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Call It Solidarity Or Call It Meddling, Nicaragua Gets A Break On Fuel Costs

by Mike Leffert

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Nicaragua has become the second country in the isthmus to benefit from Venezuela's oil diplomacy. Earlier this year, El Salvador's mayors signed a highly unusual pact with Venezuela to supply fuel under favorable terms, and now Nicaragua's Sandinista mayors have followed suit. The deal is lubricated by Venezuelan President Hugo Chavez's close political ties to Nicaraguan presidential candidate Daniel Ortega.

On April 25, the Venezuelan government signed a contract with a group of mayors, most of whom are members of the Frente Sandinista para la Liberacion Nacional (FSLN), the party Ortega heads, under whose banner he previously served as president (1979-1990) and now stands as candidate in coming November presidential elections. The agreement between 53 mayors and the state corporation Petroleos de Venezuela S.A. (PDVSA) provides 10 million barrels of fuel annually to the Asociacion de Municipios de Nicaragua (AMUNIC), of which all the mayors are members.

The terms call for payment of 60% within 90 days, with the rest to be paid either in kind with Nicaraguan agricultural and other products or over 25 years at 1% interest, with two years grace.

The program is to be administered by Alba Petroleos de Nicaragua (ALBANIC), owned by PDVSA and AMUNIC. The program is part of Chavez's Alternativa Bolivariana para los pueblos de America (ALBA), an alternative to the neoliberal economic regime in Latin America. This deal is almost identical to the one arranged for El Salvador with the late Shafik Handal under similar circumstances (see NotiCen, 2006-03-30), a boon to the left parties of the two countries prior to an important election in the context of crippling oil prices.

Cross-complaints of interference: solidarity versus meddling

Chavez denies that the deal represents interference with Nicaragua's internal affairs. That charge has been made by Eduardo Montealegre, the leading presidential candidate. After the deal was announced, Montealegre told the media, "Chavez is intervening, giving money, buying [political] will, and manipulating the hearts of the people. It is not only interference, but intervention, because Chavez is interfering and intervening openly in the internal affairs of the country. It's another thing to speak, to converse, but to say, 'I'm going to send so much money, I'm going to support and I want Fulano de Tal [so-and-so] to be president, that is interventionism."

Montealegre's complaint places the shoe on the other foot. For some time, Ortega had been complaining of interference in the elections from the US and its Ambassador Paul Trivelli, who has been actively supporting Montealegre and issuing dire warnings against the election of arch-

nemesis Ortega. Chavez unabashedly supports Ortega. While Ortega was in Venezuela for the signing of the agreement, Chavez had him on his weekly radio program Alo Presidente.

During the broadcast, Chavez accused Washington of trying to destabilize Bolivia after the election of his friend President Evo Morales and warned, "They'll do the same thing in Nicaragua." Chavez played with the concept of interference. He told Ortega, "I will not say I hope you win, but I do hope you will win." He said he did not understand what the big deal was with his expressions of support for a particular candidate. "If Chavez is the devil, no one likes Chavez and so saying that I would vote for Daniel Ortega or Ollanta Humala [in Peru] should hurt them."

Ortega responded on the broadcast with a charge of "open meddling" by the US to unite the right and prevent a Sandinista victory. He criticized Nicaraguan President Enrique Bolanos for approving of US interference, and he said he had seen no efforts by the US to help any Latin American country to cope with oil prices or to promote social or health programs, while, at the same time, Nicaraguans are traveling to Venezuela to undergo free eye surgery. "Hence," said Ortega, "Venezuelan solidarity is not comparable with Yankee meddling."

Chavez traced the broad outlines of the ALBA project. "We are truly seeing a confrontation between those who want to impose Monroe's model of America for the North Americans and those of us, Bolivar's disciples, who advocate the South's unity to achieve balance in the world," said Chavez. "That confrontation will reach its outcome in this century and we, the Bolivarians and the Sandinistas, will prevail. The people of the United States will also prevail. We need the people of the United States, a sister nation, in this battle."

Back in Managua, the government announced it would analyze the oil deal the mayors signed. El Salvador's government, caught flat-footed by ruinous fuel costs, also analyzed the deal. In the end, President Antonio Saca concluded there was nothing he could, or would, do to stop it.

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