

## Venezuela eyes foreign donations with new law

By Brian Ellsworth

13 July 2006

Reuters News

CARACAS, Venezuela, July 13 (Reuters) - When the White House released a report this week recommending a multimillion dollar aid package to opposition groups in communist Cuba, one of the angriest reactions came not from Havana but from Caracas.

President Hugo Chavez, a close ally of Cuba's Fidel Castro, responded by saying Castro was "stronger than ever" and calling the U.S. an "obscene, immoral and genocidal empire."

But when it comes to foreign financing for Venezuela's opposition groups, the world's No. 5 oil exporter is preparing more than just another volley of insults with Washington.

Venezuela's Congress is discussing a law that would increase state oversight of non-government organizations (NGOs) receiving foreign funding, a move analysts called a response to Washington's confrontation with President Hugo Chavez.

A spokesman for the United States Embassy in Caracas estimated U.S. aid to Venezuelan NGOs at around \$3.5 million a year, though government supporters say this figure is closer to \$5 million -- considerably less than the \$40 million a year that the White House is proposing should go to Cuba.

Chavez is promising a socialist revolution to curb U.S. influence, end poverty and unite Latin America. But the U.S. State Department says Chavez is weakening Venezuelan democracy and has promised to continue financing for non-government organizations.

The International Cooperation Law -- still pending final approval from Congress -- would create a state fund to support non-government organizations (NGOs) and a registry of groups receiving foreign financing.

"This is a very unfortunate step for the 'chavistas' to take, but unfortunately the U.S. is waging a total war against Chavez," said Larry Birns, director of the Council of Hemispheric Affairs, a left-of-center think tank in Washington. "In a sense this (law) is a defensive gesture."

The proposed law makes no direct reference to the United States, but supporters have justified it with much of the same rhetoric Chavez uses to describe the United States.

Legislator Saul Ortega said the law would "break with traditional imperialist criteria of cooperation based on dependence and neocolonialism."

### NGOs CONCERNED

But critics say the legislation is simply meant to increase Chavez' control over NGOs.

"With this law the government intends to regulate civil society, to control and monitor it in a way that is unacceptable in a democratic society," said Hector Faundez, director of the Human Rights Center at Venezuela's Central University.

A letter to the legislature signed by 72 Venezuelan NGOs said the bill is based on "the erroneous idea that ... associations receiving donations through international cooperation are negative for Venezuelan society."

Chavez' home-grown model of socialism dubbed the "Bolivarian Revolution" seeks to increase direct ties between citizens