

Venezuela vs. the Banks

## Why Washington Hates Chavez

Tuesday 11 January 2011, by [WHITNEY Mike](#) (Date first published: 4 January 2011).

In late November, Venezuela was hammered by torrential rains and flooding that left 35 people dead and roughly 130,000 homeless. If George Bush had been president, instead of Hugo Chavez, the displaced people would have been shunted off at gunpoint to makeshift prison camps—like the Superdome—as they were following Hurricane Katrina. But that's not the way that Chavez works. The Venezuelan president quickly passed "enabling laws" which gave him special powers to provide emergency aid and housing to flood victims. Chavez then cleared out the presidential palace and turned it into living quarters for 60 people, which is the equivalent of turning the White House into a homeless shelter. The disaster victims are now being fed and taken care of by the state until they can get back on their feet and return to work.

The details of Chavez's efforts have been largely omitted in the US media where he is regularly demonized as a "leftist strongman" or a dictator. The media refuses to acknowledge that Chavez has narrowed the income gap, eliminated illiteracy, provided health care for all Venezuelans, reduced inequality, and raised living standards across the board. While Bush and Obama were expanding their foreign wars and pushing through tax cuts for the rich, Chavez was busy improving the lives of the poor and needy while fending off the latest wave of US aggression.

Washington despises Chavez because he is unwilling to hand over Venezuela's vast resources to corporate elites and bankers. That's why the Bush administration tried to depose Chavez in a failed coup attempt in 2002, and that's why the smooth-talking Obama continues to launch covert attacks on Chavez today. Washington wants regime change so it can install a puppet who will hand over Venezuela's reserves to big oil while making life hell for working people.

Recently released documents from Wikileaks show that the Obama administration has stepped up its meddling in Venezuela's internal affairs. Here's an excerpt from a recent post by attorney and author, Eva Golinger:

*"In a secret document authored by current Deputy Assistant Secretary of State for Western Hemisphere Affairs, Craig Kelly, and sent by the US Embassy in Santiago in June 2007 to the Secretary of State, CIA and Southern Command of the Pentagon, along with a series of other US embassies in the region, Kelly proposed 'six main areas of action for the US government (USG) to limit Chavez's influence' and 'reassert US leadership in the region'.*

Kelly, who played a primary role as "mediator" during last year's coup d'état in Honduras against President Manuel Zelaya, classifies President Hugo Chavez as an "enemy" in his report.

*"Know the enemy: We have to better understand how Chavez thinks and what he intends...To effectively counter the threat he represents, we need to know better his objectives and how he intends to pursue them. This requires better intelligence in all of our countries".* Further on in the memo, Kelly confesses that President Chavez is a "formidable foe", but, he adds, "he certainly can be taken". (Wikileaks: Documents Confirm US Plans Against Venezuela, Eva Golinger, Postcards from the Revolution)

The State Department cables show that Washington has been funding anti-Chavez groups in Venezuela through non-governmental organizations (NGOs) that pretend to be working for civil liberties, human rights or democracy promotion. These groups hide behind a facade of legitimacy, but their real purpose is to topple the democratically elected Chavez government. Obama supports this type of subversion just as enthusiastically as did Bush. The only difference is the Obama team is more discreet. Here's another clip from Golinger with some of the details on the money-trail:

*"In Venezuela, the US has been supporting anti-Chavez groups for over 8 years, including those that executed the coup d'état against President Chavez in April 2002. Since then, the funding has increased substantially. A May 2010 report evaluating foreign assistance to political groups in Venezuela, commissioned by the National Endowment for Democracy, revealed that more than \$40 million USD annually is channeled to anti-Chavez groups, the majority from US agencies...."*

Venezuela stands out as the Latin American nation where NED has most invested funding in opposition groups during 2009, with \$1,818,473 USD, more than double from the year before....Allen Weinstein, one of NED's original founders, revealed once to the Washington Post, "What we do today was done clandestinely 25 years ago by the CIA..." (America's Covert "Civil Society Operations": US Interference in Venezuela Keeps Growing", Eva Golinger, Global Research)

On Monday, the Obama administration revoked the visa of Venezuela's ambassador to Washington in retaliation for Chávez's rejection of nominee Larry Palmer as American ambassador in Caracas. Palmer has been openly critical of Chavez saying there were clear ties between members of the Chavez administration and leftist guerrillas in neighboring Colombia. It's a roundabout way of accusing Chavez of terrorism. Even worse, Palmer's background and personal history suggest that his appointment might pose a threat to Venezuela's national security. Consider the comments of James Suggett of Venezuelanalysis on Axis of Logic:

