports that Venezuela has recently consummated an arms deal with Russia to provide 100,000 AK-103s, this raises questions whether this is for his military only or if some or a majority of these weapons have

FARC and other insurgency/terrorist organizations as their ultimate recipient.¹⁵ The degree of support by the Chavez government is extremely strong and long standing. Indeed, Colombia's efforts to counter this powerful insurgency will not succeed as long as Venezuela continues to play such a central role in providing sanctuary, weapons, and financial support to the FARC insurgents.

There has also been at least one report of Chavez providing support to the Taliban. A Venezuelan military defector, Major Juan Diaz Castillo, formerly the pilot for Chavez, reported that Chavez transferred \$1 million to the Taliban through Venezuelan ambassador to India, Walte Marquez, in New Delhi, designating \$900,000 to Al Qaeda for its relocation efforts, and \$100,000 to the then-Afghan government for food and clothing. Major Castillo was one of a group of disaffected Venezuelan military officers opposed to the extremities of the undemocratic actions Chavez was taking to hold on to power. Diaz has stated, "I must warn America about Chavez. He is a danger, not only to his own people but to the whole region." Referring to the aid to Al Qaeda, Diaz indicated, "It was a way of telling Osama bin Laden that he had a friend in Hugo Chavez."

After the 9/11 attack, Chavez expressed admiration for the attacks in private, according to General Pedro Pereira, then the highest ranking general in the Venezuelan air force. "With 9/11, bin Laden showed the whole world that he was a force to be reckoned with. This impressed Hugo to no end," the general recalled. On the day after the attack, Chavez supporters held a celebration in which they burned the American flag in the main square of Caracas. Diaz has indicated that after 2001, Chavez "wanted direct contact to all the major terror groups in the world." Diaz and his colleagues have established a website, MilitaresDemacratricos.com, on which this report was disseminated. This report was widely disseminated on Venezuelan media, but, unlike the widely sourced reports of Venezuelan support to the FARC, there have been no independent confirmations of this report.¹⁶

" Hamas leaders will be received by Mr. Chavez with great pleasure," Chavez indicated publicly on February 16, 2006. This followed Putin's decision to undermine United States attempts to isolate the new Hamas government. Asked whether they would receive a Hamas delegation, Vice President Jose Vicente responded, "If they come, it will be a pleasure. They have a majority with the Palestinian people, they just won an

election." Chavez confirmed that it was ready to study Hamas appeals to the international community. The decision was seen as part of Chavez' policy aimed to strengthen ties with Arab nations as part of efforts by the world's No. 5 oil exporter to break its traditional political and economic reliance on the United States.¹⁷

Since assuming the presidency, Chavez has embarked on an interesting travel schedule, to say the least. In addition to the early trips to Cuba and Iraq, he has also traveled to Iran, Syria, North Korea, Zimbabwe, Belarus, China, and Libya—with the exception of China, a veritable who's who of rogue leaders international.

In a reflexive manner, Chavez has strongly publicly supported Iran's right to develop a nuclear capability; Venezuela, along with Syria and Cuba, were the only countries to oppose the resolution to refer Iran to the United Nation Security Council at the February 2006 meeting of the International Atomic Energy Agency in Vienna. After meeting with former Iranian president Khatami in Caracas, Chavez stated, "Iran has every right, like many other countries have done, to develop its atomic energy and continue its research in this field." (And if this is true for Iran, it is assuredly true for Venezuela.) Indeed, Iran has become increasingly important to Venezuela in its efforts to oppose American influence in the developing world. This strengthening of ties, including a number of recent joint commercial ventures, has led Iran to become Venezuela's closest ally outside of Latin America. In Iran, where he appeared jointly with President Ahmadinejad in a late July visit on the occasion of which he was awarded the golden High Medallion of the Islamic Republic, Chavez made a number of statements strongly supporting Iran's right to a nuclear program.

