

Chavez gains free rein in Venezuela

By FABIOLA SANCHEZ, Associated Press Writer 14 minutes ago

President Hugo Chavez was granted free rein Wednesday to accelerate changes in broad areas of society by presidential decree — a move critics said propels Venezuela toward dictatorship.

Convening in a downtown plaza in a session that resembled a political rally, lawmakers unanimously gave Chavez sweeping powers to legislate by decree and impose his radical vision of a more egalitarian socialist state.

"Long live the sovereign people! Long live President Hugo Chavez! Long live socialism!" said National Assembly President Cilia Flores as she proclaimed the "enabling law" approved by a show of hands. "Fatherland, socialism or death! We will prevail!"

The law gives Chavez, who is beginning a fresh six-year term, more power than he has ever had in eight years as president, and he plans to use it during the next 18 months to transform broad areas of public life, from the economy and the oil industry in particular, to "social matters" and the very structure of the state.

His critics call it a radical lurch toward authoritarianism by a leader with unchecked power — similar to how Fidel Castro monopolized leadership years ago in Cuba.

"If you have all the power, why do you need more power?" said Luis Gonzalez, a high school teacher who paused to watch in the plaza, calling it a "media show" intended to give legitimacy to a repugnant move. "We're headed toward a dictatorship, disguised as a democracy."

Hundreds of Chavez supporters wearing ruling-party red gathered in the plaza, waving signs reading "Socialism is democracy," as lawmakers read out passages of the law giving the president special powers to transform 11 areas of Venezuelan law.

"The people of Venezuela, not just the National Assembly, are giving this enabling power to the president of the republic," congresswoman Iris Varela told the crowd.

President Bush said Wednesday that he's "concerned about the Venezuelan people."

"I am concerned about the undermining of democratic institutions. And we're working to help prevent that from happening," Bush said in an interview with Fox News.

But in the square in Caracas, Venezuelan Vice President Jorge Rodriguez publicly ridiculed the idea that the law is an abuse of power, and argued democracy is flourishing.

"What kind of a dictatorship is this?" Rodriguez asked the crowd, saying the law "only serves to sow democracy and peace."

"Dictatorship is what there used to be," Rodriguez said. "We want to impose the dictatorship of a true democracy."

Chavez, a former paratroop commander re-elected with 63 percent of the vote in December, has said he will decree nationalizations of Venezuela's largest telecommunications company and the electricity sector, slap new taxes on the rich, and impose greater state control over the oil and natural gas industries.

The law also allows Chavez to dictate unspecified measures to transform state institutions; reform banking, tax, insurance and financial regulations; decide on security and defense matters such as gun regulations and military organization; and "adapt" legislation to ensure "the equal distribution of wealth" as part of a new "social and economic model."

Chavez plans to reorganize regional territories and carry out reforms aimed at bringing "power to the people" through thousands of newly formed Communal Councils designed to give Venezuelans a say on spending an increasing flow of state money on projects in their neighborhoods, from public housing to potholes.

Venezuelan historian Ines Quintero said that with the new powers, Chavez will achieve a level of "hegemony" that is unprecedented in the nation's nearly five decades of democratic history.

Opposition leader Julio Borges called for the 4 million Venezuelans who voted against Chavez not to be left out of decision-making, particularly as he pushes for constitutional changes including scrapping the term limits that would end his presidency in 2013.

"The worst we Venezuelans can do is throw in the towel and become like an ostrich (burying our heads in the sand) and giving up the fight," Borges told the Venezuelan radio station Union Radio.

But the top U.S. diplomat for Latin America, Thomas Shannon, said the enabling law isn't anything new in Venezuela.

"It's something valid under the constitution," said Shannon, the assistant secretary of state for Western Hemisphere affairs, told reporters in Colombia. "As with any tool of democracy, it depends how it is used," he added. "At the end of the day, it's not a question for the United States or for other countries, but for Venezuela."

Chavez has requested special powers twice before, but for more modest legislative changes.

In 1999, shortly after he was first elected, he used it to push through two new taxes and a revision of the income tax law after facing fierce opposition in congress. In 2001, invoking an "enabling law" for the

second time, he decreed 49 laws including controversial agrarian reform measures and a law that sharply raised taxes on foreign oil companies.

Now Chavez has a free hand to bring under state control the oil and natural gas projects still run by private companies in Venezuela, a top oil supplier to the United States and home to South America's largest gas reserves.

Chavez has said companies upgrading heavy oil in the Orinoco River basin — British Petroleum PLC, Exxon Mobil Corp., Chevron Corp., ConocoPhillips Co., Total SA and Statoil ASA — must submit to state-controlled joint ventures. The new law enables Chavez to unilaterally "regulate" this transition if companies don't agree to the new framework within an unspecified "peremptory period."