



**Testimony of Mark Weisbrot**  
**Co-Director, Center for Economic and Policy Research ( [www.cepr.net](http://www.cepr.net) )**  
**On the State of Democracy in Venezuela**  
**Before the U.S. Senate Committee on Foreign Relations**  
**Subcommittee on Western Hemisphere, Peace Corps, and Narcotics Affairs**  
**June 24, 2004**

**Additions to Testimony of Mark Weisbrot**  
**Submitted July 6, 2004**

I would like to add a few remarks to my testimony of June 24, 2004. First, I think it is important to note that despite a number of statements in defense of the National Endowment for Democracy and its activities in Venezuela, no one at the hearing -- neither Senators nor witnesses -- contested my statements regarding the NED's inappropriate and possibly illegal behavior. Specifically I pointed out that:

**(1) Our government has funded, and continues to fund, organizations headed by people who were leaders of the military coup of April 2002.<sup>1</sup>**

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<sup>1</sup> Leopoldo Martinez, of Primero Justicia, a NED grantee through the International Republican Institute, was named as Finance Minister in the coup government. Leonardo Carvajal, Director of the Asamblea de Educación, a NED grantee, was Education Minister in the coup government.

Rocío Guijarra, Director of CEDICE, a NED grantee, signed the actual coup decree.

Maria Corina Machado, of Súmate, a present NED grantee organizing for the recall against the Venezuelan President, Leopoldo Martinez (above) and Leopoldo López of Primero Justicia, a NED grantee through the International Republican Institute, and Maxim Ross and Domingo Alberto Rangel, principal Committee Members on an NED - funded CEDICE project, signed as witnesses at the swearing-in of the coup government.

Oscar Garcia Mendoza, Director of NED grantee Asociación Civil Liderazgo y Visión, signed an advertisement published in a national newspaper on April 13, 2002, that stated “unconditional support” of the coup government and celebrated its coming to power.

Leonardo Carvajal (above); Domingo Alberto Rangel (above); and Cipriano Heredia of Visión Emergente, Tomás Páez of Red Universitaria and Elías Santana of Alianza Cívica, leaders of an NED-funded project, signed the document “Civil Society Salutes the Rebirth of the Republic of Venezuela,” published in national newspapers on April 12, 2002, supporting the coup government and demanding the immediate resignation of officials of the elected government, including all members of the National Assembly.

The relevant documents are on file at the Center for Economic and Policy Research. For coup government officials and Carmona decree signers, see also: National Assembly of the Bolivarian Republic of Venezuela, Special Commission to Investigate the Events of April 11-14, 2002, May 2002; Jorge A. Pabón, “Los Carmona firmantes” (the Carmona signers), Quinto Día, October 31 -November 7, 2003. The pro-

These leaders have received, and some continue to receive, funds from the United States Congress through the National Endowment for Democracy. These include people who were officials in the coup government; who signed the actual coup decree of April 12, 2002, that overthrew the elected President and Vice President, and abolished the General Assembly, the Supreme Court and the Constitution; who signed as witnesses at the “swearing-in ceremony” of the coup government, an act widely understood in Venezuela as tantamount to signing the Carmona decree itself; or publicly proclaimed their support for the coup government and its anti-democratic actions through documents published in the Venezuelan media.

Also, in 2002 Senator Dodd requested an investigation of some of these issues from the State Department. That investigation, carried out by the State Department's Office of the Inspector General, found that:

**“...it is clear that NED, Department of Defense (DOD), and other U.S. assistance programs provided training, institution building, and other support to individuals and organizations understood to be actively involved in the brief ouster of the Chávez government...”<sup>2</sup>**

**(2) The NED is funding organizations that are actively working to recall the President of Venezuela.**

This includes the organization Súmate, which Assistant Secretary Roger Noriega inaccurately described at this hearing as "receiving support for electoral observation and voter education." The NED's own documents report that Súmate was a major organizer of the effort to gather signatures for the recall of President Chavez. This is partisan political activity, not "democracy-building."<sup>3</sup>

I sincerely hope that this Committee will return to the question of whether such funding is appropriate or even legal under U.S. law. Foreign financing of elections is clearly illegal in the United States. And financing the removal of elected leaders in

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coups advertisement signed by Mendoza appeared in El Nacional on April 13, 2002. The pro-coup statement signed by Carvajal, Rangel, Heredia, Páez, and Santana appeared in El Nacional and El Universal on April 12, 2002. The information concerning NED grants was obtained through the Freedom of Information Act. These documents are also on file at CEPR. The available documents indicate that Maria Corina Machado and Oscar Garcia Medoza (at least) are still NED grantees.

