

Old News

A historical analysis of criticism of Venezuela's press freedom

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Abstract

Freedom House has declared that the press in Venezuela is “Not Free.” Major U.S. news media have also painted this picture for the public through their reporting on the Chávez government and its relation to the country's media. This paper uses historical case studies of U.S. response to the revolutionary governments in Guatemala and Chile to, particularly where it relates to manipulation of media, to illuminate the connection between the political and economic interests of the U.S. government and media coverage of the press climate under the Chávez government in Venezuela. I make the argument that historical understanding of relationships between hegemonic U.S. interests in the region and media reflections of those interests casts criticisms of the Chávez government's treatment of the press in a new light, revealing bias against the administration of the Bolivarian Revolution rather than objective presentation of fact.

In its 2015 report on freedom of the press around the world, U.S. based nonprofit Freedom House, a self-proclaimed human rights watchdog, classified the Venezuelan press as “not free.” One of five Latin American nations thus designated, Venezuela was ranked among the least free nations globally with a score of 81 (100 being “least free”), just 9 points better than Syria and Iran and several points less free than the press in Iraq and Egypt. With a democratically structured government and a constitutionally protected right to freedom of expression, it is surprising that Venezuela would be found so low on this list, just 10 points more free than its regional compatriot Cuba on a scoring scale of 100 with lower scores signifying more freedom. The other three Latin American nations also classified as “not free,” – Mexico, Ecuador, and Honduras – all received scores of 63, 64, and 68 respectively.¹

This critical report emanates from an organization whose principal supporters include the U.S. State Department and the U.S. Agency for International Development, among other Western governmental organizations and U.S. foundations and businesses. This connection raises the question about whether the criticism from U.S.-based media and monitoring organizations concerning the Venezuelan government’s approach to the press stems more from economic and political interests of the U.S. government in the country than from genuine interest in championing press freedom rights in the far reaches of the world.

According to the Organization of Petroleum Exporting Countries February 2016 oil market report, the U.S. exhibited the highest demand for oil in the world in 2015.² OPEC statistics on its 12 member countries show that in 2014 Venezuela held the largest share of crude oil reserves in the world at 24.9 percent – out of the 80 percent of proven crude oil

¹ Freedom House. “Freedom of the Press 2015.” 2015. p.23

² OPEC. “Monthly Oil Market Report – February 2016.” 2016. p. 35

reserves held by OPEC member nations.³ It seems a reasonable assumption that the nation with the highest demand for oil would be closely attentive to the goings on in a nation with great potential to meet that need, especially when the resources are just next door.

In this paper, I aim to probe this question of motivation for criticism of press freedom in Venezuela by examining historic examples of the U.S. government's interventionist policies in efforts to protect and further its economic and political interests in Latin America. Upon close examination of the efforts to overthrow Guatemalan president Jacobo Arbenz in 1954 and the relationship between the U.S. and Salvador Allende in the 1970-'73 revolutionary period in Chile, U.S. media criticism of the treatment of the press in Venezuela will be seen in a new light.

This paper will address this thesis first by reviewing U.S media coverage and criticism of the Venezuelan government's policies and presence, also examining the trends in information sourcing among U.S. media. I will then lay out a historical context for the development of the Bolivarian Republic of Venezuela under President Hugo Chávez with special attention to developments in the oil and media industries and how they are connected to U.S. political and economic interests in the country and region. I will then move into case studies of the Guatemalan and Chilean revolutions and subsequent coups as historical examples to support my argument that press freedom and democracy promotion in general are much lower priorities for U.S. government officials than objectives like protection of business interests and political hegemony in Latin America.

³ OPEC. "Annual Statistical Bulletin." 2015. p 22.

II. U.S. Media Coverage of Venezuelan Situation

Since he was elected to the Venezuelan presidency in 1998, Hugo Chávez and his Bolivarian Republic of Venezuela have attracted media attention the world over, both critical and favorable coverage of the revolutionary leader's policies and persona. The aim of the next few pages is to take a look at some of the patterns in this media coverage of Venezuela and its revolutionary government under Chávez from a few internationally respected publications: The New York Times, The Washington Post, and The Wall Street Journal.

In December of 1998, Chávez was popularly elected to the Venezuelan presidency, marking the end of the decades-long reign of the nation's two major political parties: Acción Democrática and Copei. The rupture of the traditional political scene drew international attention to the new president, especially given his political past. In an article published on the day of his election, The Washington Post identified Venezuela's new executive as a "failed coup leader" and a "populist" in its headline, while the story's first sentence stated his election created uncertainty about the future of the nation's 40-year-old democracy."⁴ The New York Times article on the same subject also used Chávez' attempted coup of 1992 as front page headline bait, also setting up a contrast between him and his challenger, the "Yale-educated businessman, Henrique Salas Romer," in its opening paragraphs.⁵ The story did, however, seem to paint Chávez as a politician honestly seeking change, though it's made clear that change will rankle his opposition.

⁴ Serge F. Kovalski. "Populist Elected in Venezuela; New President Was Failed Coup Leader," *The Washington Post*, (7 December 1998).

⁵ Diana Jean Schemo. "Venezuelans Elect An Ex-Coup Leader As Their President," *The New York Times*, (7 December 1998).

The newly elected Chávez appears in these two articles to be a mystery as a political figure, but one in charge of one of the leading suppliers of oil to the United States at the time – 13 percent of crude imported to U.S. arrived from Venezuela, a value of \$4.95 billion.⁶ Previously barred from visiting the U.S. because of his leadership of an attempted coup, Chávez was quickly accepted by the Clinton administration and invited to visit Washington before his inauguration in early February.⁷ A Washington Post article published just days after the December election airs the early perspective of Chávez, stating that the Clinton administration promised the continuation of a “traditionally strong relationship” so long as Chávez refrained from implementing “promised radical political or economic measures.”⁸

Just two years later, during Chavez’s third year in office, a New York Times article paints Chávez as approaching tyranny in his treatment of the Venezuelan private media. The story’s first two paragraphs set up a direct contradiction between Chávez’s assertions of press protection upon his election and his later “blistering critiques of the press.”⁹ The story’s central conflict between Chávez and the media is, however, generally speculative and without concrete actions from the government against the media. The writer, Juan Forero, states, “the government has yet to restrict the news media,” in the midst of a sentence aimed at painting parts of the Venezuelan Constitution as a potential weapon of the government – the clause singled out as potentially trouble-making is called the “truthful information clause.”¹⁰

⁶ Observatory of Economic Complexity. “Where does the United States import Crude Petroleum from? (1998),”

⁷ Reuters News. “Venezuela’s Chavez to meet with Clinton,” *Reuters Limited*, (13 January 1999).

⁸ Douglas Farah. “U.S. Warns Incoming Venezuelan President; Radical Political or Economic Measures Could Sour Relations, Chavez Is Told,” *The Washington Post*, (10 December 1998).

⁹ Juan Forero. “Polemics Put News Media Under Threat In Venezuela,” *The New York Times*, (19 October 2001).

¹⁰ Ibid.

The story's sourcing of information is also problematic. The presentation of sources is an editorial decision that can change a story's entire angle. Though quoted sources on both sides of the issue are quantitatively equal, they are very unbalanced qualitatively. Critical voices of Chávez come from a "Bush administration official in Washington," an editor of Caracas opposition paper *Tal Cual*, and a researcher for the New York-based Committee to Protect Journalists.¹¹ Support for Chávez was given through selected quotes from a speech Chávez gave himself, only once quoted in full context, Chávez' defense minister, and a random Chávez supporter on the street.¹² All three of these sources give shallow defenses when compared to the official U.S. line offered from the critical sources.

On April 12, 2002, Hugo Chávez was forcibly removed from power by his opposition and replaced by businessman Pedro Carmona. Two days later, Chávez was restored to the presidency, but his brief absence and the role of the Venezuelan private media in both instigating and perpetuating it, was the subject of media frenzy. On April 13, 2002, *The New York Times* issued an editorial applauding the removal of Chávez as a victory for democracy, claiming in its first sentence that the president had resigned his post. The story stated, "Mr. Chavez, a ruinous demagogue, stepped down after the military intervened and handed power to a respected business leader, Pedro Carmona."¹³ The piece also went on to discuss the benefits in oil policy Washington stood to gain from Chávez removal, explicitly stating, "Washington has a strong stake in Venezuela's recovery," also listing other regional interests for Washington in the removal of Chávez, but calling the coup "a purely Venezuelan affair,"

¹¹ Ibid.

