

Venezuela, Russia in \$2.2 billion arms deal

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Venezuela's President Hugo Chávez announced Sunday that during his trip last week to Moscow he reached a \$2.2 billion arms deal with the Russian government to supply Venezuela with battle tanks and sophisticated surface-to-air missile systems.

The weapons agreement is symptomatic of mounting tensions in the region, which are increasingly being exacerbated by conflicts between the Washington and other powers on the world arena.

In his Sunday weekly radio and television talk show, "Aló Presidente," Chávez made it clear that he saw the weapons deals as a means of countering a growing threat of US military aggression, particularly in the wake of the coup in Honduras and the announcement of an agreement by Colombia to allow American military forces to use seven bases on its territory.

The Russian weapons, Chávez asserted, would provide Venezuela with "the minimum resources necessary to guarantee our people the defense of our territory and of our energy wealth." Foreign warplanes, he added, would find it "very difficult to come and bomb us."

Included in the arms pack are S-300 surface-to-air missile systems, 92 T-70 and T92 battle tanks and *Smerch* self-propelled multiple rocket launchers designed for use against armor and other ground targets. The Russian government is providing Venezuela with financing for the weapons.

Between 2005 and 2007, Venezuela had contracted for some \$4 billion worth of Russian arms, including fighter planes, helicopters and 100,000 Kalashnikov assault rifles.

The latest agreement reached in Moscow also includes plans for Russia to provide assistance to a Venezuelan nuclear energy program. "We aren't going to make an atomic bomb," Chávez assured his audience, "so don't bother us like with Iran."

For its part, Venezuela agreed to allow a consortium of Russian oil companies, led by Lukoil and Gazprom, to join Venezuela's state-owned oil company, PDVSA, in

exploiting an oil field in the Orinoco River basin that is expected to produce up to half a million barrels daily. The Russian consortium agreed to pay a \$1 billion up-front bonus and to invest some \$20 billion for production and equipment.

Chávez pointed to this and similar agreements as another reason Venezuela needed to upgrade its armaments. "The presence of Russian, Chinese and Spanish firms gives the (Orinoco oil) belt a new geopolitical connotation in establishing the parameters of defense and sovereignty," he said.

During his meetings with Russian President Dimitri Medvedev and Prime Minister Vladimir Putin, Chávez announced that his government would extend diplomatic recognition to South Ossetia and Abkhazia, which broke away from Georgia. In August of 2008, the Georgian government of President Mikheil Saakashvili launched an assault on South Ossetia, provoking a Russian intervention against Georgia and a unilateral declaration of independence by both territories, with Moscow's backing.

It is clear that Moscow sees its ties with Chávez as a means of retaliating against Washington for the US military buildup on Russia's borders, and, in particular, for its attempts to draw Georgia and Ukraine into the NATO orbit.

In the wake of last year's war between Russia and Georgia, as NATO attempted to send ships into the Black Sea, Russia sent a naval battle group to Venezuela's Caribbean coast to carry out joint maneuvers.

Putin made reference to Moscow's geo-strategic aims in cementing ties with Venezuela, saying that Chávez's support for Russia's policy contributed to "making international relations more democratic."

In addition to Moscow, Chávez's 11-day trip took him to Iran, Syria, Belarus, Turkmenistan, Libya and Algeria.

In Iran, Chávez announced that Venezuela will begin exporting 20,000 barrels of gasoline a day to the country beginning next month. Iran, which lacks refining capacity, depends on imports for 40 percent of its gasoline, making

it vulnerable to Western sanctions. In addition PDVSA will be allowed to participate in the exploration and exploitation of Iran's South Pars 12 natural gas field, one of the largest in the world.

Washington denounced the Venezuelan-Russian deal, calling it a "serious challenge" to stability in the region.

"What they are looking to purchase and what they are purchasing outpaces all other countries in South America," State Department spokesman Ian Kelly told reporters in Monday. He added that Washington is "concerned about an arms race in the region."

In reality, a Latin American arms race has been underway for some time, much of it fueled by Washington's interventionist policies and the drive by US arms manufacturers to reap profits off sales to the region's militaries.

According to a study conducted by London's International Institute for Strategic Studies, military spending in Latin America increased 10-fold between 2003 and 2007, from \$4.7 billion to \$47.2 billion.

In 2008, weapons sales in Latin America rose again, 30 percent over the previous year, reaching \$51 billion. While the increases in the rate of spending are dramatic, the total for all of Latin America combined is approximately 14 times less than the US military budget, which has reached close to \$700 billion.

Venezuela is hardly alone in increasing military expenditures.

Since 2000, Washington has poured \$6 billion worth of military assistance into Colombia, which outside of Brazil, has one of the largest and best-armed military forces in Latin America. The country recently purchased 24 Kfir fighter planes from Israel in an escalation that it said was aimed at countering Venezuela's purchases.

According to Jane's, the military analysis firm, Venezuela spent \$3.17 billion on its military in 2008—1.1 percent of its gross domestic product—while Colombia spent \$12.3 billion—5.7 percent of its own GDP.

Meanwhile, the Brazilian government is preparing to spend \$2.2 billion on 36 new advanced fighter planes from France, which is also supplying the Brazilian military with submarines and helicopters. It is anticipated that the fighter deal will include the transfer of technology, allowing Embraer, the civilian-military aircraft manufacturer established under the military dictatorship, to begin producing the country's own new fighter planes. Embraer and other Brazilian firms have emerged as significant arms exporters, particularly to the less-developed countries.

Significantly, Brazilian President Luiz Inácio Lula da Silva gave much the same justification for the planned fighter planes purchase as Chávez did for his arms deal with Moscow, though without the heated rhetoric.

Lula argued that the arms buildup was needed to defend the so-called pre-salt oil fields off Brazil's Atlantic coast.

"It should always go through our minds the idea that oil has been the focus of many wars and conflicts," Lula said, after discussing the fighter deal with French President Nicolas Sarkozy last week. "We do not want war or conflict. (The ocean oil reserves) represents the possibility of Brazil in 15 or 20 years become a major global economy."

While Washington was not mentioned, clearly the contemporary wars in which "oil has been the focus" have been waged by the US military as part of a drive to assert US hegemony over the Persian Gulf and the Caspian Basin.

Competition for arms sales, over which US firms once exercised a virtual monopoly in Latin America, is only part of the broader waning of Washington's hegemony in the region, with Europe and China in particular rapidly increasing investments and trade at the expense of US-based corporations.

In the Colombian base deal and plans for the revival of the US Fourth Fleet to patrol Latin American waters, it is evident that the US ruling elite is responding to its declining economic weight—in this region as elsewhere—with a growing reliance on US military might.

In his deals with Moscow, Chávez echoes the old Cold War policy of many left-nationalist regimes of attempting to secure the backing of one "super-power" against another. In this case, however, the gangster capitalist regime in Moscow will prove a far feeble and even less reliable ally than the old Stalinist bureaucracy.

As for the billions of dollars in new weapons, their impact within Venezuela will be to strengthen the social and political weight of the country's armed forces, the tool upon which Washington has traditionally relied for carrying out counterrevolutionary regime change in the region.



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