

**Opening Statement
Chairman Eliot L. Engel**

House Foreign Affairs Subcommittee on the Western Hemisphere

Venezuela: Looking Ahead

Thursday, July 17, 2008

A quorum being present, the Subcommittee on the Western Hemisphere will come to order.

It is my pleasure to welcome you to today's hearing on Venezuela. I am pleased, as usual, to welcome my good friend, Assistant Secretary for Western Hemisphere Affairs Tom Shannon who has become a regular at our Subcommittee hearings. It's always wonderful to have you here, Tom.

I am holding this hearing, knowing that there is plenty of passion surrounding the Venezuela policy debate, but hoping that we can examine Venezuela and US policy toward the country as objectively as possible. Like many of my colleagues, I have concerns about democracy in Venezuela. But, I want to make it clear from the start that I have no hidden agenda, and that ultimately, I would like to see nothing more than a better relationship between the United States and Venezuela.

As a Member of the Energy and Commerce Committee, I often speak about the perils of US dependence on oil. The United States consumes nearly 21 million barrels of oil per day, and our appetite for oil is growing. I find this reliance on a single resource particularly troubling, because much of it comes from nations that are unstable or unfriendly towards the US. In the case of Venezuela, the petrodollars just keep on rolling in. Petroleos de Venezuela – the country's state-owned oil company – said earlier this month that their net income rose 80 percent in the first quarter of this year as world oil prices soared. And, President Chavez recently called on South American nations to create their own version of OPEC, to be called Petrosur. As we think about the US addiction to oil and its impact on our foreign policy, it is tough to ignore the role that our dependence on oil plays in supporting what *New York Times* columnist Thomas Friedman refers to as "petro-authoritarian" leaders.

It is hard to look at Venezuela these days and not take note of a number of troubling anti-democratic developments. From the closing down of RCTV last year to President Chavez's allies' recent blacklisting of candidates set to participate in November's local and state elections, it is no surprise that many view democracy as under strain in Venezuela. The December 2007 government raid of La Hebraica – a Jewish school and social club – in Caracas was particularly alarming to me personally, and I was also disturbed to learn that about one-third of Venezuela's Jewish community has fled the country in recent years. I, however, was pleased to see last week that

Venezuelan Minister of the Presidency Jesse Chacón met with the Jewish community. I truly hope that this will be the first of many meetings and will lead to better government communication with and treatment of the community. Quite frankly, anything less is simply unacceptable. Finally, let me note that Venezuela's cozy relationship with Iranian President Mahmoud Ahmadinejad is a very serious cause for concern that we are all closely monitoring as are recently revealed ties between two Venezuelan citizens – including one diplomat – and Hezbollah.

But, I also welcome some of the more positive trends that have recently come to the surface in Venezuela. While the documents on slain FARC leader Raul Reyes's laptop computer linking President Chavez to the rebel group are seriously disturbing, I am encouraged by Chavez's recent comments calling on the FARC to lay down arms. Likewise, after an intelligence overhaul decree was met with skepticism in Venezuela, Chavez quickly changed course and rescinded the decree. A *New York Times* editorial recently explained these actions by saying that "Chavez displayed willingness for self-reinvention that has served him well in times of crisis throughout his political career. Time and again, he has gambled by pushing brash positions and policies, then shifted to a more moderate course when the consequences seemed too dire." In the case of the FARC, I hope that we can all count on President Chavez to match his words with actions and do everything he can to bring an end to the FARC's protracted battle against the Colombian government.

Let me talk briefly about US policy toward Venezuela. There have clearly been plenty of missteps in our relationship with Venezuela under Hugo Chavez. The Bush Administration's rush to recognize a briefly installed coup leader in April 2002 was a major mistake. And, the Administration's past efforts to engage in a war of words with Chavez was not a particularly sound strategy either. But, let me say how impressed I am with Secretary Shannon's steady diplomacy toward Venezuela over the past couple of years. Secretary Shannon has led the Bush Administration away from rhetoric and towards a more constructive policy in which we avoid responding to President Chavez's verbal attacks and accentuate our positive actions in Venezuela and throughout the hemisphere.

On that note, let me say what a mistake I think it would be to add Venezuela to the list of state sponsors of terrorism. Do I think we need to continue to closely monitor Venezuela's links to the FARC and terrorist groups in the Middle East? Absolutely. But, designating Venezuela as a state sponsor of terrorism would simply hand Chavez another rhetorical victory and bolster his base. It would prove to be counterproductive to the steady diplomacy that Secretary Shannon has pursued in recent years.

As I said at the beginning, I truly want nothing more than improved relations between our two countries, and I think better diplomacy on our part is leading us in the right direction. Recent actions by President Chavez – including his call for the FARC to lay down arms – make me cautiously optimistic that we can somehow meet halfway and build a better relationship between Venezuela and the United States. And in that spirit of friendship and partnership, let me be the first to congratulate Miss Venezuela on winning

the Miss Universe pageant on Sunday! I'm not sure if there's any meaning in this or not, but the first runner up was Miss Colombia.

There is obviously so much more to cover, but I will leave things here and introduce our distinguished witnesses.

As I mentioned, Tom Shannon – our excellent Assistant Secretary of State for Western Hemisphere Affairs – will be testifying on the first panel.

We are pleased to have a distinguished group of academics join us on the second panel. Javier Corrales is an Associate Professor of Political Science at Amherst College. David Myers is an Associate Professor of Political Science at Pennsylvania State University. Next, Jennifer McCoy is a Professor of Political Science at Georgia State University and Director of the Americas Program at the Carter Center. And finally, Norman Bailey is Adjunct Professor of Statecraft at the Institute of World Politics and President of the Institute for Global Economic Growth. Welcome to all of you.

I am now pleased to call on Ranking Member Burton for his opening statement.