

Testimony of The Honorable Otto J. Reich
President, Otto Reich Associates, LLC
Former Assistant Secretary of State for the Western Hemisphere
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Thank you, Mr. Chairman, for this opportunity to address the topic of US policy toward Latin America. The overriding objective of US policy - in Latin America and elsewhere - should be to advance US national interests, not to win international popularity contests.

If we can be liked while advancing our interests, so much the better. But let's be realistic: when we try to befriend undemocratic leaders and ignore their belligerence, we are *neither* liked *nor* do we advance our interests. Some of the despots in this hemisphere to whom the Obama Administration extended an open hand only to encounter a clenched fist include the rulers of Cuba, Venezuela, Bolivia, Nicaragua, Ecuador, and Honduras' former President Zelaya.

Foremost among our national interests is security. Without security we cannot promote other goals such as democracy, human rights and socio-economic growth. I believe the US Government today is underestimating the security threats in the Western Hemisphere. Rather, we seem to be fighting the ghosts of dictatorships past and trying too hard to be liked.

The main threat to the peace, freedom, prosperity and security of the US and the hemisphere does not come from military coups, but from a form of creeping totalitarianism self-described as 21st Century Socialism and allied with some of the most virulent forms of tyranny and anti-western ideology in the world.

Today in Latin America, democracy is being undermined by a new gang of autocrats who, counseled by the oldest dictator in history, gain power through elections and then dismantle democracy from within. Following Fidel Castro's direction, that has already happened in Venezuela and Bolivia; is happening in Nicaragua and Ecuador;

almost happened in Honduras, and could happen in any other nation that falls into the grasp of something called ALBA, or the Bolivarian Alternative for the Americas.

ALBA's ruling pattern is clear: after gaining power democratically, they use force to intimidate political adversaries and the media; politicize the police and the military and place them at the orders of the ruling party; pack the judiciary with compliant judges; rewrite electoral laws to eliminate opposition candidates and parties; seize private property or force businesses to close using bogus charges; incite mob violence to force potential opponents into silence or exile; and attack the churches, civic associations, the press, labor unions and any other civil institution that dares to challenge the government. Their stated model is Cuba, and the result will be an Orwellian dictatorship, a pauperized prison-nation whose citizens risk everything to flee.

ALBA was conceived in Havana and is financed by Venezuela's petrodollars. It is actually the revival of Fidel Castro's half-century goal of uniting international radical and terrorist movements of the developing world under his leadership, a movement that in the 1960's he financed and called "The Tricontinental."

The first foreign country Fidel Castro visited after the overthrow of the Batista dictatorship, in 1959, was Venezuela. While there, he secretly asked Venezuelan President Romulo Betancourt for \$300 million (about 3 Billion in today's dollars) to "undermine the Yankees (the US)..." in Latin America. Betancourt, a center-left leader but a committed democrat, flatly turned Castro down. Three years later Castro was supporting guerrilla warfare in Venezuela and sending an armed expedition of Cuban soldiers to join Marxist rebels in an attempt to destroy Venezuelan democracy and acquire its oil wealth. Today thanks to Hugo Chavez, Castro has finally achieved his goal.

Castro also targeted Bolivia in the 1960's, because of its strategic location and enormous mineral wealth. Bolivia has land borders with Argentina, Brazil, Paraguay, Peru and Chile – more than two thirds of South America. In 1967 Castro's lieutenant Ernesto (Che) Guevara, selected Bolivia as the site to begin his communist takeover of the continent. Guevara failed miserably, but today a Castro disciple, Evo

Morales, is turning Bolivia into one of those 21st Century dictatorships.

US policy cannot be solely focused on the ALBA Axis, but neither can we ignore it, because the Havana-Caracas-La Paz Axis is undermining the peace and prosperity of the rest of the hemisphere.