*"Take a look at Palmer's history, working with the U.S.-backed oligarchs in the Dominican Republic, Uruguay, Paraguay, and Sierra Leone, South Korea, Honduras,"promoting the North American Free Trade Agreement (NAFTA). "Just as the U.S. ruling class appointed an African-American, Barack Obama to replace George W. Bush with everything else intact, Obama in turn, appoints Palmer to replace Patrick Duddy who was involved in the attempted coup against President Chávez in 2002 and an enemy of Venezuelans throughout his term as U.S. Ambassador to Venezuela."*

Venezuela is already crawling with US spies and saboteurs. They don't need any help from agents working inside the embassy. Chavez did the right thing by giving Palmer the thumbs down. Besides, Chavez disproved Palmer's spurious accusations just last week when he extradited ELN commander Nilson Albán Teran Ferreira, alias "Tulio" to Colombia, "the first extradition of a Colombian guerrilla to his home country." (Colombia Reports) The story appeared NOWHERE in the western media. (because it proves that Chavez is not supporting paramilitary groups operating in Colombia.)

The Palmer nomination is just "more of the same"; more interference, more subversion, more trouble-making. The State Dept was largely responsible for all of the so-called color-coded revolutions in Ukraine, Lebanon, Georgia, Kyrgyzstan etc; all of which were cookie cutter, made-for-TV events that pitted the interests of wealthy capitalists against those of the elected government. Now Hillary's throng want to try the same strategy in Venezuela. It's up to Chavez to stop them, which is why he's pushed through laws that "regulate, control or prohibit foreign funding for political activities". Cracking down on NGOs is the only way he can defend against US meddling and protect Venezuelan sovereignty.

Chavez is also using his new powers to reform the financial sector. Here's an excerpt from an article titled "Venezuelan National Assembly Passes Law Making Banking a "Public Service":

*"Venezuela's National Assembly on Friday approved new legislation that defines banking as an industry" of public service, "requiring banks in Venezuela to contribute more to social programs, housing construction efforts, and other social needs while making government intervention easier when banks fail to comply with national priorities."...*

The new law protects bank customers' assets in the event of irregularities on the part of owners... and stipulates that the Superintendent of Banking Institutions take into account the best interest of bank customers – and not only stockholders... when making any decisions that affect a bank's operations."

So why isn't Obama doing the same thing? Is he too afraid of real change or is he just Wall Street's lackey? Here's more from the same article:

*"In an attempt to control speculation, the law limits the amount of credit that can be made available to individuals or private entities by making 20% the maximum amount of capital a bank can have out as credit. The law also limits the formation of financial groups and prohibits banks from having an interest in brokerage firms and insurance companies.*

The law also stipulates that 5% of pre-tax profits of all banks be dedicated solely to projects elaborated by communal councils. 10% of a bank's capital must also be put into a fund to pay for wages and pensions in case of bankruptcy.

According to 2009 figures provided by Softline Consultores, 5% of pre-tax profits in Venezuela's banking industry last year would have meant an additional 314 million bolivars, or \$73.1 million dollars, for social programs to attend the needs of Venezuela's poor majority. ""Control speculation"? Now there's a novel idea. Naturally, opposition leaders are calling the new laws "an attack on economic liberty", but that's pure baloney. Chavez is merely protecting the public from the predatory practices of bloodthirsty bankers. Most Americans wish that Obama would do the same thing.

According to the *Wall Street Journal*, "Chávez has threatened to expropriate large banks in the past if they don't increase loans to small-business owners and prospective home buyers, this time he is increasing the pressure publicly to show his concern for the lack of sufficient housing for Venezuela's 28 million people."

Caracas suffers from a massive housing shortage that's gotten much worse because of the flooding. Tens of thousands of people need shelter now, which is why Chavez is putting pressure on the banks to lend a hand. Of course, the banks don't want to help so they've slipped into crybaby mode. But Chavez has shrugged off their whining and put them "on notice". In fact, on Tuesday, he issued this terse warning:

*"Any bank that slips up...I'm going to expropriate it, whether it's Banco Provincial, or Banesco or Banco Nacional de Crédito."*

Bravo, Hugo. In Chavez's Venezuela the basic needs of ordinary working people take precedent over the profiteering of cutthroat banksters. Is it any wonder why Washington hates him?

**Mike Whitney**

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\* From Counterpunch:

<http://www.counterpunch.org/whitney01042011.html>

\* Mike Whitney's economics blog can be found at Grasping at Straws.