

The Community of Latin American and Caribbean States (CELAC). Challenge to US Hegemony in Western Hemisphere?

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A summit of huge importance was held in Venezuela on December 2-3. Two hundred years after Latin America's independence fighters first raised the battle cry for a united Latin America, 33 heads of states from across the region came together to form the Community of Latin American and Caribbean States (CELAC).

For Latin America, the summit represented a further step away from its traditional role as the United States' backyard and its emergence as a player in its own right in international politics.

Resources

The importance of this new institution in world politics cannot be overstated. The combined gross domestic product of the countries within CELAC make it the third-largest economic powerhouse in the world.

It is also home to the world's largest oil reserves and the first and third largest global producers of food and energy, respectively.

CELAC also builds on existing inter-regional bodies and experiments.

These include the Union of South American Nations (UNASUR), UNASUR's Defense Council, the Bank of the South (which only awaits the approval of the Uruguayan parliament in order to bring to life a bank that will count on US\$20 billion for development projects), and the establishment of trade mechanisms between some countries that replaces the US dollar with local and new regional currencies.

Another important integration initiative is the Bolivarian Alliance of the Peoples of Our America (ALBA), a nine-nation anti-imperialist bloc initially formed in 2004 by socialist governments of Cuba and Venezuela.

CELAC explicitly excludes the US and Canada.

However, Cuba, which has been excluded from the Organisation of American States (OAS) for daring to challenge the US empire and carry out a revolution, was not only included but selected to host the 2013 CELAC Summit. Chile had already been selected to host next year's.

Some are already arguing the consolidation of CELAC will represent the final nail in the coffin of the Organisation of American States (OAS), traditionally dominated by the powerful neighbors up north.

Ecuadorian President Rafael Correa said on November 29: "We believe we need a profound change in the inter-American, basically Latin American, system because the US's gravitational power [within the OAS] is clear."

"We need another system ... where we discuss our problems in the region, not in Washington [the headquarters of the OAS], where institutions that are removed from our vision, traditions, values and needs are not imposed on us."

The same day, Bolivian vice-president Alvaro Garcia Linera said the summit would represent "a meeting of the peoples, defending our destiny without tutelage, without patronage, so that together we can find a solution to our problems, without the presence of the US".

Imperial weakening

The step comes at a time when US economic and political power is in decline and the European Union is on the verge of collapse.

"Latin America is a continent on the move faced with a world in crisis," Garcia Linera said. "Latin America is the vanguard of the world in regard to ideas, in regard to transformations, in regard to proposals at the service of the people and humanity."

Luis Bilbao, editor of the Latin America-wide magazine *America XXI*, said in a November 28 article that CELAC represents "an opportunity without precedent to position the region as the starting point in a new phase in the history of humanity".

Latin America is in a unique position given the global context, marked by three key features: "It maintains a dynamic of regional convergence while all other [continents] are suffering from violent centrifugal forces; until now it has suffered less as a result of the recession in the imperialist centres; [and] within this heterogeneous convergent whole exists a vital nucleus that, faced with the collapse of capitalism ... has raised the banner of 21st century socialism."

The US had tried everything possible to stop CELAC. Former Colombian president, Alvaro Uribe, a US puppet, made the most recent attempt.

A November 28 Venezuelanalysis.com article said that during a trip to meet with Venezuela's right-wing opposition, Uribe urged them to issue a "public statement" denouncing the growing relationship between Colombia and Venezuela.

Under Uribe, relations between Venezuela and Colombia nearly degenerated into war. Uribe also worked to undermine the progress of UNASUR from within.

Despite continuing much of Uribe's neoliberal and repressive politics at home, Venezuelanalysis.com said Colombian President Manuel Santos "has adopted a noticeably different stance with regard to foreign policy, aimed at integrating Colombia into regional organisations and re-establishing bilateral relations with other Latin American countries".

This does not mean that the Colombian government, or many other Latin American countries, no longer follows US foreign policy dictates in the region, or that all agree that CELAC should automatically replace the OAS.

Nor does it mean there are not important differences on how to confront the global economic crisis and imperial wars, such as the recent NATO attack on Libya.

Bilbao noted a sole, unified response to these tremendous challenges by CELAC cannot be expected, “however what is possible is to find a common minimum denominator”.