¹² Ibid.

¹³ Editorial Desk. "Hugo Chávez Departs," *The New York Times*, (13 April 2002).

effectively denying direct involvement from Washington in the extra-constitutional removal of the president.¹⁴ An editorial from *The Washington Post* published the same day laid the blame for the coup at the feet of Chávez himself, at once calling for a return to democracy but pardoning the abandonment of democracy as the consequence of the bad behavior of Venezuela's "terrible leader."¹⁵ The claim of Chávez' resignation would later be corrected and the coup recognized for its true nature in subsequent coverage, but the fact remains that the initial reaction of prominent U.S. news media was to celebrate the removal of a democratically elected president by undemocratic means.

In the aftermath of the coup, the role the private news media of Venezuela played in the attempted abortion of Chávez' presidency received scant coverage, and the attention it was given seemed to paint the private media as a victim of the tyranny that was almost removed. During the 2002 coup, the private media manipulated coverage to aid the coup plotters in overthrowing Chávez, a situation that will be discussed in more detail later. A piece from the *Wall Street Journal* published days after the president's return to power sported the following headline: "News media face questions on role in Chávez coup – president's supporters turn against reporters; longstanding antagonism."¹⁶ The article's first sentence states the "alleged favoritism" news media shows to opposition forces in Venezuela is "subjecting the media to wrath on the streets and scrutiny in Congress."¹⁷ Here the story has let the reader know who is the protagonist of this story – the media – and who is the antagonist – the Chavista left controlling the streets and the legislature. The story, centered on the impending investigation

¹⁴ Ibid.

¹⁵ "Venezuela's Breakdown," *The Washington Post*, (13 April 2002).

¹⁶ Marc Lifsher and Matt Moffett. "News media face questions on role in Chávez coup – president's supporters turn against reporters; longstanding antagonism," *The Wall Street Journal*, (17 April 2002).

¹⁷ Ibid.

into the media's role in "fomenting last week's frustrated effort to oust Mr. Chávez," quotes only one Chávez administration official but lets two private media moguls dominate the article's dialogue. The story leaves off looking toward another "potential form of censorship" for the private media in a regulatory media law heading toward debate in Venezuela's legislature.¹⁸

Conflict between the media and the government in Venezuela also received coverage from U.S. media during the beginnings of the presidency of Nicolás Maduro, Chávez' chosen successor, who was elected in 2013 to take the helm of the revolution. The 2013 announcement of the impending sale of privately owned Venezuelan television station Globovision drew much media scrutiny as a deep blow to press freedom in the country. The station, described as the last independent network in Venezuela, operated as a bastion of the opposition and was one of the private stations involved in coverage blackouts surrounding Chávez' return to power after the coup in April 2002 that removed him from power. An article from The New York Times describes the network's sale as the end of critical debate, quoting an analyst from the Committee to Protect Journalists as saying, "If what is being announced comes to pass, then we would have a broadcast spectrum inundated with voices close to officialdom. And that will hurt audiences, who will have fewer options. Distinct, opposing voices feed democracy."¹⁹

A piece from the editorial board at The Washington Post on the network's sale said Globovision's situation represented a stepping up of "the offensive [Chávez] led against

¹⁸ Ibid.

¹⁹ Juan Forero and Emilia Diaz-Struck. "With sale, Venezuela's last critical news outlet may be neutralized; Long a critic of Venezuela's government, the Globovision network is to be sold," *The New York Times*, (14 April 2013).

democratic institutions in Venezuela and across Latin America.”²⁰ Likewise, a Wall Street Journal editorial asserted the sale was forced by the Venezuelan government “to silence the last major television voice not under its control.”²¹

In a point of comparison of coverage, the government of Mauricio Macri in Argentina, elected to the presidency in 2015, exhibited behavior that could be termed an assault on press freedom by announcing on March 28, 2016, it would pull its investment stake in regional media outlet Telesur. The public, multi-state sponsored broadcast network is the brainchild of the Bolivarian government in Venezuela, founded in 2005 as an alternative news source for Latin America in competition with outlets like CNN Español or privately owned media. U.S. media coverage of the decision to break with Telesur in the days following the announcement consisted of reprints of an Associated Press wire report and a single original bulletin in the New York Times that amounted to 176 words in the paper’s late edition.²² Considering the vehemence expressed in the media against lesser offenses against private media in Venezuela, the lack of coverage of this explicit rejection of a media voice is conspicuous. Just days before this announcement, President Barack Obama was in Argentina on a diplomatic visit to explore the relationship moving forward between the newly elected center-right Macri and the U.S. government. Macri, whose election has introduced tension in the Argentina-Venezuela relationship as noted by the article, replaces Chávez-friendly executive Cristina Fernández de Kirchner at Argentina’s helm.²³

²⁰ Editorial Board. “Free speech under fire,” *The Washington Post*, (17 March 2013).

²¹ “Venezuela Takes Out Another Critic,” *The Wall Street Journal – U.S. Edition*, (14 March 2013).

²² Frederick Bernas, “The Americas; Argentina: President Won’t Fund Leftist TV Network,” in *The New York Times*, (29 March 2016).

²³ Ibid.

Coverage of Venezuela by the prominent U.S. media outlets The New York Times, The Washington Post, and The Wall Street Journal during the presidency of Hugo Chávez have exhibited an editorial slant against the Bolivarian revolution's policies, even going so far as to ignore the demands of democracy in order to declare its stance against him. This is not to say that these outlets are maliciously aiming to stir unrest or opposition with their reporting. Rather, these examples of coverage of the Chavista regimes in Venezuela illustrate the way the U.S. media's denunciation of Chávez's policies, particularly in relation to the treatment of private media, flow from an acceptance of dominant social attitudes toward the left in Latin America and of the righteous intentions and objectivity of organizations like the Committee to Protect Journalists, the Inter-American Press Association, and Freedom House, from which coverage is often sourced and which have the backing of government institutions like the U.S. Department of State. This reliance on official sources as a driver of the news is a pitfall that manifests itself in many ways – some far less direct than an editorial explicitly siding against an enemy of the United States government.

In a news story, structure is highly important. In fact, in my own personal experience, structure and framing of a story is taught before basic mechanics of journalistic writing. The beginning of any news story that's been well done will lead with what it considers to be the most important or vital information the reader needs to know and then work its way down to less important content. In this "inverted pyramid" structure of writing, as it is termed in the industry, the information at the end of the story is what the writer or editor determines to be background, contextual information not immediately necessary to understand the story. As Martin A. Lee and Norman Solomon write in their examination of bias in news media, "The

structure of a news article can convey a distinct ideological bias.”²⁴ Given this general rule of news writing, a bias in U.S. coverage of Venezuela becomes clear when article after article opens its story with official U.S. government or NGO sources and leaves critical voices to speak from the story’s conclusion.

Lee and Solomon go on to examine other ways coverage by U.S. media of human rights abuses – like repression of freedom of the press – are influenced by the government. A New York Times correspondent in Central America in the ‘80s, James LeMoyne is quoted as saying coverage of human rights is “policy driven.”²⁵ Examples of this are found in the U.S. reporting on the closure of or violence against several publications in Central America. The closure of prominent opposition outlet La Prensa in Nicaragua by the Sandinista government was widely covered “as an example of Sandinista totalitarianism,”²⁶ while U.S. media nearly ignored the actions of counter-revolutionary forces in El Salvador against the press – one editor was murdered and another media office was attacked.²⁷ The U.S. government was actively opposed to the Sandinistas and aided the Salvadoran government and military in their fight against the revolutionary guerillas. These are but a few of several instances in which there are clear correlations between U.S. political and economic interests in a region and coverage of human rights violations in that region.

With this understanding of the way freedom of the press in Venezuela under Chávez was generally covered by some of the major news outlets in the U.S., a review of the political and economic interests in Venezuela as well as a deeper look at the media situation under

²⁴ Martin A. Lee and Norman Solomon, *Unreliable Sources*, (1990) p. 298.

²⁵ Ibid, p. 303.

²⁶ Ibid, p. 304.

²⁷ Ibid, p. 304.