<sup>2</sup>“A Review of US Policy toward Venezuela: November 2001- April 2002, Report Number 02-OIG-003, July 2002”. State Department Office of the Inspector General. Page 5. Available at: <http://oig.state.gov/documents/organization/13682.pdf>

<sup>3</sup> In their January 31, 2004 Report to the NED, Súmate explains their use of the project funds to “Train, capacitate and motivate the Municipal Coordinators to create a structural network and to utilize these Municipal Coordinators as instructors to provide technical training in the “Signature Drive” to those Responsible at the Centers of Signature Collection and/or the Signature Counters,” and explains how they developed an “Operations Manual for the Signature Drive” that was “utilized as the foundation to support the design and production of educative material used by the functionaries and volunteers that participated in the collection of signatures at the official centers.”

other countries, whether by illegal or legal means, can cause great harm to the reputation of the United States Congress abroad.

Also, there were a number of inaccurate, misleading and/or unsubstantiated allegations made by others at the hearing that I did not have time to respond to, but that should be corrected for the record. Among these are a statement made by Senator Nelson, who said:

“I’ve seen evidence that Venezuela has provided safe haven for the FARC as it crosses the line from Colombia into Venezuela. At a time when Colombia is making slow but steady gains in its long struggle against the drug trade, the last thing it needs is to have a neighboring power, especially Venezuela, give assistance to its adversary.”

It is worth noting that two of the top officers at the Pentagon's U.S. Southern Command have publicly contradicted this assertion. One is Brigadier General Benjamin R. Mixon, director of operations at Southern Command. In a meeting with the Miami Herald Editorial Board in October 2003, Mixon "dismissed recent reports that suggest Venezuela has links with rebels in neighboring Colombia."<sup>4</sup>

At an October 2003 briefing at the Center for Strategic and International Studies, General James T. Hill, the commander of the Southern Command also distanced himself from allegations of a Venezuela-FARC link, saying “we have no proof” to back them up<sup>5</sup>.

More obviously, it is reasonable to believe that if this Administration had any evidence of support by the Chavez government for the FARC, it would have produced such evidence by now. The fact that absolutely nothing has been put forward indicates that there is no convincing evidence to back up these assertions.

Sen. Nelson also cited...

"... an editorial by the Chavista political leader Heinz Dieterich, [which] allegedly stated that the referendum is a, quote, ‘all or none’, end of quote, proposition, and must be won by any means, and that if Chavez loses the referendum, it will leave, quote, ‘the ELN, the FARC, and MAS of Bolivia without support’, end of quote. Additionally, he allegedly went on to say, quote, ‘Cuba will be in danger’, end of quote. He also stated that Chavez must defeat the enemies, and went on to list the democratic charter of the OAS as one of the enemies of the regime."

It is not clear how these alleged statements by Heinz Dieterich are relevant. Mr. Dieterich, a German sociologist, is a Professor at the National Autonomous University of Mexico in Mexico City. He is not a "Chavista political leader" nor does he represent the government of Venezuela.

Mr. Noriega refers to "systematic and brazen intimidation of recall signatories, including the dismissal of public employees who sign the recall petition." It is worth noting that no major human rights organization, nor the observer missions

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<sup>4</sup>“U.S. general cites progress in Colombia”. By Nancy San Martin. Miami Herald, October 9, 2003.

<sup>5</sup> General Hill was speaking at a briefing at the Center for Strategic and International Studies on October 10, 2003, as corroborated by Mr. Phillip McLean at CSIS ([PMclean@csis.org](mailto:PMclean@csis.org)).

of the OAS or Carter Center reported evidence of "systematic intimidation of recall signatories." Although there have been reports of coercion by individuals on both sides -- including pro-opposition private employers firing workers for not signing the petition -- the allegation that the government of Venezuela engaged in any "systematic intimidation" of recall supporters is unsubstantiated.