I cannot mention in our limited time all the bilateral relationships we have in the hemisphere. But the most sensitive dealings for the US remain those with Mexico, Brazil and Colombia. I contend that these nations and those of the rest of the hemisphere are confused by the signals sent by the Obama Administration in its first year. These three countries are following free market economic policies, providing greater opportunities for their population within a framework of civil liberties, and therefore making steady socio-economic progress. Yet, with the exception of Colombia, their foreign policy seems oddly antagonistic and even self-defeating.

We see Brazil, for example, distancing itself from the US and from Europe on critical matters such as Iran sanctions. Mexico, the Latin American country closest to the US in geography and economy, last month hosted a summit of Latin American leaders that included two military rulers, General Raul Castro of Cuba and Lieutenant Colonel Hugo Chavez of Venezuela, both of whom still wear their rank and uniform at home, but excluded the freely elected civilian leader of Honduras, Pepe Lobo. This is bizarre, unless they are trying to send a message that they do not share our values or else are misreading the signals sent from Washington. I believe it is the latter.

Some observers explain Brazil's behavior as diplomatic "muscle-flexing" by an economically emergent nation, or in the case of Mexico as a return to the traditional nationalistic foreign policy of decades past. Under the undemocratic 70-year rule of the PRI party, Mexico steered its foreign policy to the left, so as to distract its domestic radicals and keep them from interfering with the management of the more important domestic security and financial policies. These explanations are plausible, but US national interests are nevertheless damaged by the behavior of these friends. And while Mexico and Brazil are still friends, the ALBA nations are not, and are openly and actively undermining US interests.

For example, Venezuela has played an active destabilizing role in Ecuador, Peru, Nicaragua, and above all Colombia, where Hugo Chavez maintains explicit strategic and political alliances with the narco-terrorist Revolutionary Armed Forces of Colombia (FARC). (By the way, the term narco-terrorist is not mine, it is applied to the FARC by various agencies of the US and European governments.) Just last week the Spanish Government accused Chavez of supporting with the Spanish Basque terrorist group ETA as well as the FARC.

Not satisfied with merely supporting the FARC and allowing guerilla leaders and fighters to hide, train and recuperate inside Venezuelan territory, Chavez has repeatedly closed the commercial border and threatened war against Colombia. The impact on the Colombian economy has been devastating. But Chavez is not just involved in armed intervention against Colombia.

The US, Colombia, and other governments in the region have abundant evidence of massive flows of FARC-controlled cocaine through Venezuela. Senior Chavez regime officials have been designated by the US DEA as Drug Kingpins and active collaborators of FARC drug trafficking. These Kingpins include the current head of Venezuela's military intelligence services, General Hugo Carvajal, former Interior and Justice Minister Ramon Rodriguez Chacin, and former political police (Disip) chief Henry Rangel Silva. Weapons are smuggled to the FARC through Venezuela with the active collusion of senior Chavez regime officials including Army General Cliver Alcala Cordones. This is public record.

Last year, Peruvian intelligence services found evidence that Hugo Chavez actively supported the indigenous groups responsible for violent protests in that country. Former Bolivian Presidents Jorge Quiroga and Gonzalo Sanchez de Lozada have charged that the Chavez regime clandestinely financed and supported riots in that country as far back as 2002, which toppled two governments in quick succession and led to the election of Evo Morales. Chavez also actively supports radical groups in Ecuador, which under President Rafael Correa became a command, control, operations and training base for the Colombian FARC.

In Central America, Chavez actively supports the regime of Nicaraguan President Daniel Ortega. Chavez financed and encouraged Manuel Zelaya's efforts to violate the constitution and laws of Honduras. The disruption to the economy of Central America of the six-month long Honduran political crisis is said to have cost hundreds of millions of dollars to those impoverished economies. Chavez used Venezuela's oil resources to strengthen El Salvador's Marxist FMLN party, and poured millions of dollars into both El Salvador and Panama's presidential elections. He succeeded in one and failed in the other. Mexico's intelligence services have found links between the Chavez regime and radical groups in that country.