Chavez was outspoken in his criticism of Israeli actions in Lebanon, which he characterized "being carried out in the style of Hitler, in a fascist manner." According to Alberto Garrido, a historian who is writing a book on Venezuela's ties to Muslim countries, "Geopolitically, the most important front for Chavez in the world at the moment is Iran. Chavez, together with his closest advisors, has defined the strategic alliance with Iran as a means with which to counter American power."¹⁸

Khatami, speaking before the Venezuelan congress, referred to "the injustice of the great powers that try to control the world" and went on to deprecate the United States and its efforts that interfere "in other states

under the pretext of fighting terrorism and try to force all of humanity to follow their monopoly of power.” Receiving Gholam-Ali-haddad Adel, speaker of the Iranian parliament, on a mission to discuss cooperation between Iran and Venezuela, the president of Venezuela’s national Assembly, Nicolas Maduro stated, “From our souls, we feel that our two nations are brothers, and that together with other peoples, we are carrying the flag of dignity and sovereignty, just as the North American empire (the United States) is beginning to decay.”¹⁹

The major psychological reward for Chavez derives from being seen as the pugnacious openly defiant champion of the little man in the manner of his identified hero Simon Bolivar or Juan Peron. His moves concerning rewriting petroleum contracts will be strengthened by the recent victory by his comrade in populist arms, Evo Morales, who has just nationalized Bolivian natural gas. The oil club is a heavy cudgel and Chavez may be tempted by his recent successes to move towards full nationalization of Venezuela’s oil industry. That he requires the support of Western oil companies for the optimal exploitation of his oil resources should inhibit such a move. But it did not for Qadhafi after the successful coup in Libya with the subsequent nationalization of Occidental Petroleum’s holdings in Libya, and if Chavez were to go on one of his grandiose rolls, such a move is not out of the question. He also provided verbal support to the populist leftist candidate for president of Mexico, former Mexico City mayor Lopez Obrador, who lost a very close 2006 election.

Nor would it be surprising to see him open diplomatic relationships with the Hamas-led government of the Palestinian Authority. After all, Hamas, as Chavez now points out with pseudo-ingenuous glee, was elected legitimately, was it not? If he did so, Hamas might gain a foothold in Venezuela where its embassy and consulate might be useful to potential trouble-makers from the Jihadist camp. The main goals of such a move would be in the service of defying the United States, similar to the purposes of his early trip to visit with Saddam Hussein and his later expressions of solidarity and extensive trade agreements with Iran. This could also serve to consolidate his support at home and Venezuela’s solidarity with Arab oil-producing nations. His decision to visit North Korea in late July 2006, which was subsequently cancelled, is another example of his consistently warm embrace of the major adversaries of the United States.

Despite his rubbing shoulders with leaders of states hostile to the United States, the question of whether Chavez would give wide-spread support for international terrorism is another matter. This has yet to be proven. That he has provided strong support for the FARC and ELN in Colombia is assuredly the case. But this may be a special case; note that Colombia has the closest ties to the United States of any state in the region, making Colombia even more of a target of Chavez. Colombia shares a common border with Venezuela, and these are insurgencies directed against Colombia, with a social-revolutionary ideology quite compatible with that of Chavez.

But what of Al Qaeda and the global Salafi jihad? Would he get involved in aiding such movements? Here the evidence is mixed and not so compelling. While Chavez can become heady with success and openly defiant in terms of his relations with such rogue states as North Korea and Iran, open support for Al Qaeda is another matter, and the often eccentric Chavez is not without prudence. He assuredly knows that for incontrovertible evidence to be provided that he is actively supporting the major identified opponent of the United States in the war on terror would have dire consequences. Would he covertly support them? While it is true that major support of an Islamic extremist group, even if anti-American, would not play well in the predominately Christian (Catholic) Venezuela²⁰ and, given the clarity of the Bush doctrine concerning those who support terrorism, prudence would dictate a cautious path, Chavez has been on a defiant role. Chavez has manifested flaws in his judgment in the past, and when carried away with success, can feel invulnerable and messianic, and therefore he could well move in this direction. When he experiences support from Latin American allies for his anti-U.S. stance, this heightens the hazard for more extreme acts on his part. This suggests the importance of presenting him with very clear unambiguous U.S. diplomatic communications to warn him of the consequences of such actions if U.S. leaders get any warnings and indications that Chavez is moving in this direction. When he experiences support from Latin American allies for his anti-U.S. stance, this heightens the hazard for more extreme acts on his part.