There were other misrepresentations of fact at the hearing but most of them were addressed in the testimony of Mr. Vivanco, Dr. McCoy, or myself. I would like to call attention to Mr. Vivanco's opening remarks, in particular, in which he said, "I want to stress at the outset of my testimony. . . Venezuela, today, is a democracy." He also noted that "Until now, the government of President Chavez has largely respected press freedom, even in the face of a strident and well-resourced opposition press."

The continuous intervention of our government over the last several years in Venezuelan politics, in harmful and damaging ways, has predictably led to tensions between Venezuela and the United States. It is important that the Congress not accept at face value the exaggerations and factual misrepresentations that opponents of the Chavez government -- in Venezuela and in our own government -- have put forth. While they have some legitimate criticisms, all charges should be subject to careful scrutiny, and should not be accepted without documentation and evidence.

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Thank you, Mr. Chairman, and members of the Committee for inviting me to present these facts and views. The Center for Economic and Policy Research is an independent, non-partisan policy institute. We are funded primarily by foundations, large and small, as well as some individual contributions from U.S. citizens. We do not receive any funding from governments, political parties, or corporations.

On the subject of this hearing "The State of Democracy in Venezuela," there is much public confusion. To set the record straight: Venezuela is a democracy, as much as any country in Latin America today. As Jimmy Carter said on a visit there: "I believe that freedom of speech is as alive in Venezuela as it is in any other country I've visited."

The same is true for freedom of the press, assembly, association, and other civil liberties. Anyone who calls the Venezuelan government "authoritarian" is in need of a dictionary, or perhaps needs to see the place. I was there during the oil strike in December 2002 and witnessed the government's response to the destruction of its economy by less than one

percent of the labor force -- the management and some of the workers in the oil industry. They were not striking for better wages or benefits, but to overthrow the government. Even in the United States, which has perhaps the strongest tradition of protecting civil liberties in the world, a strike of this nature would be illegal. Here the leaders would have been subject to court injunctions ordering them back to work, and jailed if they refused. This did not happen in Venezuela. The strike lasted for 64 days and sent the economy into a deep recession.

It is true that there are human rights abuses in Venezuela. But these are not different from those in the rest of Latin America, and I have not heard any reputable human rights organization argue that they have worsened under the five years of Chavez' government. Nor have they argued that the government has engaged in any systematic repression of political dissent.

What, then, are the major threats to democracy in Venezuela? The attention here has focused on the Venezuelan government. It is of course true, as Americans have long recognized, that any government can become repressive if its citizens are not vigilant. But Venezuelan democracy faces other challenges.

Some are from Washington. Our government has funded, and continues to fund, organizations headed by people who were leaders of the military coup of April 2002. These leaders have received, and some continue to receive, funds from the United States Congress through the National Endowment for Democracy. These are people who signed the actual coup decree of April 12, 2002, that overthrew the elected President and Vice President, and abolished the General Assembly, the Supreme Court and the constitution, and established a dictatorship.

Should these people, and their organizations, be funded by US taxpayers' dollars? Is this the proper function of the National Endowment for Democracy? These are questions that Congress should ask. I think that most Americans would be against such funding if they were aware of it.

The NED is also funding a group -- called Sumate -- that led the signature drive to recall the President of Venezuela. We do not allow foreign financing of electoral campaigns in the United States. Clearly we should not insist on violating the laws of other countries, and their sovereignty and democracy, in ways that we would not permit here.

Our government also undermines democracy in Venezuela by disregarding the rule of law in that country, and encouraging the opposition to do the same. It must be recalled that the Bush Administration, alone in this hemisphere, initially endorsed the military coup in April 2002. There was strong circumstantial evidence that our government gave prior approval or possibly even more support than this, in addition to the stepped-up NED funding to opposition groups in the months prior to the coup. Senator Dodd asked for an investigation, and the State Department's Office of the Inspector General found that "U.S. warnings [to the opposition] ...of non-recognition of a coup-installed government, economic actions, and other concrete punitive actions were few and far between."

But the Administration made no attempt to repair relations with the elected government after it was restored. Rather it went on to tacitly endorse the oil strike -- in spite of the fact that it was preparing for a war in the Middle East, likely to reduce oil supplies, at the time. In December 2002 the White House supported the opposition's unconstitutional demand for early elections.

