

# Chávez aid challenges U.S. support to Latin America

**President Hugo Chávez's direct monetary help to Latin America is more noticeable than America's, despite the fact that the total U.S. aid to the region is bigger.**

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CARACAS --

Laid-off Brazilian factory workers have their jobs back, Nicaraguan farmers are getting low-interest loans and Bolivian mayors can afford new health clinics, all thanks to Venezuelan President Hugo Chávez.

Bolstered by windfall oil profits, Chávez's government is now offering more direct state funding to Latin America and the Caribbean than the United States. A tally by The Associated Press shows Venezuela has pledged more than \$8.8 billion in aid, financing and energy funding so far this year.

While the most recent figures available from Washington show \$3 billion in U.S. grants and loans reached the region in 2005, it isn't known how much of the Venezuelan money has actually been delivered. And Chávez's spending abroad doesn't come close to the overall volume of U.S. private investment and trade in Latin America.

But in terms of direct government funding, the scale of Venezuela's commitments is unprecedented for a Latin American country.

Chávez's largess tends to benefit left-leaning nations that support his vision of a Latin America with greater independence from the United States. But he denies the two countries are in a competition.

"We don't want to compete with anyone. I wish the United States were 100 times above us," Chávez told the AP in an interview. "But no, the U.S. government views the region in a marginal way. What they offer is a pittance sometimes, and with unacceptable pressures that at times countries can't accept."

U.S. aid tends to be low-profile, constrained by strict guidelines and often distributed through other institutions so that recipients may not know it's from the U.S. government. Venezuela offers money with few strings attached and a personal Chávez touch that aid experts say generates more goodwill dollar for dollar.

Clay Lowery, the U.S. Treasury Department's acting undersecretary for international affairs, argues that the United States plays a larger role than reflected in its aid figures. The United States drove Inter-American Development Bank and World Bank debt relief deals totaling \$7.5 billion over the past three years in Latin America, he said.

"Who is the biggest financier of the IDB? The United States. Who is the biggest financier of the World Bank? The United States is. We don't count those," Lowery said. "We're basically engaged on a multilevel, multiprong approach."

Still, as the Chávez effect gains ground, there are signs the United States is responding to the challenge.

The U.S. Navy medical ship Comfort is on a four-month, 12-country voyage to Latin American ports, and has already treated more than 80,000 patients with free vaccinations, eye care, dental checkups and surgeries aboard the ship.

U.S. officials are taking their cue from the free eye surgeries and medical training that Chávez offers, says Adam Isacson of the Washington-based Center for International Policy, which tracks U.S. aid and advocates international cooperation.

"They're trying to do things that are aimed in a small way at countering what Chávez is doing -- Chávez's much larger aid programs," he said.

His group calculates that nearly half of U.S. aid to the region goes to military and police programs. However, U.S. Treasury Secretary Henry Paulson also has pointed to the U.S. government's work with the IDB to mobilize up to \$200 million through private lenders to support small business loans.

Chávez's aid isn't limited to his region. Low-income Americans get cheap heating oil, while the former Soviet republic of Belarus is counting on Chávez to help pay off a \$460 million gas bill to Russia. But most of the funding goes to Latin America.

Opponents say Chávez is spending haphazardly on "giveaways" abroad at a time when more than a quarter of Venezuelans still live on less than \$3 a day. They question how long he can sustain it since government revenues are highly dependent on fluctuating oil prices.

Chávez argues much of the funding brings benefits back to Venezuela, including oil-related investments and other cooperative exchanges. He says billions more are being spent within Venezuela, and cites social programs credited with helping to reduce poverty.

Contributing to this report were AP correspondents Stan Lehman and Alan Clendenning in Sao Paulo; Dan Keane in San Lorenzo, Bolivia; Filadelfo Aleman in Managua, Nicaragua; Nestor Ikeda in Washington, D.C.; and Diego Mendez and Luis Romero on board the USNS Comfort.