New Military Doctrine

Despite the long standing tradition of a requirement for retirement at age 55, President Chavez recently called back into military service 78 year old General Alberto Muller Rojas, who was one of Chavez’s professors in the military academy. He asked General Rohas to reformulate Venezuela’s military doctrine. (One is reminded of Osama bin Laden asking obedient clerics to provide fatwahs justifying Al Qaeda’s extreme actions.) In this new doctrine, which was released in the fall of 2005, there are three major points:²¹

1. The United States is the main enemy of Venezuela.
2. In the asymmetric conflict, it would be a “war of the fleas,” i.e., an insurgency, low intensity conflict.

It is unthinkable that an international political actor such as the North American state is today could be terrified by the conventional troops of an average power. But it is possible to frighten it with irregular or non-conventional forces that have the same effect that fleas have on the human organism. Many theorists refer to such a military action as the “war of fleas.” This “war of fleas” is referred to as such because of the irritation that is caused but also because of the infection they transmit. The irregular on non-conventional action causes this “itching”, [which amounts] not only to the effective damage of the capital and resources of the opponent, but also [to the introduction of] viruses that act on the nervous system, [or in this case] the centers of political decision [making] which eventually have the potential to annul the will of those who direct the actions of the attacker. For that reason, militarily, before a threat of that nature, the best strategy is not to bite with a little pressure or the bite of a small dog. The best practice is to nip with the venom of an insect.

This doctrinal statement places Venezuela’s stated goal of producing more AK 103-style rifles, the weapon of choice for insurgencies and

terrorists, in an interesting light, suggesting that Chavez has reworked the country's defense doctrine to prepare for an "asymmetric war" like the one being fought in Iraq. Chavez has stated their intention to open a factory in 2009 to begin producing the weapons, and has already purchased 100,000 weapons to restock his military, which has about 75,000 soldiers. How many are intended to supply FARC, which he has supported in the past? How many represent his fears of a U.S. invasion and the need to arm an insurgency against the feared invasion?

3. A nuclear capability to serve as deterrent to the feared United States attack is suggested if not explicitly stated. Chavez has strongly supported the rights of Iran as a sovereign nation to have a nuclear capability, and has explicitly given voice to Venezuela's similar right. And he has addressed the asymmetry of the super powers and their stabilizing the international system by "the balance of terror."

The state of the world that we are leaving in a political sense and consequently in a military sense is the world of bipolarity dominated by the preeminence of the weapons of mass destruction, with special consideration of those that were used in the handling of nuclear technology...the capabilities of such production of such military talents...were concentrated in two centers of power, the U.S.A. and the U.S.S.R.....[these so-called "superpowers"] stabilized the international system by means of the "balance of terror."

...There was a form of conduct that tended to impose in the hemisphere a "pax Americana" in the style of the "pax Romana" imposed by the Roman Empire of antiquity in the region of the Mediterranean River Basin.

[The American interference] corresponded to interventions that caused an imbalance to impose submissive governments in the interests of Washington.

...our military institution has been able throughout the twentieth century to maintain the peace between the classes

and estates that form our political community. For that reason the military power that one should evaluate is the one that corresponds to the one that would possibly be used within the framework of a direct strategic threat by the real antagonist, the United States.

Certainly nuclear power's use [amounts to] general suicide for humanity, because the escalation that would be originated by a decision of this nature would produce the total destruction of the biosphere ...