Chávez will illuminate some of the ways U.S. media coverage of Venezuela may not be presenting the whole, objective picture to the public. There are layers of interests and beliefs about the press as an institution that affect coverage, and the context of Venezuela needs to be understood to deconstruct the strong criticism coming from U.S. media.

III. Historical Review of the Bolivarian revolution

Hugo Chávez was elected to the presidency of Venezuela on December 6, 1998, with a 56 percent majority of the popular vote. This political outsider represented the collapse of the old Venezuelan political system in favor of a movement toward Chávez's new nation, The Bolivarian Republic of Venezuela. The new president promised radical changes for Venezuela, including a new constitution and better management of Venezuela's life-blood: its oil.

In this section of the study, I will be reviewing the historical context of this Bolivarian Revolution and the policy highlights of the Chávez government (1998-2014). This review will progress chronologically beginning with a background sweep of Venezuela's oil economy and democratic politics and will move into examinations of Chávez's relationships with oil and media respectively to draw out the parallel interests of the private media and the old oil elite against Chávez's nationalization policies and increased control over the lucrative oil industry in Venezuela. In looking at these closely connected groups, it can be seen that the U.S. government, as an importer dependent on Venezuelan oil and also a potential investor in the oil industry, has an interest in supporting the opposition's aims and standing in opposition to Chávez's policies.

Background: Oil and Political Development

Venezuela's massive oil reserves began to be highly exploited in the early 20th century when a foreign oil company, Royal Dutch Shell, struck liquid gold in 1914. Many other foreign companies followed suit, and by 1928 Venezuela was the world's largest oil exporter.²⁸ Another source states Venezuela's exports were dominated by oil at 91.2 percent by 1935.²⁹ This dominance of the oil industry in the economy meant that other sectors suffered as their production capabilities were outpaced by the demand fostered by flowing oil wealth. Domestic industry and agriculture shrank dramatically throughout the 20th century, and consumer goods and food came increasingly from imports.³⁰ This economic direction away from agriculture led to urbanization, and Venezuela "rapidly became the second most urbanized country of Latin America."³¹ Politically, this rise in oil importance meant that the traditional elite class in Latin America – the large agricultural landowners – was weak in Venezuela, but the dominance of foreign companies until the industry was nationalized prevented a local class of "oil barons" from moving into the forefront of the political arena.³²

Filling the role of political architects were the dominant political parties through the mechanism of the state as the regulator of the oil industry.³³ In the 1940s, the Venezuelan state began to take steps toward national control of the oil industry where the government was given a larger stake in the profits of the oil companies, and government involvement grew

²⁸ Larry B. Pascal, "Developments in the Venezuelan Hydrocarbon Sector," in *Law and Business Review of the Americas*, 15:3, (2009) p. 532.

²⁹ Gregory Wilpert, *Changing Venezuela by Taking Power*, (2007) p. 10.

³⁰ Ibid, p. 11.

³¹ Ibid, p. 11.

³² Ibid, p. 11.

³³ Ibid, p. 12.

moving forward until the oil production industry in Venezuela was nationalized in 1973 by President Carlos Andres Perez.³⁴ This nationalization did little to put the government in effective charge of the industry, catering to former international owners through contracting terms, pricing, and a board of directors chosen from the company's own management.³⁵ In the 1990s, the industry began to open up again to external forces by encouraging investment and partnerships from international companies.³⁶ This liberalization of the oil industry would become a central point of blame from Chávez whose platform targeted the national oil company Petroleos de Venezuela (PDVSA) for reform and stronger control by the state.

The democracy established following the end of the dictatorship of Marcos Perez Jimenez aimed for political stability in the form of the 1958 "Pact of Punto Fijo" through which the dominant mainstream parties Acción Democrática (AD), Comité de Organización Política Electoral Independiente (COPEI), and the lesser Unión Republicana Democrática (URD) agreed to circle the wagons against political upheaval to the country's new democracy. The threats perceived: radical parties' gaining power – particularly Communists – and explosive tensions from one party dominating the political sphere.³⁷ What resulted was a consistent rule by the pacted parties until the 1990s and the election of Rafael Caldera.³⁸

The stability of the Punto Fijo democracy eventually became a liability, the two parties not taking innovative approaches to changing social and economic realities of Venezuela.³⁹ The late '70s marked the beginning of a long-term downturn for the Venezuelan economy due to

³⁴ Pascal, p. 532-533.

³⁵ Wilpert, p. 89-90.

³⁶ Pascal, p. 533.

³⁷ Wilpert, p. 12.

³⁸ Ibid, p. 13.

³⁹ Ibid, p. 14.

the country's large foreign debt and increasing production costs combined with a growing population and the decreasing price of oil on the global market.⁴⁰ The country, at the mercy of oil, had little defense against the income squeeze. Gregory Wilpert, in his survey of the Venezuelan government of Chávez, cites the poverty rate in 1996 to have reached 65 percent of the population, and the hardship served as a shock to the system for a middle class that had grown accustomed to a standard of living bolstered by oil booms.⁴¹

The resources the political parties used to maintain their control over the state were dwindling and the response was to turn to loans from the International Monetary Fund which brought along neo-liberal reforms under Carlos Andres Perez in 1989. The belt-tightening from these “structural adjustment” packages – adopted in contradiction to Perez’s campaign messages – caused popular rioting that in February 1989 culminated in deadly clashes between the army and protesters called the “Caracazo.”⁴² Punto Fijo democracy was meeting its end, and following his failed attempt to overthrow the Perez government in 1992, Colonel Hugo Chávez began to emerge as the way toward a new beginning.

The election of Hugo Chávez in 1998 represented a significant break with the dominant pattern of economics in Latin America, where neo-liberalism ruled during the end of the 20th century.⁴³ By the end of his first year in office, Chávez had the new constitution he had promised passed with 72 percent of the vote.⁴⁴ This constitution introduced several changes to the political system of Venezuela, including the name of the country itself. Among the rights

⁴⁰ Ibid, p. 13.

⁴¹ Ibid, p. 13.

⁴² Ibid, p. 14, 16-17.

⁴³ Dick Parker, “Chávez and the Search for an Alternative to Neoliberalism,” in *Venezuela: Hugo Chávez and the Decline of an “Exceptional Democracy,”* Steve Ellner and Miguel Tinker Salas (eds.), (2007) p. 60.

⁴⁴ Wilpert, p. 21.

enshrined by the document are human rights (civil and social), health care as an “obligation of the state” – women’s rights, indigenous rights, and of particular interest to this study, the right to information.⁴⁵

In 2000, in accordance with demands of the new constitution, every elected official in the newly renamed Bolivarian Republic of Venezuela, including the president himself, was subject to an election process to “re-legitimate” their post.⁴⁶ With this “mega-election” and the subsequent appointments by the now Chavista-dominated National Assembly, the Bolivarian Revolution was able to solidify the transition of the political system out of the hands of the Punto Fijo parties.⁴⁷

Chávez and Oil

Also among Chávez’s top priorities at the outset of his presidency was the righting of the oil ship. Global oil prices were bottoming out when Chávez came to the presidency, and the new president set his sights on strengthening the Organization of Petroleum Exporting Countries (OPEC) to drive prices back up, an effort which saw rapid results.⁴⁸ OPEC’s efforts to raise and maintain oil prices, which rose from record lows around \$7 per barrel at the end of 1998 to just above \$20 per barrel by December 1999, was dubbed “nothing less than economic warfare,” by U.S. Senator Charles Schumer.⁴⁹ This reaction foreshadows the conflict brewing over the conflicting interests in Venezuelan oil between the United States as importer and exporter Chávez’s mission to transform Venezuela with oil income.

⁴⁵ Asamblea Nacional Constituyente, *Constitución de la República Bolivariana de Venezuela* (1999).

⁴⁶ Wilpert, p. 22.

⁴⁷ Ibid, p. 22

⁴⁸ Parker, p. 64.

⁴⁹ Bhushan Bahree and Steve Liesman, “OPEC Committee Recommends Maintaining Cutbacks Until March,” in *The Wall Street Journal*, (22 Sep. 1999).

