



A Dangerous Neighbourhood

Noam Chomsky

December 8, 2005

How Venezuela Is Keeping the Home Fires Burning in Massachusetts," reads a recent full-page ad in major US newspapers from PDVSA, Venezuela's state-owned oil company, and CITGO, its Houston-based subsidiary.

The ad describes a programme, encouraged by Venezuelan President Hugo Chavez, to sell heating oil at discount prices to low-income communities in Boston, the South Bronx and elsewhere in the United States — one of the more ironic gestures ever in the North-South dialogue. The deal developed after a group of US senators sent a letter to nine major oil companies asking them to donate a portion of their recent record profits to help poor residents cover heating bills. The only response came from CITGO.

In the United States, commentary on the deal is grudging at best, saying that Chavez, who has accused the Bush administration of trying to overthrow his government, is motivated by political ends — unlike, for example, the purely humanitarian programmes of the US Agency for International Development.

Chavez' heating oil is one among many challenges bubbling up from Latin America for the Washington planners of grand strategy. The noisy protests during President Bush's trip last

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Retrieved on 11th September 2021 from
www.khaleejtimes.com
Published in *Khaleej Times*.

theanarchistlibrary.org

month to the Summit of the Americas, in Argentina, amplify the dilemma.

From Venezuela to Argentina, the hemisphere is getting completely out of control, with left-centre governments all the way through. Even in Central America, still suffering the aftereffects of President Reagan's "war on terror," the lid is barely on.

In the southern cone, the indigenous populations have become much more active and influential, particularly in Bolivia and Ecuador, both major energy producers, where they either oppose production of oil and gas or want it to be domestically controlled. Some are even calling for an "Indian nation" in South America.

Meanwhile internal economic integration is strengthening, reversing relative isolation that dates back to the Spanish conquests. Furthermore, South-South interaction is growing, with major powers (Brazil, South Africa, India) in the lead, particularly on economic issues.

Latin America as a whole is increasing trade and other relations with the European Union and China, with some setbacks, but likely expansion, especially for raw materials exporters like Brazil and Chile.

Venezuela has forged probably the closest relations with China of any Latin American country, and is planning to sell increasing amounts of oil to China as part of its effort to reduce dependence on a hostile U.S. government. Indeed, Washington's thorniest problem in the region is Venezuela, which provides nearly 15 percent of U.S. oil imports.

Chavez, elected in 1998, displays the kind of independence that the US translates as defiance — as with Chavez' ally Fidel Castro. In 2002, Washington embraced President Bush's vision of democracy by supporting a military coup that very briefly overturned the Chavez government. The Bush administration had to back down, however, because of opposition to the coup in Venezuela and throughout Latin America.

Compounding Washington's woes, Cuba-Venezuela relations are becoming very close. They practice a barter system, each relying on its strengths. Venezuela is providing low-cost oil while in return Cuba organises literacy and health programmes, and sends thousands of teachers and doctors, who, as elsewhere, work in the poorest areas, previously neglected.

Joint Cuba-Venezuela projects are also having a considerable impact in the Caribbean countries, where, under a programme called Operation Miracle, Cuban doctors are providing health care to people who had no hope of receiving it, with Venezuelan funding.

Chavez has repeatedly won monitored elections and referenda despite overwhelming and bitter media hostility. Support for the elected government has soared during the Chavez years. The veteran Latin American correspondent Hugh O' Shaughnessy explains why in a report for Irish Times:

"In Venezuela, where an oil economy has over the decades produced a sparkling elite of superrich, a quarter of under-15s go hungry, for instance, and 60 per cent of people over 59 have no income at all. Less than a fifth of the population enjoys social security. Only now under President Chavez ... has medicine started to become something of a reality for the poverty-stricken majority in the rich but deeply divided — virtually nonfunctioning — society. Since he won power in democratic elections and began to transform the health and welfare sector which catered so badly to the mass of the population progress has been slow. But it has been perceptible ..."

Now Venezuela is joining Mercosur, South America's leading trade bloc. Mercosur, which already includes Argentina, Brazil, Paraguay and Uruguay, presents an alternative to the so-called Free Trade Agreement of the Americas, backed by the United States.

At issue in the region, as elsewhere around the world, is alternative social and economic models. Enormous, unprecedented popular movements have developed to expand cross-

border integration – going beyond economic agendas to encompass human rights, environmental concerns, cultural independence and people-to-people contacts.

These movements are ludicrously called “anti-globalisation” because they favour globalisation directed to the interests of people, not investors and financial institutions. US problems in the Americas extend north as well as south. For obvious reasons, Washington has hoped to rely more on Canada, Venezuela and other non-Middle East oil resources.

But Canada’s relations with the United States are more “strained and combative” than ever before as a result of, among other issues, Washington’s rejection of NAFTA decisions favouring Canada. As Joel Brinkley reports in The New York Times, “Partly as a result, Canada is working hard to build up its relationship with China (and) some officials are saying Canada may shift a significant portion of its trade, particularly oil, from the United States to China.”

It takes real talent for the United States to alienate even Canada.

Washington’s Latin American policies are only enhancing US isolation, however. One recent example: For the 14th year in a row, the UN General Assembly voted against the US commercial embargo against Cuba. The vote on the resolution was 182 to 4: the United States, Israel, the Marshall Islands and Palau. Micronesia abstained.