The idea of the US’s backyard creating its own neighbourhood to collectively resolve problems, free of outside intervention, is an important starting point.

Venezuela leads the way

That the summit was held in Venezuela represented a double blow to US interests. Having waged a relentless campaign to destroy Venezuela’s Bolivarian revolution, the fact it was chosen to host the summit undermines the lies peddled by Washington and the corporate media that Venezuela is isolated in the region.

Furthermore, the presence of a fully recovered Venezuelan President Hugo Chavez, whose bout with cancer early this year forced the summit to be postponed from July, has dashed hopes that health issues could succeed where US-backed coups and destabilisation plans against the Chavez government have failed.

Instead, Chavez has announced his readiness to stand for re-election in next year’s October 7 presidential elections.

In response to Chavez’s call to form a “Great Patriotic Pole” of parties and social movements to support his re-election on a platform of deepening the revolution, more than 32,000 organisations signed on to the campaign during the four-week registration period begun in early October.

Polls show support for Chavez at more than 50%. The US-backed opposition remains unable to muster any candidate to seriously challenge him.

In response, the US is gearing up for a big campaign to try and prevent a fresh mandate for Chavez’s anti-capitalist policies.

Investigative journalist Eva Golinger said in an August 11 Chavezcode.com article that the US has already budgeted \$20 million to fund the opposition next year.

Another important ploy being used is capitalist hoarding and speculation with food prices to provoke shortages and worsen inflation, already hovering above 22% for the year.

Big business successfully used this tactic to help defeat the 2007 referendum on a raft of constitutional reforms proposed by Chavez, giving the capitalists their sole electoral victory in 12 years.

On November 27, Chavez said in the days prior, the Bolivarian National Guard seized 127,000 kilos of rice, 132,000 kilos of corn flour, 256,000 kilos of powdered milk, 85,000 litres of vegetable oil, 246,000 kilos of sugar and 10,500 kilos of coffee — all of which were being

illegally hoarded by private companies.

One company affected, Italian-owned Parmalat, published a declaration in several newspapers on November 26. It said it was “strange” the government seized 210,000 kilos of powdered milk from its warehouses as this milk was supposedly destined for the state food distribution company, CASA, as per a signed contract.

Chavez responded the next day: “We found Parmalat hoarding milk and this is typical of the bourgeoisie ... they think we are fools or idiots ... Gentlemen of Parmalat, we are not stupid!”

He ordered a large-scale investigation into the company and reminded Parmalat that his government has the power to expropriate the company if it continues carrying out such actions.

Nationalisations

An October 14 Reuters article cited figures provided by Conindustria, a Venezuelan business federation, to show that 459 companies had been nationalised this year. An estimated 1045 have been nationalised since Chavez came to power.

This has ensured the state plays a dominant role in strategic sectors such as oil, electricity, cement, steel, telecommunications and food production and distribution.

The day after Chavez’s response, Parmalat published another open letter offering its “most sincere apologies” for failing to “adequately communicate what had transpired” in regards to the powdered milk.

It pledged to support the government in ensuring that the needs of the people were met.

Parmalat is not the only company Chavez ordered be monitored. He named Colgate Palmolive, Pepsi Cola, Heinz, Nestle, Coca Cola, Unilever, Glaxo Smith Kline, and Polar, Venezuela’s largest food company.

These are among the companies affected by price controls on 18 food, hygiene and household products, in effect since November 22.

Since 2003, the government has placed price controls on various essential food items.

Under the new Law on Fair Costs and Prices, prices on the 18 goods are frozen until mid-December. The newly-created National Superintendency of Fair Costs and Prices audits the companies producing these goods to establish how much it costs to make the products to determine a reasonable price to sell them at.

As of December 15, this price will have to be printed on the product. Sanctions will apply for those who do not comply with the regulations.

A second phase will begin in January involving medicinal products.

On November 7, Chavez told state television channel VTV: “We cannot give the large business owners and large corporations the freedom to continue looting the pockets of Venezuelans.”

The new law, Chavez said, "was necessary and formed part of a strategy of state intervention into the economy, which is part of the transition from capitalism ... towards socialism".

No doubt this battle between socialist democracy and the dictatorship of the market will continue heating up as the presidential elections approach.

The outcome of this battle will have important ramifications not only for Venezuela's future, but that of CELAC and the world.

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