More recently, the Administration has made a number of statements that have encouraged the opposition not to respect constitutional processes. Before the results of the signature gathering process were decided last month, Roger F. Noriega, assistant secretary of state for Western Hemisphere affairs, declared that the "the requisite number of people supported the petition" and warned of "dire consequences" if Venezuela's National Electoral Council did not arrive at the same conclusion.

These are very powerful signals to an opposition that clearly has some very strong anti-democratic leadership. Although the focus here is on the government of Venezuela as a threat to democracy, it is worth recalling that the opposition only agreed in May of 2003 to pursue an electoral strategy after all extra-legal means of overthrowing the government -- including a military coup and several oil strikes -- had been exhausted.

The most powerful opposition leaders have not expressed any regret for these strategies, but on the contrary, have continued to state openly that they will only respect the results of the referendum process if they win. By contrast, the government has consistently maintained that it will abide by the results, and has done so.

A Los Angeles Times reporter interviewed one of the country's most respected pollsters, from the firm DataAnalysis, Jose Antonio Gil. The firm's polls are often cited in the US press. According to the L.A. Times, he could "see only one way out of the political crisis surrounding President Hugo Chavez. "He has to be killed," he said, using his finger to stab the table in his office . . . "He has to be killed.""

It is hard to imagine an opposition of this type in the United States -- they would probably be labeled "terrorist" here -- but these are the people with whom our government has aligned itself. It is also difficult to conceive of a media like Venezuela's, if you have never seen it. Imagine ABC, NBC, CBS, CNN, Fox News and the cable channels, USA Today and most major newspapers, as well as most radio -- all controlled, in terms of their daily content, by the most fiercely partisan opponents of the government. They have also abandoned the norms of modern journalism, becoming organs of a movement to de-legitimize the government. Two months ago one of Venezuela's most influential newspapers actually used a doctored version of a *New York Times* article to allege that the Chavez government was implicated in the Madrid terrorist bombing. (See Appendix 1). But the media has never been censored by the Chavez government.

Other arguments have been put forth to portray the Chavez government as anti-democratic, but they are not very convincing. Clearly Venezuela is nothing like Cuba, although Mr. Chavez does have friendly relations with Fidel Castro. It is not clear why

this should be a reason for such bad relations with the United States. The President of Brazil, Lula da Silva, and his party have deeper and longer-standing relations with Castro and Cuba. The Bush Administration and Brazil have agreed to disagree on this issue, and that seems to be the end of this dispute.

Most recently, Venezuela's General Assembly passed a law allowing the government to add 12 new judges to the Supreme Court, which currently has 20 judges. This would certainly alter the balance of the court in favor of the government. But this is also a Supreme Court that decided that the people who carried out the military coup of 2002 could not be prosecuted. In the United States, I am pretty sure that our Congress would use its power to impeach a Supreme Court that made such a ruling. And of course, the judiciary has never been independent in Venezuela -- less so under previous governments than presently. It will not make much progress in that direction so long as the country remains deeply polarized.

This polarization is a very serious problem, and of course Chavez is a polarizing figure who has contributed to the problem. But Congress should not make it worse by allowing our government to take sides. We should normalize our relations with Venezuela, which is a democracy and has never posed any threat to US security; it has reached out several times to our government since the coup -- only to be rebuffed. The first step would be to stop funding the recall effort and people who have participated in a military coup against Venezuela's elected government.

## **Appendix 1**

### **Media Falls Short on Iraq, Venezuela**

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**By Mark Weisbrot**

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**June 6, 2004**

<http://www.cepr.net/columns/weisbrot/media%20venezuela.htm>

Last week the New York Times published an 1100-word note "From the Editors" criticizing its own reporting on the build-up to the Iraq war and the early stages of the occupation. On Sunday the newspaper's Public Editor went further, citing "flawed journalism" and stories that "pushed Pentagon assertions so aggressively you could almost sense epaulets sprouting on the shoulders of editors."

This kind of self-criticism is important, because the media played an important role in convincing the American public -- and probably the Congress as well -- that the war was

justified. Unfortunately, these kinds of mistakes are not limited to the New York Times -- or to reporting on Iraq.

Venezuela is a case in point. The Bush administration has been pushing for "regime change" in Venezuela for years now, painting a false and exaggerated picture of the reality there. As in the case of Iraq's alleged weapons of mass destruction and links to Al-Qaeda, the Administration has gotten a lot of help from the media.