In initial domestic approaches to the state oil company, the Chávez administration concretely protected PDVSA as the property of the government with the 1999 constitution, in rejection of the movements to privatize the company from Chavez's predecessors.⁵⁰ As far as actual policy action in reforming the company's management, however, Chávez was fairly cautious in the beginning. While ownership of the company was held squarely by the government, international involvement wasn't much affected until the 2001 Hydrocarbons Law raised royalties on oil extractions by all companies involved from their previous 16.6 percent to 30 percent.⁵¹ This short-circuited previous business schemes that allowed profits to be hidden away in international subsidiaries in order to cut the tax income the government received from oil ventures.⁵² The law also required that the Venezuelan state hold a majority investment in any partner venture with international oil companies concerning "actividades primarias,"⁵³ which is activity associated with extracting and transporting unrefined crude oil. In 2005, this law was taken a step further by shifting the "operating agreements" held by 32 companies operating oil fields in the country – established during oil liberalization moves in the '90s – to the legal category of "jointly owned enterprises,"⁵⁴ by which they would be subject to the 2001 Hydrocarbon Law's income tax rates and majority control by the Venezuelan government.

The legal framework of PDVSA's management wasn't the only aspect of the company Chávez reformed. The upper sectors of PDVSA personnel in Chávez's early years as executive comprised an opposition sector to his plans for the company – a conflict that moved into the open during the oil industry strike from December 2002 to February 2003. During the strike,

⁵⁰ Wilpert, p. 94.

⁵¹ *Decreto Con Fuerza De Ley Organica De Hidrocarburos*, (13 Nov. 2001)

⁵² Mike Gonzalez, *Hugo Chávez: Socialist for the Twenty-First Century*, (2014) p.73-74.

⁵³ *Decreto Con Fuerza De Ley Organica De Hidrocarburos*.

⁵⁴ Pascal, p. 548.

organized by the opposition to Chávez (i.e. old political elite), more than 18,000 oil industry workers from the “white collar” sectors of the company walked away from their posts in an action organized by the company's managers and eventually were fired.⁵⁵ The Chávez government was able to restart production and reorganize the leadership of the company to bring it into closer allegiance to the government.⁵⁶

During this strike, another crucial aspect of external control over the oil industry was revealed. Technical operations and data processing for PDVSA had been sourced to a U.S. company called Science Applications International Corporation (SAIC) – the joint venture in Venezuela created by this partnership was called INTESA.⁵⁷ INTESA blacked out its services to PDVSA as part of the strike, essentially locking the company out of its own data processing systems. It was later revealed that SAIC, the majority owner of the joint enterprise, had strong connections to the U.S. defense industry, raising questions that have yet to be answered about the involvement of the U.S. company in the strike aimed at crippling the Chávez government.⁵⁸

As his presidency marched on, Chávez consolidated the control of the government over oil, aiming to stamp out dependence on what he deemed imperialistic powers controlling his country's economy. Part of this exercise of control over oil was the regional integration in Latin America through energy agreements.⁵⁹ Additionally, Chávez explored relationships with potential markets for Venezuelan oil in China, Russia, and other market giants, lessening the dependence on U.S. purchases. Chávez also tightened his relationship with Fidel Castro,

⁵⁵ Parker, p. 65.

⁵⁶ Richard Gott, *Hugo Chávez and the Bolivarian Revolution*, (2005). p. 252.

⁵⁷ Wilpert, p. 98.

⁵⁸ Ibid, p. 98.

⁵⁹ Ibid, p. 99.

agreeing to provide oil at a discounted cost to the fellow socialist revolutionary.⁶⁰ These connections with U.S. rivals in the world market – and a regional sore spot in Cuba – would probably have been perceived by the U.S. government as a challenge to U.S. influence in the region, especially given Chávez’s outspoken rhetoric against U.S. influence.

In summary, the approach to oil Chávez’s government pursued was one of continually stripping away the autonomy previously held by PDVSA and bringing the company closer and closer to heel. The company’s earlier outward orientation – structured in such a way as to minimize profits turned over to the state⁶¹ – was gradually forced inward through tax reform and redefinition of enterprise ownership. This process in turn removed power from international oil investors and companies operating in the country, including investors from the U.S. Additionally, Chávez moved the region as a whole toward energy integration while working to box out U.S. economic influence and break dependency of Venezuela’s oil economy on the major market in the U.S. through new trade partnerships. Old political and oil industry elites being removed from spaces of influence stood in vehement opposition to Chávez and his policies, and it can be seen that the U.S. as an importer of Venezuelan oil and home to traditional investors in the industry stood to lose as well from the increasing nationalization of PDVSA and oil wealth.

Chávez and Media

In 1998, the year of Chávez’s election, the media landscape in Venezuela was dominated by private outlets. In broadcast media, for example, the ratio of private stations to public ones

⁶⁰ Gott, p. 267

⁶¹ Gonzalez, p. 73-74.

was 18 to one, respectively.⁶² Data on television market shares in 1996 show that Venevisión – a company in the powerful Grupo Cisneros conglomerate – held 50 percent of the market and RCTV – a station owned by Grupo Phelps – held 30 percent.⁶³ As mentioned before, in his 1998 election Chávez received support from a broad base of society, including some of the mass media. Gustavo Cisneros, of Grupo Cisneros, threw his weight behind the Chávez campaign.⁶⁴ However, as Gregory Wilpert suggests, this initial acceptance of Chávez turned to rancor as the new president managed to wrest political control nearly completely from old party elites during his first years in office. It was these elites who held sway over the nation's mass media.⁶⁵

Richard Gott writes in his book examining the Bolivarian Revolution that the owners of the major television networks in Venezuela – Venevisión, RCTV, Globovisión, and Televen – “were among the wealthiest individuals in the country.”⁶⁶ Grupo Cisneros, owner of Venevisión and one of the most powerful media groups in Venezuela when Chávez came to power, was headed by Gustavo Cisneros, whom Gott describes as intimately linked to political and commercial groups in the United States.⁶⁷ Mike Gonzalez also makes these connections in his biography of Chávez, writing Cisneros was an owner in the Pepsi-Cola franchise, a member of an advisory board for Chase Manhattan Bank, and was in contact with the U.S. government during preparations for the April 2002 coup.⁶⁸ The Grupo Cisneros headquarters did relocate to Miami, Florida, in 2000 as part of an effort apparently to “restructure its operations in

⁶² José Antonio Mayobre, “Venezuela and the Media: The New Paradigm,” in *Latin Politics, Global Media*, Elizabeth Fox and Silvio Waisbord (eds.), (2002) p. 206.

⁶³ Chappell Lawson and Sallie Hughes, “Latin America’s Postauthoritarian Media,” in *(Un)civil societies : human rights and democratic transitions in Eastern Europe and Latin America*, (2005) p. 177.

⁶⁴ Gonzalez, p. 75.

⁶⁵ Wilpert, p. 20.

⁶⁶ Gott, p. 247.

⁶⁷ Ibid, p. 247.

⁶⁸ Gonzalez, p. 92.

Venezuela around its international communications operations.”⁶⁹ According to Gott, the Caracas newspapers were also linked to old party control. Editor of *El Universal* Andrés Mata and editor of *El Nacional* Miguel Henrique Otero, he says, were “formerly associated with Acción Democrática.”⁷⁰ Otero would go on to form political opposition group Movimiento 2D, while also retaining his post at the helm of *El Universal*.

The initially receptive relationship of the media to Chávez began to sour with the enacting of Chávez’s Bolivarian Constitution in 1999. One of the rights specifically enshrined in the new constitution is the right to information. Article 58 protects the right to “timely, truthful and impartial information, without censorship,”⁷¹ a qualification ultimately included after strong debate.⁷² This clause was decried by opponents as a potential weapon of the government to silence troublesome media. Another early source of contention between Chávez and the media was the president’s use of “cadenas” – or required broadcasts – to present his government’s message to the masses. These broadcasts would override whatever programming the television stations had lined up. As it became clear just what kind of radical transformation Chávez planned on bringing to Venezuela, the media drew closer and closer to the opposition voices from wealthy, old-party elites. An article in a 2005 edition of the *Columbia Journalism Review* states that Venezuelan journalists have admitted their discarding of objective journalism to “spearhead an opposition movement against Chávez.”⁷³

This opposition movement came to a head in 2002 with an attempted coup d’état against Chávez. On April 11, 2002, protests organized by opposition groups in the streets of

⁶⁹ Mayobre, p. 182.