Venezuela's oil wealth has been used to influence Caribbean states through the PetroCaribe program. PetroCaribe however, merely postpones the payment for oil purchased today. A few forward-thinking Caribbean leaders, in Trinidad-Tobago and Barbados for example, have warned that the PetroCaribe program is saddling the Caribbean's poor island nations with a debt burden they will never be able to repay. But cheap oil today is politically appealing to elected leaders who wish to continue winning elections even at the expense of future generations.

What PetroCaribe has done is to allow Chavez to manipulate the OAS, as evidenced before and during the Honduras crisis. This past week Chavez named Honduras' ousted would-be dictator Mel Zelaya as the head of PetroCaribe's "Political Council" – a body that does not yet exist, obviously a position created to give Zelaya a salary with which to travel the Americas doing Chavez's bidding.

There is another country, Argentina, that although not a member of ALBA bears watching because of authoritarian tendencies by its ruling presidential couple and close ties to Cuba and Venezuela, lack of official transparency, massive corruption, harassment of private enterprise, and interference with the free market and with the institutions of democracy.

It is no secret that President Cristina Kirchner received millions of dollars from Hugo Chavez for her election campaign, money that was taken illegally from the Venezuelan state, introduced illegally into Argentina, and given to the Kirchner campaign in violation of

Argentine law. We know much about the transfer of that money because of a Federal trial that took place in Miami, Florida, and because of an accidental search of a suitcase by an Argentine customs officer who was doing her job. It is well known that similar transfers have taken place in at least a half dozen countries in this region, but that have not yet been publicized.

Like Castro's before him, Chavez's ambitions are global, and the principal goal of his international activities is to weaken, undermine or cripple US strategic interests in the world, not just in the Americas. Chavez is very open about his determination to bring down what he calls the US Empire.

To this end, Chavez has forged strong bonds with undemocratic states such as Russia, Belarus, and Iran. Chavez has signed numerous economic and military agreements with all three countries. He has purchased over \$4 Billion in Russian military equipment. He invited the Russian Navy to maneuver in the Caribbean, which it did, for the first time since the end of the Cold War. Russia's hard-line Prime Minister Vladimir Putin is going to Venezuela soon, reportedly to sign a nuclear energy deal with Chavez.

Chavez has visited Teheran numerous times, has signed many commercial, financial and other agreements with Iran, hosted Iranian leader Ahmadinejad in Caracas, and sponsored Ahmadinejad's travel to Bolivia and Nicaragua. He has supported Iran's efforts to acquire nuclear weapons capable of striking targets in Europe and throughout the Middle East. He is a vociferous enemy of Israel and a supporter of regimes dedicated to the destruction of Israel and the US, and the sponsorship of terrorism, such as Iran and Syria.

During Chavez's 11 years in power, Hamas and Hezbollah have established a presence in Venezuela. Israeli military intelligence recently disclosed that a shipment of arms seized last November by Israeli commandos departed from a Venezuelan port and docked in an Iranian port before sailing through the Suez Canal bound for Lebanon. The weapons, including missiles, reportedly were to be delivered to Hezbollah.

Chavez also has turned Venezuela over to the Castro regime. Today

there are between 40,000 and 50,000 Cubans in Venezuela on official missions, by the Chavez regime's own admission. Since 2005 Venezuela's armed forces have been obliged to embrace Cuba's national security doctrine, which considers the US the greatest external threat to the survival of the 21st Century socialist revolutionary regime in Caracas.

In spite of its alliances with Russia, China, Belarus, Iran, Syria, FARC, Hezbollah and other criminal, terrorist or rogue governments and non-state actors, there are still policymakers in Washington, DC who maintain that the Castro-Chavez-Morales alliance is no more than a nuisance to US interests.

It is time to care less about what others think of us and focus more on what they do to us.

Thank you.