War is for something more: the power and that on which power depends and with which power coincides, political freedom...War is not a simple confrontation of physical forces. It is mainly a confrontation of wills, which basically places it in the psychological terrain.

The concept that American power rests on nuclear power, and the apparent fear that the United States would threaten Venezuela with its nuclear capability coupled with the assertion that, like Iran, Venezuela has the right of a sovereign nation to develop a nuclear capability and the paranoid propensities of Chavez does suggest the possibility that Venezuela could conclude that Venezuela must develop a nuclear weapons capability to deter the perceived threat from the United States.

Basking Audaciously in the International Limelight

Chavez could not resist the opportunity to strut upon the world stage in addressing the general assembly of the United Nations. Addressing the world body at its annual September meeting, Chavez, referring to President George W. Bush who had addressed the U.N. general assembly the day before, stated, “The devil came here yesterday.” And, crossing himself ostentatiously, he indicated, “And it smells of sulfur still today.” He went on to accuse Bush of having spoken “as if he owned the world” and said a psychiatrist should be called to analyze the statement. He held up Noam Chomsky's book, *Hegemony or Survival: The Imperialist Strategy of the United States*, as recommended reading, quoting, “The hegemonic pretensions of the American empire are placing at risk the very

survival of the human species." He also stated that the United States was "the first enemy" of its people, an apparent reference to the revised political/military doctrine summarized above.

At a news conference in Harlem the next day, he showed the book again, and indicated he that he had to wash the book "with holy water because I put it in the same place that the devil put his papers." In this press conference, the statements were if anything even more provocative than those at the United Nations. In addition to repeating comments about the devil and the smell of sulfur, he described President Bush as "an alcoholic, a sick man who suffers form feelings of inadequacy, but a very dangerous man because he has so much power."

These comments echoed ones he had made in March 2006 on his daily call in show, *Hello, President*.

"You are a coward because you did not go to Iraq to lead your armed forces. It is very easy to command them from afar. If it occurs to you one day to invade Venezuela, I will be here waiting for you on the savannah, Mr. Danger. Mr. Danger you are a donkey ... You are killing children who are not to blame for your illnesses, for your complexes, kid."

The terminal illness of his mentor and role model Fidel Castro has stimulated Chavez, who is already behaving as if he has succeeded Castro in his role as leader of the Latin American left and as anti U.S. non-aligned movement leader. His behavior will intensify when Castro finally passes from the scene.

It is interesting that Chavez states that "a psychiatrist should analyze the statement," referring to Bush's speech before the general assembly, and then proceeds in the press conference to characterize President Bush as "a sick man, who suffers from feelings of inadequacy, but a very dangerous man because he has so much power." The author of this study is a psychiatrist, who has analyzed the statements of Chavez. If one substitutes "oil" for "power" in his characterization of President Bush, it would be a characterization of Chavez, who may be projecting his own fears and anxieties on President Bush, and then defending himself against the assumed retaliatory aggression. Chavez's paranoid reactions do flourish at times. After his anti-Bush statements at the U.N. and in the

press conference in Harlem, the next day, Chavez stated that “many concerned friends have called me (saying) that because I said ‘devil’ over there (at the United Nations) they have sentenced me to die. They will not kill me.”

In the press conference, which was the day after President Ahmadinejad, in his address to the general assembly, had defiantly expressed Iran’s intention to continue to pursue nuclear technology, Chavez, one of only three general assembly members (with Cuban and Syria) that broke from the wide consensus and supported Iran’s sovereign right to pursue a nuclear programs in defiance of the counterproliferation treaty, provocatively took up the nuclear cudgel as well. While disavowing intent to pursue a nuclear weapons program, Chavez stated that Venezuela would like to pursue the civilian use of nuclear energy as well. As with his support of Iran, this was couched as the sovereign right of his nation. Clearly enjoying the moment, he ended the news conference by saying, “I have a meeting with the axis of evil somewhere around here, so I have to go.”