⁷⁰ Gott, p. 248.

⁷¹ Asamblea Nacional Constituyente, *Constitución de la República Bolivariana de Venezuela* (1999).

⁷² Wilpert, p. 33.

⁷³ John Dinges, “Soul Search,” in *Columbia Journalism Review*, (2005) p. 53.

Caracas turned violent, and Chávez was blamed for the bloodshed. Chávez was arrested, taken out of Caracas, held under military guard, and replaced by businessman and opposition leader Pedro Carmona Estanga at the head of the Venezuelan government. The coup leadership proceeded to dismantle the state apparatus, operating under the fabricated claim that Chávez had agreed to resign the presidency, before loyal military members retook the presidential palace and restored Chávez to power on April 14, 2002.⁷⁴

The April coup illuminated the lengths the private media was willing to go to in order to rid their country of Hugo Chávez. Gott accuses the owners of prominent media outlets of colluding in the advance plotting to remove Chávez.⁷⁵ Andres Izarra, later to become Chávez's minister of communication and information, was a journalist at RCTV when the coup took place. In the month before the coup, Izarra said, an anti-Chávez demonstration was covered at length by the station while the march of Chávez supporters was ignored.⁷⁶

On April 11, the four major TV stations aired extensive coverage of another opposition protest connected to a national strike. As reported by Izarra in the *Columbia Journalism Review*, this coverage included "on-air admonitions for people to join the strike and the day's march."⁷⁷ When the opposition and pro-Chávez marches collided and gunfire broke out, the television stations aired footage edited to show Chávez supporters firing into the crowd of opposition marchers. In reality, "the shots were fired by snipers on the roof of the Eden Hotel, beside the bridge, and the man photographed firing his pistol from the bridge was a government

⁷⁴ Gott, p. 224-236.

⁷⁵ Ibid, p. 224.

⁷⁶ Dinges, p. 55.

⁷⁷ Ibid, p. 55.

supporter firing back at them.”⁷⁸ Chávez used the cadena broadcast system in an attempt to control the situation on the airwaves, but the private television stations split the screen to simultaneously show a Chávez speech and the violence in the streets around Miraflores, the presidential palace.⁷⁹ The only government television channel, Canal Ocho, was removed from the air by coup plotters.⁸⁰

The manipulation of the footage by the private media served the interest of the coup plotters as several generals publicly blamed Chávez for the outbreak of violence. One on-air call for the removal of Chávez, a statement from an officer of the Venezuelan navy, accused the president of “massacring innocent people with snipers.” This broadcast is alleged to have been pre-recorded earlier that day “in the presence of several journalists.”⁸¹ In the early hours of Friday, April 12, Chávez was removed from power, and the principal private television stations entered a new phase of coup engineering. Leaders of the overthrow appeared on television falsely asserting that Chávez had capitulated to the military’s request for his resignation.⁸² Private media aired entertainment content rather than cover the chaos abounding in the nation’s capital as the coup government led by Pedro Carmona went about its work on Friday.⁸³ Izarra said he was given orders to send his RCTV reporters in search of “live shots of tranquility,” while protests in the city claimed the lives of 19 people in total from both sides of the conflict.⁸⁴

⁷⁸ Gonzalez, p. 85.

⁷⁹ Gott, p. 226.

⁸⁰ Sujatha Fernandes, “Radio Bemba in an Age of Electronic Media,” in *Venezuela’s Bolivarian Democracy*, David Smilde and Daniel Hellinger (eds.), (2011) p. 136.

⁸¹ Gott, p. 226.

⁸² Dinges, p. 56.

⁸³ Fernandes, p. 136.

⁸⁴ Dinges, p. 56.

On Saturday the coup government under Carmona struggled to maintain control as support from the military for the removal of Chávez began to splinter. The heads of the four major private television stations and the prominent newspapers El Universal and El Nacional were gathered to meet with interim president Carmona at Miraflores.⁸⁵ On Sunday, as the Carmona government rapidly deteriorated, the major news media were silent on the resurgence of Chávez support. The Columbia Journalism Review reports that RCTV had an exclusive coverage opportunity of the military commander in Maracay asserting his unit's support for Chávez, but Izarra, the editor for the report, was ordered to keep the coverage off the air.⁸⁶ Similarly, El Universal and El Nacional published no Sunday edition of their papers, "whose lead stories should have been on the crumbling coup and Chávez's imminent return to power."⁸⁷ When popular protests against the coup spurred the presidential guard to retake Miraflores, the private television stations aired "cartoons and old movies."⁸⁸

Though the April coup failed, the private media remained on the attack against Chávez. During the oil shutdown that began in December 2002, the four main television stations acted as cheerleaders for the strike, donating air time for pro-strike advertisements.⁸⁹ Here in this opposition offensive in the media can also be found traces of U.S. government support for the actions of the private media to undermine Chávez. Gregory Wilpert writes that a media campaign funded by the U.S. Agency for International Development through its private channel Development Alternatives, Inc. received around \$10,000 in order to collaborate with then head of Fedecamaras Carlos Fernandez for the promotion of "the values of a modern and democratic

⁸⁵ Gott, p. 234.

⁸⁶ Dinges, p. 56.

⁸⁷ Ibid, p. 56.

⁸⁸ Gott, p. 247.

⁸⁹ Wilpert, p. 172.

society breaking with the patterns of paternalism and populism,”⁹⁰ through radio and television commercials. The project’s dates of funding line up with the oil strike’s duration from December to February, and Fernandez was a leader of the strike which was being cheered by the television stations. Wilpert asserts that the USAID funding in fact produced the advertisements on behalf of the strike.⁹¹

In the years after the coup, the private media kept up its anti-Chávez litany, but also faced increasing scrutiny and distrust from the Chávez government. Upon regaining power, Chávez initiated an investigation into the role of the media in his overthrow.⁹² In 2004, a new media law was enacted to govern “the social responsibility of the presenters of radio and television services,” and the electronic media industry as a whole.⁹³ The law provides a schedule of programming that aims at restricting content with sexual, violent, or language laden content during hours when children would be engaging with media.⁹⁴ Critics of the law say it acts as a “strategy to silence opposition media,” through its content restriction.⁹⁵

The law appears to have much in common with Federal Communication Commission regulations regarding the broadcast of indecent or profane material in the U.S. Between 6 a.m. and 10 p.m., broadcasters must adhere to the FCC’s indecency standard “to protect children from harmful content.” The FCC has the power to “issue civil monetary penalties, revoke a license, and deny a renewal application,” for those broadcasters who fail to adhere to FCC

⁹⁰ Ibid, p. 172.

⁹¹ Ibid, p. 172.

⁹² Gonzalez, p. 92.

⁹³ Asamblea Nacional de la República Bolivariana de Venezuela, “Ley de Responsabilidad Social en Radio, Televisión y Medios Electrónicos,” (2004) p. 5.

⁹⁴ Ibid, p. 11.

⁹⁵ BBC News, “In Depth: Media in Venezuela,” *BBC.com*, (3 October 2012).

regulations.⁹⁶ Likewise, Venezuela's "Resorte Law," as the social responsibility law is called, is enforced by the Venezuela National Telecommunications Commission (CONATEL), which has power over licensing and fines for radio, television, and electronic media according to the Organic Telecommunications Law.⁹⁷ The Resorte Law, however, has been cited by U.S.-based media watchdogs like Freedom House as a factor in the Chávez regime's oppression of press freedom.⁹⁸ Indeed, beyond just delineating content schedules, Article 29 of the law does prescribe the revocation of broadcast concessions that "are in opposition to national security."⁹⁹ It should be noted, though, that since the terrorist attacks of September 2001, the U.S. media is also more closely managed in consideration of "national security," and the Venezuelan government had already experienced the highest of threats to national security from the private media itself in the April 2002 coup. The letter of the law may appear harsh and restrictive to a society like the U.S., with a long history of stability in political and press institutions, but the Venezuelan context is a very different beast.

In 2007, Venezuela's private media attracted international attention when it was announced that the broadcast license of RCTV, the nation's most popular television channel, would not be renewed. The Venezuelan government defended the decision as the station's just consequences for its role in the 2002 coup and other broadcast law violations.¹⁰⁰ However, the decision was labeled an assault on press freedom in Venezuela by international groups like the

⁹⁶ Federal Communications Commission, "Regulation of Obscenity, Indecency and Profanity," *FCC.gov*.