Reporting on Venezuela relies overwhelmingly on opposition sources, many of them about as reliable as Ahmed Chalabi. Although there are any number of scholars and academics -- both Venezuelan and international -- who could offer coherent arguments on the other side, their arguments almost never appear. For balance, we usually get at most a poor person on the street describing why he likes Venezuelan President Hugo Chavez, or a sound bite from Chavez himself denouncing "imperialist intervention."

Opposition allegations are repeated constantly, often without rebuttal, and sometimes reported as facts. At the same time, some of the most vital information is hardly reported or not reported at all. For example, the opposition's efforts to recall President Chavez hit a snag in March when more than 800,000 signatures for the recall were invalidated. These signatures were not thrown out but were sent to a "repair process," currently being tallied, in which signers would get a second chance to claim invalidated signatures.

The opposition accused President Chavez of trying to illegitimately deny the people's right to a referendum, and the press here has overwhelmingly echoed this theme. But some vital facts were omitted from the story: the disputed signatures were in violation of the electoral rules, and could legitimately have been thrown out altogether. Furthermore, these rules -- requiring signers to fill out their own name, address and other information -- were well-known to organizers on both sides and publicized in advance of the signature gathering process<sup>1</sup>. These rules are also common in the United States, including California.

But readers of the U.S. and international press would not know this. And few would know that the members of Venezuela's National Electoral Commission -- which is supervising the election -- was appointed by the Supreme Court, with opposition leaders applauding the appointments<sup>2</sup>.

Even worse than most news stories on Venezuela are the editorials of major newspapers, where factual errors have become commonplace. The Washington Post has accused Chavez of holding political prisoners and having "muzzled the press,"<sup>3</sup> and referred to the Electoral Commission as "Mr. Chavez' appointees."<sup>4</sup> All of these allegations are incontestably false.

According to the U.S. State Department, "There [are] no reports of political prisoners in Venezuela."<sup>5</sup> And far from being "muzzled," the press in Venezuela is one of the most furiously partisan anti-government medias in the entire world. Two months ago one of Venezuela's most influential newspapers actually used a doctored version of a New York

Times' article to allege that the Chavez government was implicated in the Madrid terrorist bombing!<sup>6</sup> But the media has never been censored by the Chavez government.<sup>7</sup>

To be sure, President Chavez has made himself an easy target by slinging a lot of fiery rhetoric and accusations at President Bush and Washington. But even these diplomatic blunders could use some context: the Bush Administration did, after all, endorse a military coup against Chavez two years ago.<sup>8</sup> And the US continues to fund his political opponents, including leaders of the failed coup and organizers of the recall effort.<sup>9</sup> Imagine what Mr. Bush might say about the French President and government if they did those things to him.

Of course Venezuela has rarely been front page news, unlike Iraq. But our government's involvement there has already caused considerable damage and could well push the country to civil war -- especially if our media continues to go along for the ride.

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<sup>1</sup> CNE Circular Number 16, dated 25 November 2003:

"In the case that the signer is illiterate, blind, or of very advanced age, the signature collection agent should write the first and last names of the signer, their identification number and date of birth in the corresponding spaces of each of them, and have the signer stamp their fingerprint in the space provided, and note proof of the condition in the space provided."

The fact that the signer was otherwise required to fill out his/her own information was well known to the parties and publicized in advance, with TV commercials, and that forms filled out by people other than the signers were invalid was also confirmed by Fernando Jaramillo, Chief of Staff of the Organization of American States and Head of OAS Mission to Venezuela, in an interview on April 21, 2004.

<sup>2</sup> "The five new members of the council represent a cross-section of Venezuela's political landscape, allaying concerns on both sides that the deck would be stacked as the country readies for a recall vote. Henry Romas Allup, a prominent opposition voice from the Democratic Action party, said the Supreme Court's decision represents a "final blow to the government." (Pals, Dow Jones Newswire, 27/9/03)

After the Council made decisions unfavorable to the opposition, some U.S. newspapers began referring to it as "government-controlled." (See, e.g., Miami Herald, "Chavez's rivals need one thing: a viable leader," February 17, 2004)

<sup>3</sup> "Eyes on Mr. Chávez," editorial, Washington Post, December 13, 2003.

<sup>4</sup> "Mr. Chavez's Claim," Editorial, Washington Post, May 26, 2004.