While Ahmadinejad did to be sure assert his continued resolve to pursue a nuclear program, he restrained his more provocative comments, not, for example giving voice to his often asserted statements concerning the “illegitimate nation of Israel” that “should be wiped from the face of the earth.” In contrast, Chavez was seen as over the top, clearly stimulated by the international spotlight, and not being able to restrain his more outrageous excesses, and, while it played well to some members of the audience, it assuredly damaged his international stature, and significantly contributed to the failure of Chavez’ active lobbying campaign for Venezuela to be the Latin American representative to the U.N. Security Council. Chavez became despondent and depressed after his U.N. loss, failing to show up at the Ibero-American Summit in Montevideo, glumly explaining, “my colleagues do not like me and they say I am bad news.” This, however, was a short-lived setback.

In the fall 2006 presidential campaign for a second six-year term, Chavez scarcely mentioned his opponent, Manuel Rosales. Rather, the former baseball player made anti-U.S. populism central to his campaign stating, “We are confronting the devil – and we will hit a home run off the devil.” He managed the 2006 presidential election campaign in such a

way to ensure that he would hit that home run and would secure an even larger margin of victory than that of President 'Lula' da Silva of Brazil.

The European Union Election Observation Mission (EU EOM) arrived in Venezuela in November 2006 to observe the election proceedings and received "numerous complaints regarding pressure exerted on public officials to vote for President Hugo Chavez, or to participate in his election campaign activities."²² The general complaints were exemplified by a speech by Rafael Ramirez, the president of Venezuela's state-owned oil company PDVSA (and concurrently Minister of Energy and Petroleum!), to his top management stating, "Here we are supporting [President] Chavez, who is our leader, who is the maximum leader of this revolution and we will do all that we have to do to support our President and those who do not feel comfortable with this orientation need to cede their position to a Bolivarian."²³ Indeed, reportedly several officials who objected to this clear violation of the law were discharged.

According to the EU EOM report, there was "widespread institutional propaganda in favor of the President, and Candidate, Hugo Chavez," despite the requirement in the election laws that "The media, both public and private, shall offer comprehensive and well balanced news coverage." EU EOM found a six fold disparity between coverage for Hugo Chavez, with 86 percent of the time devoted to candidates being for Chavez and that was uniformly positive, and only 14 percent for Rosales, and that was uniformly negative, scarcely "comprehensive and well balanced." On the other hand, two privately owned television stations reflected the opposite bias.

According to former member of the senior management within Venezuela's state-owned oil company PDVSA, the registered voters increased from 11 million in the 1994 election to 16 million in the 2006 election. Most of the new voters had illegally emigrated from Colombia, Panama, Ecuador, and the Dominican Republic, and their status had then been legalized by Chavez.

On December 3, 2006, Chavez received nearly 63 percent of the final vote (7.2 million votes out of about 12 million cast), exceeding "Lula's" total. "It's another defeat for the devil who tries to dominate the world. Down with imperialism! We need a new world!" This victory can be expected to be viewed by him as confirmation of his stature as worthy successor to Bolivar and Castro.

Outlook

Chavez continues to deride the international community, and to blame the state of poverty in his country on foreign investors. And yet he desperately needs them to invest in the Venezuelan oil industry. In the early 1990s, when Venezuela began privatization of its oil industry, numerous foreign investors were exempted from a national oil tax. Chavez has moved to enforce the “national oil exploitation tax” against all multinationals. This 16.6 percent tax, an increase from 1 percent, went into effect in early October 2004 and affected all multinational corporations operating in Venezuela. It is estimated that this tax would generate roughly \$1.27 billion dollars annually for the Venezuelan government. While in the short-term most companies have agreed to pay this tax, it could affect the willingness of international companies to invest in Venezuelan oil development and ultimately the ability of Venezuela to produce enough oil to pay for Chavez’s domestic agenda.