⁹⁷ Asamblea Nacional de la República Bolivariana de Venezuela, "Ley Orgánica de Telecomunicaciones," *conatel.gob.ve*.

⁹⁸ Freedom House, "Venezuela: Freedom of the Press 2013," *Freedomhouse.org*, (2013).

⁹⁹ "Ley de Responsabilidad Social en Radio, Televisión, y Medios Electrónicos."

¹⁰⁰ Wilpert, p. 223-224.

Inter-American Press Association and the Committee to Protect Journalists.¹⁰¹ Wilpert makes the point that the removal of RCTV from the airwaves may not be a blow to press freedom since the station had already proven itself to be a decidedly non-objective voice and the vacuum could be filled by a new, more truly free voice:

“Taking RCTV off the air does restrict freedom of speech if you believe that this is measured by the freedom of those who own the resources for using the airwaves. If, however, freedom of speech means that every view – regardless of its holder’s personal wealth – has an equal opportunity to be broadcast, then the degree of freedom of speech in Venezuela actually depends on what RCTV will be replaced with.”¹⁰²

RCTV was replaced by government channel TVes. A BBC report from 2012 shows however, that the distribution of television audience shares in Venezuela, despite this removal of a highly popular channel, left the private media far ahead of state owned channels in market share. Venevisión alone claimed 26.18 percent of the television audience. Data from CONATEL in the same report listed 70.36 percent of TV and radio ownership to be privately held versus the government’s 4.5 percent.¹⁰³

The missing piece of the Venezuelan media puzzle is found in the country’s community media. This same BBC brief reported that community media owned 25.05 percent of radio and television media in 2012.¹⁰⁴ Early communications laws and regulations from the Chávez government created the space for community media to emerge, and the dominant private outlets’ use of their control over the media landscape to warp political action and debate in favor of the opposition groups spurred the desire for communities to take control of their

¹⁰¹ Ibid, p. 223.

¹⁰² Wilpert, p. 224-225.

¹⁰³ BBC News.

¹⁰⁴ Ibid.

information systems.¹⁰⁵ One example of this community media is television outlet Catia TVe. Though dependent on funds from the airing of government-created material, the station sees itself as a legitimate part of the revolutionary state formation by involving members of its neighborhood in the creation of media, the “central site for cultural and political struggle.”¹⁰⁶ Law dictates that 70 percent of a community station’s programming must be created by volunteers rather than station staff, and furthermore, employees of private mass media, party officials, nor military members can serve as community media directors.¹⁰⁷ The community media are intended to be places for ordinary citizens to fill the gaps of mass media coverage with the stories they want and need. This is epitomized in Catia TVe’s slogan “¡No vea televisión, hágala!” – “Don’t watch television, make it!”¹⁰⁸

To summarize, privately owned mass media is a traditional stronghold for the opposition in Venezuela, at times openly hostile and even subversive toward the elected Chavista government. From the other side, Chávez exhibited hostile behavior toward the media as well. I don’t attempt to argue that criticisms of Chávez’s treatment of the press are unfounded – media laws in Bolivarian Venezuela cast a wide net for offensive content and Chávez’s penchant for publicly berating the press, sometimes as individuals, was cause for concern. Rather, I argue that the private mass media of Venezuela themselves abandoned their role as objective public servants and thus put Venezuela’s free press in harm’s way.

Furthermore, new journalistic voices in the form of community media were actually fostered under Chávez. Criticisms of press freedom in Venezuela that focus only on the threats to private

¹⁰⁵ Fernandes, p. 135-136.

¹⁰⁶ Naomi Schiller, “Catia Sees You,” in *Venezuela’s Bolivarian Democracy*, David Smilde and Daniel Hellinger (eds.), (2011) p. 114.

¹⁰⁷ Ibid, p. 114.

¹⁰⁸ Ibid, p. 114.

media outlets have not presented the more complicated picture that was the media landscape under Chávez.

The private mass media, owned by and connected to old party elites, actively sided against the Chávez government, which stripped away the traditional power of old Venezuelan elites. This power shift in the country's politics also threatened to rob the U.S. of its traditional power in the country and perhaps even the region, should Chávez's ideas continue to spread beyond the borders of Venezuela. Oil management policies under Chávez were moving further and further away from the liberalization and opening to foreign investor influence his immediate predecessors had begun to pursue. Those who benefitted from liberal oil management and Punto Fijo power structures were also those with influence in the world of Venezuelan private mass media. It follows, then, that sentiment in the U.S. would support the private mass media in its conflict with Chávez, not necessarily because officials of the U.S. government have a primary interest in protecting the Venezuelan independent press, but because the independent Venezuelan press is a link in the chain of protecting the interests of the U.S.

This subordination of democratic principles – particularly the independence of the press – to the extension or protection of economic and political influence is a pattern in U.S. relations with Latin America. This pattern emerges in individual studies of U.S. government action in the revolutionary projects of Guatemala in 1954 and Chile in 1973.

V. Guatemala Case Study

On June 18, 1954, rebel forces entered Guatemala in a coup bent on overthrowing President Jacobo Arbenz Gúzman. Led by exiled military man Carlos Castillo Armas, the invasion force would succeed in displacing the democratically elected Arbenz, replacing him with Castillo himself as Guatemala's executive.¹⁰⁹ Organized and supported by the Central Intelligence Agency, the coup came as a response to the supposedly communist-dominated Arbenz regime, which President Eisenhower's Secretary of State John Foster Dulles called "a danger and a threat."¹¹⁰ However, when taking into consideration the Cold War-influenced pattern of U.S. political thought during the period of Guatemala's revolution (1944-1954) and closely examining the demonstrated realities of the Guatemalan revolutionary governments, it appears that communism's influence on the Guatemalan government was overestimated by the U.S. government—in part as a strategy for defending U.S. business and political interests in the region.

To understand the revolutionary period in Guatemala beginning with its first democratic elections, it is necessary to examine the circumstances the country was under during the autocratic rule of Gen. Jorge Ubico, the government overturned in the revolution. Ubico controlled the state from 1931 to 1944 with the support of the nation's land-owning elite, and during this time foreign investment in Guatemala, especially from the U.S., was allowed to flourish, receiving "substantial concessions" from Ubico's government that enabled economic domination. Three U.S. enterprises in particular held the lion's share of influence of the

¹⁰⁹ Max Gordon, "A Case History of U.S. Subversion: Guatemala, 1954," in *Guatemala in Rebellion: Unfinished History*, Jonathan L. Fried, et al (eds.), p. 59.

¹¹⁰ Gordon, p. 46.

Guatemalan market – United Fruit Company, International Railways of Central America, and Electric Bond and Share.¹¹¹ During the dictatorship of Ubico, 72 percent of the nation's land was concentrated in the hands of just two percent of landowners.¹¹² In addition, a large amount of this farm land was uncultivated, and the country depended on imports for basic domestic needs.¹¹³ Wages for laborers were extremely low – just cents per day – and the country's large population of indigenous people was forced to work a required minimum of 150 days per year, some without any pay at all.¹¹⁴ Guatemala under Ubico was a goldmine for U.S. business interests, and a grave for the nation's own economic and social development.

Ubico was forced from office in 1944 by popular protests and a resignation demanded by influential citizens.¹¹⁵ After a struggle to rid the country of the corrupt political elite intent on maintaining the Ubico system, elections were held in December and Juan José Arévalo was chosen as Guatemala's first democratically elected president.¹¹⁶ Arévalo's election heralded the beginning of significant change in Guatemala and was accompanied by the institution of a new constitution. The constitution legally consolidated fair, democratic rule, protected modern social rights, and granted considerable power to the government over private property.¹¹⁷ Arévalo's term was marked by labor reform, especially as it related to the urban working class. The Labor Code of 1947 significantly changed the way the government related to employers and employees, granting urban workers the right to unionize and created a court system dedicated to solving conflict between workers and business owners. As Stephen Kinzer and

¹¹¹ Gordon, p. 49.

¹¹² Stephen Kinzer and Stephen Schlesinger, *Bitter Fruit* (Garden City, 1982) p. 38.

¹¹³ Gordon, p. 49.

¹¹⁴ *Ibid*, p. 48.