<sup>5</sup> U.S. Department of State, "Country Reports on Human Rights Practices - 2003: Venezuela," Released by the Bureau of Democracy, Human Rights, and Labor, February 25, 2004, <http://www.state.gov/g/drl/rls/hrrpt/2003/27923.htm>

<sup>6</sup> For the original article, see Tim Golden and Don Van Natta Jr., "Bombings in Madrid: The Suspects; Carnage Yields Conflicting Clues As Officials Search for Culprits," The New York Times, March 12,

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2004. For the altered version, see Marianella Salazar, "Política: Artillería de Oficio," El Nacional (Venezuela) March 24, 2004.

<sup>7</sup> "There are few obvious limits on free expression in Venezuela. The country's print and audiovisual media operate without restrictions. Most are strongly opposed to President Chávez and express their criticism in unequivocal and often strident terms." Human Rights Watch, "Venezuela: Caught in the Crossfire: Freedom of Expression in Venezuela," May 2003.

<sup>8</sup> Peter Slevin, "Chavez Provoked His Removal, U.S. Officials Say; Administration Expresses Guarded Optimism About Interim Regime, Calls for Quick Elections," Washington Post, April 13, 2002.

<sup>9</sup> See Bart Jones, "Tension in Venezuela; Activist eyes groups' funding; Brooklyn lawyer says U.S. government funds are aiding those trying to overthrow president," Newsday, April 4, 2004

The FOIA documents are posted at <http://www.venezuelafoia.info/>

Several leaders of organizations that received funds from the U.S. Congressionally-financed National Endowment for Democracy (NED) actually signed the decree that established the coup government in April 2002, and abolished Venezuela's General Assembly, Supreme Court, Constitution, and other democratic institutions. Some are still receiving funds from NED.

## **A Split Screen in Strike-Torn Venezuela**

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**By Mark Weisbrot**  
**Published in the Washington Post**  
**January 12, 2003**

<http://www.washingtonpost.com/wp-dyn/articles/A41444-2003Jan11.html>

Walking around Caracas late last month during Venezuela's ongoing protests, I was surprised by what I saw. My expectations had been shaped by persistent U.S. media coverage of the nationwide strike called by the opposition, which seeks President Hugo Chavez's ouster. Yet in most of the city, where poor and working-class people live, there were few signs of the strike. Streets were crowded with holiday shoppers, metro trains and buses were running normally, and shops were open for business. Only in the eastern, wealthier neighborhoods of the capital were businesses mostly closed.

This is clearly an oil strike, not a "general strike," as it is often described. At the state-owned oil company, PDVSA, which controls the industry, management is leading the strike because it is at odds with the Chavez government. And while Venezuela depends on oil for 80 percent of its export earnings and half its national budget, the industry's workers represent a tiny fraction of the labor force. Outside the oil industry, it is hard to find workers who are actually on strike. Some have been locked out from their jobs, as

business owners -- including big foreign corporations such as McDonald's and FedEx -- have closed their doors in support of the opposition.

Most Americans seem to believe that the Chavez government is a dictatorship, and one of the most repressive governments in Latin America. But these impressions are false.

Not only was Chavez democratically elected, his government is probably one of the least repressive in Latin America. This, too, is easy to see in Caracas. While army troops are deployed to protect Miraflores (the presidential compound), there is little military or police presence in most of the capital, which is particularly striking in such a tense and volatile political situation. No one seems the least bit afraid of the national government, and despite the seriousness of this latest effort to topple it, no one has been arrested for political activities.

Chavez has been reluctant to use state power to break the strike, despite the enormous damage to the economy. In the United States, a strike of this sort -- one that caused massive damage to the economy, or one where public or private workers were making political demands -- would be declared illegal. Its participants could be fired, and its leaders -- if they persisted in the strike -- imprisoned under a court injunction. In Venezuela, the issue has yet to be decided. The supreme court last month ordered PDVSA employees back to work until it rules on the strike's legality.

To anyone who has been in Venezuela lately, opposition charges that Chavez is "turning the country into a Castro-communist dictatorship" -- repeated so often that millions of Americans apparently now believe them -- are absurd on their face.

If any leaders have a penchant for dictatorship in Venezuela, it is the opposition's. On April 12 they carried out a military coup against the elected government. They installed the head of the business federation as president and dissolved the legislature and the supreme court, until mass protests and military officers reversed the coup two days later.