Chavez continues to invoke the image of Simon Bolivar, the great revolutionary. He remains close to Fidel Castro and has the support of much of the Arab world. He has been increasingly strong in support of Iran, which in turn has proven to be an important ally of Venezuela outside of Latin America. Chavez apparently has defined the strategic alliance with Iran as a means with which to counter American power.

President for Life?

His hold on power in Venezuela appears to be strengthening, as the opposition is weakened by Chavez’s public welfare programs that benefit the poor as well as by intensified legislation limiting internal dissent. As his hold on power becomes more absolute, so will his vision of himself as the savior of Venezuela. Seeing himself as the very embodiment of Venezuela, despite having said he would only serve two six-year terms, Chavez is likely to seek to extend his time in power, indeed could well move to become president for life, not unique in the Latin context. There are already suggestions that he will attempt to modify the Venezuelan constitution, in what would be in effect a constitutional coup, to permit his

staying in office beyond the current two term limit. Should that fail, he may well decide that his country needs him. In those circumstances, it is unlikely that he would leave office peacefully.

As the internal economy falters due to mismanagement and corruption, Chavez will increasingly turn to the oil multinationals as a source of income. The October 2004 oil exploitation tax is likely only the beginning. It is unlikely he will move in the near term to entirely nationalize the oil industry. However, if he is unable to finance the reforms he is pushing or faces any internal threat to his power, his first turn likely will be toward extracting more profits from the multinationals. Venezuela seized oil fields from France's Total SA and Italy's Eni SpA on April 3, 2006, after the companies refused to sign an agreement to turn the sites over to a state-controlled joint venture. This is but a first example of what can be expected to become increasing control of the oil industry by the authoritarian Chavez, all in the name of service to the poor and exploited Venezuelan people.

There may be significant short-term benefit to multinationals if they invest in the Venezuelan oil industry. The long-term risks, though, will remain uncertain, and further increases in taxes cannot be ruled out. Other significant issues that will likely impact multinational investment decisions include the extent of any cross-border conflict with Colombia as the FARC and other groups expand their territory, and the degree to which any increased internal repression leads to violence in Venezuela and any disruption to oil production.

Reminiscent of the younger Qadhafi, Chavez sees himself as a leader of international importance, appealing to the poor and underprivileged against the powerful nations, just as he appealed within Venezuela to the poor against the economic elite. He particularly relishes taking on the United States, which contributed to his motivations to find common cause with Iran, North Korea, Cuba, and China. When he develops a euphoric head of steam, this can lead to miscalculation, and his support of terrorism, limited for the most part to Colombian insurgencies and rhetorical support to the new Hamas-led government, could become less discriminating. Accordingly, it is strongly recommended that attention be continuously focused on Chavez and Venezuela as a possible source of terrorist organization support. Additionally, the United States Government would be well advised to make very clear to the Chavez

government that serious consequences would follow the discovery of any link between Al Qaeda and Venezuela.

But, for now, his major goal appears not to be to support covert terrorism, but rather to be seen as the open overt champion of the poor and underprivileged in Latin America and internationally, aspiring to inherit Castro’s mantle as third world leader. His 63 percent victory in the 2006 election could be expected to produce a hubristic confrontational excess, and when Castro finally does pass from the scene, Chavez can be expected all the more vigorously to pursue his self anointed role as Castro’s successor.

“Socialism or Death!”

Indeed, it was not long in coming. In January 2007, Chavez announced plans to consolidate Venezuela as “a socialist republic.” He announced plans to nationalize Venezuela’s largest telecommunications company, CA Nacional Telefonos de Venezuela (CANT), the electrical utilities, and four highly profitable oil projects, run by foreign companies, Chevron, ConocoPhillips, and Exxon Mobil. CANT, the only Venezuela company on the New York Stock exchange, with major foreign investors, including the New York-based Verizon corporation, precipitously dropped 14 percent after the announcement by Chavez. Having called Jesus Christ “the greatest socialist in history,” Chavez declared on the occasion of being sworn in for his second six year term, “Fatherland. Socialism or death—I swear it.”