¹¹⁵ Kinzer and Schlesinger, p. 28.

¹¹⁶ *Ibid*, p. 30-31.

¹¹⁷ *Ibid*, p. 33.

Stephen Schlesinger state in their book *Bitter Fruit*, “The underlying concept was that government should no longer automatically support large farm owners and other employers.”¹¹⁸

Not surprisingly, this attitude toward business stirred unease among the wealthy elite and management of foreign corporations, who were accustomed to the absence of governmental control. The reforms taking shape under Arévalo threatened the heretofore unchallenged domination of U.S. corporations in the economy – the United Fruit Company was the largest employer and landowner in Guatemala.¹¹⁹ The new ability for workers to organize strikes unsettled the strict hold United Fruit had over its employees, and the Guatemalan government was sympathetic to the plight of the workers rather than the company.¹²⁰ The anger stirred by the labor code rippled through Washington thanks to United Fruit’s many governmental connections.¹²¹ Communism became a buzzword for U.S. politicians and businessmen. As paraphrased by Max Gordon in his examination of the Guatemalan coup, Henry Cabot Lodge, a Republican senator, proclaimed before the U.S. Senate that “the Guatemalan labor code had been devised to discriminate against United Fruit, and the Company faced a ‘serious economic breakdown’ because of communist-influenced activity.”¹²²

Communism was a growing political base in Guatemala, expressing most of its influence through the labor union system, but as Gordon argues, its “political influence on a government level was generally slight.”¹²³ Arévalo, who had already decried communism as a political

¹¹⁸ Ibid, p. 39.

¹¹⁹ Kinzer and Schlesinger, p. 70.

¹²⁰ Gordon, p. 53.

¹²¹ Ibid, p. 53-54.

¹²² Ibid, p. 54.

¹²³ Ibid, p. 54.

position,¹²⁴ even acquiesced to Washington's insistence that he repress communist organization.¹²⁵ Nonetheless, "anticommunist cold war hysteria" proliferating in the U.S. meant any activity resembling communism, especially that which could directly affect U.S. interests in the Western Hemisphere, was a threat.¹²⁶ When the 1950 elections brought the more radical revolutionary Jacobo Arbenz to the head of Guatemalan politics, the environment was ripening for a grand clash between Guatemala and its powerful neighbor in the north.

Captain Jacobo Arbenz Gúzman was democratically elected in 1950 and officially stepped into the presidency in March 1951.¹²⁷ The president moved forward with projects he hoped would "transform Guatemala into a modern capitalist state," and bring about economic independence from "the U.S. corporations dominating it."¹²⁸ The projects included a new highway from the capital to the Atlantic coast of the country, a new Atlantic port, a state-owned hydroelectric plant, and significant agrarian reform.¹²⁹ All of these projects would compete with monopolies over transport and exportation, power, and land held by the major U.S. enterprises in Guatemala. Kinzer and Schlesinger describe this as a "strategy ... to limit the power of foreign companies through direct competition rather than nationalization,"¹³⁰ a rather capitalist approach.

On June 27, 1952, Decree 900, Arbenz's agrarian reform law, was enacted.¹³¹ The law allowed the government to expropriate unproductive land from farms larger than 223 acres for

¹²⁴ Kinzer and Schlesinger, p. 32.

¹²⁵ Gordon, p. 54.

¹²⁶ Ibid, p. 54.

¹²⁷ Kinzer and Schlesinger, p. 49.

¹²⁸ Gordon, p. 52.

¹²⁹ Ibid, p. 52.

¹³⁰ Kinzer and Schlesinger, p. 53.

¹³¹ Ibid, p. 54.

rental in smaller plots to landless peasants, and the former owners would be compensated according to the land's declared tax value in 1952.¹³² Only a little more than a year into his presidency, Arbenz was going toe-to-toe with a U.S. giant, the United Fruit Company, which lost 240,000 acres on the Pacific coast and 173,000 on the Atlantic – all of which was uncultivated. The value offered for the land according to the company's own tax valuation, was \$600,000. Outraged, the company demanded more than \$15,000,000 for its Pacific coast property alone. The U.S. State Department would later back up this claim formally.¹³³ But United Fruit was not the only target of expropriation. Arbenz took land from his own estate and that of his foreign minister, Guillermo Toriello, among other large estates. About 100,000 families were granted land over the law's 18-month tenure.¹³⁴ It is estimated that distributions across the nation totaled 1,500,000 acres.¹³⁵

As Guatemala's land reform was taking shape, political changes occurred in the U.S. as well. Dwight Eisenhower ascended to the presidency at the start of 1953, in the midst of the agrarian reform expropriations, with a foreign policy staff dominated by those with close ties to the United Fruit Company.¹³⁶ In the eyes of U.S. politicians and businessmen, the attack on United Fruit holdings in Guatemala correlated with increased subversive communist influence in the country, a thought pattern that would have been bolstered by the high Cold War tensions in the U.S.¹³⁷ Workers' strikes against the company and pressure from the Guatemalan government for contract renegotiation were being replicated in Honduras, Panama, and Costa

¹³² Gordon, p. 52.

¹³³ Gordon, p. 55.

¹³⁴ Kinzer and Schlesinger, p. 55.

¹³⁵ Gordon, p. 52.

¹³⁶ Ibid, p. 55.

¹³⁷ Daniel James, *Red Design for the Americas: Guatemalan Prelude* (New York, 1954) p.243.

Rica, placing United Fruit at risk far beyond simply losing acreage in Guatemala. This growing unrest emanating from the Guatemalan agrarian reform law “led the U.S. State Department to conclude that United Fruit interests in all Central America were threatened by the Arbenz government’s policies,” says Gordon.¹³⁸ Patience in the U.S. government for the Guatemalan government was running short, and by mid-1953, pieces were already being put into place to remove the dangerous Arbenz from power.

Max Gordon’s examination provides additional factors that would have pushed the U.S. to such extreme measures in Guatemala. In addition to direct conflict with major business interests, the Arbenz regime threatened to serve as an example of economic independence to other Latin American nations, which could balloon the threat to U.S. business and political interests in the region. Also during the final years of the revolutionary period, Europe was recovering from the disruption of World War II and was “competing aggressively” in Latin America. If the United Fruit Company was weakened throughout the region by economic independence of nations critical to its production, this competition could be devastating.¹³⁹ Another motivation was the desire for access to raw materials in Latin America, which the State Department feared would be hindered by “ultranationalism.” Finally, Eisenhower ran for office on the promise to “roll-back” communism, and Guatemala provided a proving ground for that promise within easy reach, whether or not the communism found there was a significant threat.¹⁴⁰

¹³⁸ Gordon, p. 56.

¹³⁹ Ibid, p. 68

¹⁴⁰ Ibid, p. 68.

The CIA began actively working toward the overthrow of Arbenz in summer of 1953, and declassified documents report a budget of \$3 million for the task.¹⁴¹ Actions taken by the agency with the authorization of offices of the U.S. government include the training of an invasion force in Nicaragua, clandestine propaganda radio broadcasting, and air operations that including bombing runs.¹⁴² This report from the CIA claims the U.S. opposition to the Arbenz government was in response to Communist influence in his administration and “a hardening anti-U.S. policy ... which was targeted directly against American interests in the country.”¹⁴³ Here it is evident that U.S. motivation to combat communism as part of the Cold War mentality went hand in hand with efforts to maintain hegemonic control in the political and economic spheres of Latin America in service of U.S. interests.

According to the United States Information Agency, popular opinion in Latin America during Arbenz’s tenure was not helpful to U.S. interest in his overthrow, “either regarding the Arbenz regime as a ‘homegrown’ revolutionary movement dedicated to improving the lot of the exploited Guatemalans, or preferring to dwell on the United Fruit issue and speculate as to United States motives of economic imperialism.”¹⁴⁴ As a result, aggressive use of media and anti-communist propaganda was another prominent feature of the subversive tactics leading up to the June invasion. A report on actions taken in Guatemala reveals that much focus was placed on “creating greater awareness throughout the Hemisphere of the real threat to peace and security posed by the verifiable communist penetration of the Guatemalan

¹⁴¹ Central Intelligence Agency, “287. Memorandum Prepared in the Central Intelligence Agency,” (May 12, 1975).

¹⁴² Ibid.