Military officers stand in Altamira Plaza and openly call for another coup. It is hard to think of another country where this could happen. The government's efforts to prosecute leaders of the coup were canceled when the court dismissed the charges in August. Despite the anger of his supporters, some of whom lost friends and relatives last year during the two days of the coup government, Chavez respected the decision of the court..

The opposition controls the private media, and to watch TV in Caracas is truly an Orwellian experience. The five private TV stations (there is one state-owned channel) that reach most Venezuelans play continuous anti-Chavez propaganda. But it is worse than that: They are also shamelessly dishonest. For example, on Dec. 6 an apparently deranged gunman fired on a crowd of opposition demonstrators, killing three and injuring dozens. Although there was no evidence linking the government to the crime, the television news creators -- armed with footage of bloody bodies and grieving relatives -- went to work immediately to convince the public that Chavez was responsible. Soon after

the shooting, they were broadcasting grainy video clips allegedly showing the assailant attending a pro-Chavez rally.

Now consider how people in Caracas's barrios see the opposition, a view rarely heard in the United States: Led by representatives of the corrupt old order, the opposition is trying to overthrow a government that has won three elections and two referendums since 1998. Its coup failed partly because hundreds of thousands of people risked their lives by taking to the streets to defend democracy. So now it is crippling the economy with an oil strike. The upper classes are simply attempting to gain through economic sabotage what they could not and -- given the intense rivalry and hatred among opposition groups and leaders -- still cannot win at the ballot box.

From the other side of the class divide, the conflict is also seen as a struggle over who will control and benefit from the nation's oil riches. Over the last quarter-century PDVSA has swelled to a \$50 billion a year enterprise, while the income of the average Venezuelan has declined and poverty has increased more than anywhere in Latin America. Billions of dollars of the oil company's revenue could instead be used to finance health care and education for millions of Venezuelans.

Now add Washington to the mix: The United States, alone in the Americas, supported the coup, and before then it increased its financial support of the opposition. Washington shares PDVSA executives' goals of increasing oil production, busting OPEC quotas and even selling off the company to private foreign investors. So it is not surprising that the whole conflict is seen in much of Latin America as just another case of Washington trying to overthrow an independent, democratically elected government.

This view from the barrios seems plausible. The polarization of Venezuelan society along class and racial lines is apparent in the demonstrations themselves. The pro-government marches are filled with poor and working-class people who are noticeably darker -- descendants of the country's indigenous people and African slaves -- than the more expensively dressed upper classes of the opposition. Supporters of the opposition that

I spoke with dismissed these differences, insisting that Chavez's followers were simply "ignorant," and were being manipulated by a "demagogue."

But for many, Chavez is the best, and possibly last, hope not only for social and economic betterment, but for democracy itself. At the pro-government demonstrations, people carry pocket-size copies of the country's 1999 constitution, and vendors hawk them to the crowds. Leaders of the various non-governmental organizations that I met with, who helped draft the constitution, have different reasons for revering it: women's groups, for example, because of its anti-discrimination articles; and indigenous leaders because it is the first to recognize their people's rights. But all see themselves as defending constitutional democracy and civil liberties against what they describe as "the threat of fascism" from the opposition.

This threat is very real. Opposition leaders have made no apologies for the April coup, nor for the arrest and killing of scores of civilians during the two days of illegal government. They continue to stand up on television and appeal for another coup -- which, given the depth of Chavez's support, would have to be bloody in order to hold power.

Where does the U.S. government now stand on the question of democracy in Venezuela? The Bush administration joined the opposition in taking advantage of the Dec. 6 shootings to call for early elections, which would violate the Venezuelan constitution. The administration reversed itself the next week, but despite paying lip service to the negotiations mediated by the OAS, it has done nothing to encourage its allies in the opposition to seek a constitutional or even a peaceful solution.

Sixteen members of Congress sent a letter to Bush last month, asking him to state clearly that the United States would not have normal diplomatic relations with a coup-installed government in Venezuela. But despite its apprehension about disruption of Venezuelan oil supplies on the eve of a probable war against Iraq, the Bush administration is not yet ready to give up any of its options for "regime change" in Caracas. And -- not surprisingly -- neither is the Venezuelan opposition.

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