This slogan was invoked by Fidel Castro in the winter of 1989.²⁴ As economic and political pressures mounted and the Soviet Union and one Eastern European country after another yielded to the pressures to liberalize, Gorbachev urged Castro to open up the Cuban system and refrain from foreign revolutionary involvement. Instead Castro, declaring that “socialism is facing the worst crisis in its seventy-year history,” vowed “socialism or death!” He then declared “a special period in a time of peace,” resembling a war time mobilization. There were harsh shortages of basic foodstuffs and gasoline, severe rationing of food and petroleum, 200 thousand bicycles were ordered from China, and model agricultural communes were established in the country side.

“Whether there is war or a special period in our country’s history, this is the most important time in our country’s history, and one of the most important in the world—even though a giant counterrevolutionary wave is taking over the world, we will struggle, resist and set an example—we will live for the revolution or we will die defending the revolution.”

–FBIS, July 1990

Despite the manor financial instability this produced in the market, there is every reason to believe that this will be but the opening volley in his committed march to creating a socialist state. He has already indicated his intention to nationalize the central bank. As Castro’s physical condition declines, his self-anointed successor seems increasingly to be emulating his mentor and attempting to establish his role not only as leader of the Latin American left but also a major international force resisting U.S. hegemony.

In the service of consolidating his rule, he will shortly be announcing a new Bolivarian mission for the Venezuelan armed forces, the public version of the revised military doctrine he has already developed. The license for Radio Caracas TV has not been renewed, a further move towards government censorship. Preliminary moves are afoot to unify the multiparty political alliance and create single Socialist Party of Venezuela. All of these moves are consistent with the pattern set by Castro in Cuba.

Notes

1. The author wishes to acknowledge the assistance of Laurita Denny in preparing this assessment.

2. Jerrold Post is Professor of Psychiatry, Political Psychology and International Affairs and Director of the Political Psychology Program, the George Washington University. Tel. (301) 229-5536; e-mail jmpost@pol-psych.com.

3. There is limited information available on the early life of Hugo Chavez. This section is a reflection of the information available to researchers at this time.

4. Agustin Blanco Munoz, *Habla el Comandante*, (Caracas, Venezuela: Central University, 1998), 34.

5. John Lee Anderson, "The Revolutionary: The president of Venezuela has a vision, and Washington has a headache," *The New Yorker*, 6 September 2001.

6. Gabriel Garcia Marques, "The two faces of Hugo Chavez," (M. Fried, Trans) *NACLA Report on the Americas: Report on Venezuela*, Vol. XXXIII, No 6, May/June 2000.

7. Ibid.

8. Also, serving as an instructor at VMA provided Chavez a stage from which to recruit officers and develop a following of protégés that he later exploited.

9. Major oil companies in Venezuela:

1. Petroleos de Venezuela (PdVSA) – government-owned; generates 1/3 of national GDP; monopolized the natural gas production in Venezuela. Dec 2, 2002, PdVSA participated in a nationwide strike to call for a referendum on President Chavez. Over 18,000 PdVSA workers, who were involved in the anti-governments strikes, were "dismissed" by Chavez, severely affecting Venezuela's oil production and almost leading to a full shutdown of PdVSA's oil operations. Because Chavez follows strictly the OPEC guidelines, PdVSA has had to reduce production sites and therefore total capacity.
2. Corporacion Venezolana de Petroleo (CVP) – subsidiary that is taking over 33 PdVSA contracts – will manage the agreements.
3. New investments – Petrobras Energia and Anadarko Petroleum Corporation have rights to open new drilling sites and use existing wells over the next 20 years.

4. Private Investments – Major Foreign Oil Company Involvement where companies operate sites for a fee: BP, Chevron/Texaco, CNPC (China), ConocoPhillips, ExxonMobil, Repsol-YPF, Shell, Statoil, Total Fina Elf, and Petro-Canada.
5. Chevron – Chavez gives Chevron new license for off-shore gas exploration. The multinational firm “plans to invest \$107 million this year and create 723 jobs,” according to Chavez, who noted that the gas that Chevron/Texaco produces will “be used to supply both domestic and foreign markets.” Source: <http://www.eia.doe.gov/emeu/cabs/venez.html>.
10. “Castro visits Venezuelan ally,” *BBC News Online*, 12 August 2001, On-line, Internet, 6 March 2007, available from <http://news.bbc.co.uk/1/hi/world/americas/1486212.stm>.
11. Juan Evo Morales Ayma, a dedicated socialist, who sees the U.S.-driven Free Trade Area of the Americas as colonialism, is reputed to be Bolivia’s first indigenous head of state since the Spanish conquest of that state over 450 years ago. He is a former coca leaf grower who heads the cocalero movement of such growers opposed to coca eradication efforts of the United States.
12. Juan Forero, “Venezuela Votes by Large Margin to Retain Chavez,” *New York Times*, 17 August 2004, A1, 6.
13. Iain Bruce, “Venezuela raises oil drilling tax,” *BBC News Online*, 11 October 2004, On-line, Internet, 6 March 2007, available from <http://news.bbc.co.uk/go/pr/ft/-/2/hi/hi/americas/373224.stm>.
14. Thor Halvorssen, “The Arrest of FARC Terrorist Ricardo Granda Sheds New Light on Hugo Chavez’s Ongoing Support of Terrorism,” *Guerrilla Nation*, 26 January 2005, On-line, Internet, 7 March 2007, available from <http://www.weeklystandard.com/Content/Public/Articles/000/000/005/177yckaw.asp>.
15. Christopher Brown, “The Growing Iran-Chavez Alliance,” *Front Page Magazine*, 12 April 2005, On-line, Internet, 7 March 2007, available from http://www.worldthreats.com/latin_america/Iran-Chavez%20Alliance.htm.
16. Art Moore, “Defector: Chavez Gave \$1 Million to al-Qaida,” *World Net Daily*, 7 January 2003, On-line, Internet, 7 March 2007, available from http://www.worldnetdaily.com/news/article.asp?ARTICLE_ID=30350.
17. “Venezuela Welcomes Hamas and Counts Iran as ‘Great Ally’,” *Pravda*, 16 February 2006, On-line, Internet, 7 March 2007, available from <http://english.pravda.ru/world/americas/76016-Venezuela-0>.

18. Simon Romero, "Venezuela, Tired of U.S. Influence, Strengthens Its Relationships in the Middle East," *New York Times*, 21 August 2006, A7.

19. "Chavez: Iran Has Right to Atomic Energy," *Aljazeera*, 12 March 2005, On-line, Internet, 8 March 2007, available from <http://www.aljazeera.com/me.asp?service>.

20. The exception might be in the predominantly Muslim population of Margarita Island, owned by Venezuela and located just off-shore in the Caribbean.

21. Pensamiento Militar Venezolano, 2005, On-line, Internet, 8 March 2007, available from <http://militarvenezuela2005.blogspot.com/>.

22. European Union Election Observations Mission Presidential Election Venezuela 2006, Caracas, 5 December 2006, 3, On-line, Internet, 8 March 2007, available from http://www.eueomvenezuela.org/pdf/EUEOM_Venezuela_Presidential_Election_2006_Preliminary_Statement.pdf.

23. Gregory Wilpert, "Venezuelan Opposition Accuses Oil Company President of Illegal Campaigning," *Venezuelanalysis.com*, 3 November 2006, On-line, Internet, 8 March 2007, available from <http://www.venezuelanalysis.com/news.php/news.php?newsno=2127>.

24. This discussion is drawn from Jerrold Post, "Fidel Castro: Aging Revolutionary Leader in an Aging Revolution," *Leaders and their Follower in a Dangerous World*, (Ithica: Cornell Univ. Press, 2004), 204.