¹⁴³ Ibid.

¹⁴⁴ U.S. Information Agency, “Covert Action in Guatemala, 1954,” from *Foreign Relations of the United States, 1952-1954, Volume IV, The American Republics*, p. 1212-1216.

government.”¹⁴⁵ To this end, further plans of action as detailed in a June 1954 memo included “faked kidnappings of prominent Guatemalan citizens and the desecration of Guatemalan churches with pro-communist slogans.”¹⁴⁶

As the position against Guatemala intensified, so did clandestine media efforts. The declassified report of actions by U.S. Information Agency in Guatemala during the coup year states that it planted articles denouncing Guatemalan communists in media outlets in the region with false source attribution.¹⁴⁷ Later in the year, a four-week period yielded “more than 200 articles, backgrounders, and scripts,” for international distribution. Anti-communist propaganda was sent abroad numbering nearly 27,000 items. These items created by USIA were often distributed to the public with no attribution to the true author, seeming to emanate from local outlets themselves.¹⁴⁸ However, because many Guatemalans were illiterate, the CIA also enlisted the help of the Guatemalan Catholic Church to communicate anti-Communist propaganda from the pulpit.¹⁴⁹

Another very important piece of the media infiltration effort by U.S. government organizations like USIA and the CIA was radio broadcast. The CIA reports that it created a radio station in Nicaragua “to intimidate members of the Communist Party and public officials who were sympathetic to the Communist cause.”¹⁵⁰ This station, calling itself The Voice of Liberation, began broadcasting in Guatemala in the beginning of May of 1954 and passed itself off as the “mouthpiece for Guatemalan exiles who would shortly return to free their

¹⁴⁵ Ibid.

¹⁴⁶ Kate Doyle, “Guatemala – 1954: Behind the CIA’s Coup,” (consortiumnews.com, 1997).

¹⁴⁷ U.S. Information Agency.

¹⁴⁸ Ibid.

¹⁴⁹ Richard H. Immerman, *The CIA in Guatemala*, (1982) p. 164.

¹⁵⁰ Central Intelligence Agency, “287. Memorandum.”

country.”¹⁵¹ The station – financed by the CIA and run by CIA-trained operators – claimed it broadcast from within the country, close to the capital of Guatemala City, although it remained well outside the reach of Guatemalan authorities. The station broadcast to a growing audience through the summer, serving the counterrevolutionary goal of moving public opinion in Guatemala against Arbenz and in favor of his removal.¹⁵²

Castillo Armas’s forces, a few hundred strong, entered Guatemala on June 18, 1954, heralded by CIA-authored radio broadcasts calling for the Guatemalan people to rally behind the incoming “Liberation Movement.” One declassified broadcast from the CIA – its true origin flatly denied and authorship attributed to the “National Liberation Committee” – instructs listeners of every level of influence on how to lend their support to the overthrow cause, additionally declaring the invasion to be the harbinger of “a truly democratic order,” and identifying the Arbenz regime with “the forces of darkness, communist conspiracy, and Soviet Russian imperialist expansion.”¹⁵³ Bombing from “U.S. planes flown by U.S. pilots hired by the CIA,”¹⁵⁴ constituted the majority of the violent action, and Arbenz gave in when faced with alienation from his army leadership who personally delivered the demand for his resignation.

The physical bombing attacks were supplemented by psychological attacks via Voice of Liberation broadcasts, which were aired in Guatemala City to the exclusion of other radio voices thanks to signal jamming from the CIA. The only information available was coming from the coup plotters themselves, and they reported the imminent defeat of Arbenz thanks to

¹⁵¹ Immerman, p. 164.

¹⁵² Ibid, p. 164.

¹⁵³ Central Intelligence Agency, “Declassified Message,” in *Born in Blood and Fire*, John Charles Chasteen (ed.), p. 193-194.

¹⁵⁴ Gordon, p. 59.

“relentless advances of well-equipped divisions of rebel troops.”¹⁵⁵ A few days after the beginning of the invasion, the radio station was able to recruit a Guatemalan deserter to its service and broadcast a secretly recorded and edited appeal from the pilot for other members of the Guatemalan military to join the rebel cause.¹⁵⁶ From then on, Arbenz kept his military on the ground for fear of more desertions.¹⁵⁷ Richard H. Immerman states that the effort of the Voice of Liberation to propagate the rebel threat was one of the crucial factors that ultimately sealed Arbenz’s fate. “Had the Guatemalans not fallen for the Voice of Liberation’s ruse,” he writes, “Arbenz’s government undoubtedly would have survived.”¹⁵⁸

But neither Arbenz’s government nor Guatemala’s democracy survived the CIA-sponsored onslaught, and when all was said and done Castillo Armas himself was placed at the helm of the nation through the diplomatic direction of U.S. Ambassador John Peurifoy.¹⁵⁹ The years that followed saw Guatemala return to the poverty-stricken, semi-feudal economy it had been prior to the 1944 revolution. The revolutionary constitution was done away with, agrarian reform was repealed, unions were dissolved, freedoms of expression were suspended, and there was widespread persecution of potential opposition to the new government, members of the Arbenz administration, and peasant cooperative workers.¹⁶⁰ In October, months after the coup, Peurifoy spoke before a Congressional committee in favor of the Castillo Armas government, saying he hoped U.S. aid would continue flowing into Guatemala “so that

¹⁵⁵ Immerman, p. 167.

¹⁵⁶ Ibid, p. 167.

¹⁵⁷ Ibid, p. 168.

¹⁵⁸ Ibid, p. 168.

¹⁵⁹ Gordon, p. 59.

¹⁶⁰ Ibid, p. 61.

Guatemala may resume its place as a prosperous and progressive member in the family of free nations.”¹⁶¹

Use of the media to affect public opinion was not limited to the area of conflict itself. At home in the U.S., the anti-Arbenz government line was published in major media outlets. Heightened Cold War sensitivities during this time period meant that any news item related to communism was of great importance to publishers, so the situation in Guatemala attracted attention from media.¹⁶² New York Times publisher Arthur Sulzberger visited Guatemala in 1949 and subsequently assigned reporters to the country to cover the developments, which according to Immerman “broke the news of the events in Guatemala to the United States public.”¹⁶³ Coverage of Guatemala and UFCO picked up in many major publications, including *Time*, *Saturday Evening Post*, and *U.S. News & World Report*.¹⁶⁴ The “cold war ethos” as Immerman calls it, meant that the villainy of Communism was so deeply entrenched that coverage of anything resembling it would naturally be negative, no matter the story’s source.¹⁶⁵

However, a major source of information for journalists reporting on the Guatemalan situation was the United Fruit Company itself. Father of modern public relations Edward Bernays was the public relations advisor for United Fruit Company in its fight against the Arbenz government and its allegedly communist policies.¹⁶⁶ After the election of Arbenz, Bernays led a cadre of publishers on a mission to Guatemala for reporting purposes. During this invite-only affair, UFCO was able to show off the Guatemala it wished the U.S. public to see. Later, Bernays

¹⁶¹ John E. Peurifoy, “Whose Intervention in Guatemala, Whose Conspiracy?” in *Guatemala in Rebellion: Unfinished History*, (1983) p. 77.

¹⁶² Immerman, p. 112.

¹⁶³ Ibid, p. 112.

¹⁶⁴ Ibid, p. 112

¹⁶⁵ Ibid, p. 113.

¹⁶⁶ Ibid, p. 111.

called the media coverage of Guatemala “masterpieces of objective reporting.”¹⁶⁷ Bernays and UFCO, as Immerman suggests, were not out to control the media, however. Editors and publishers drew conclusions favorable to UFCO interests on their own. To this point, Immerman includes an example of an interview conducted by Samuel Guy Inman with Arévalo in 1950 that was offered for publication to several major U.S. outlets but was summarily rejected. In the interview Arévalo “distinguished his views from the Communists’ and lamented the slanted reporting in the United States.”¹⁶⁸

While reporting on Guatemala may not have been explicitly controlled to reflect the interests of UFCO or the U.S. government in Guatemala, reporters did rely on sources with a clear bias in the conflict – like the office of Bernays – in their coverage. This, combined with the prevailing dominant attitudes toward Communism at the time, means the coverage reflected anti-revolution sentiment intentionally or not. There is at least one instance, however, where shaping of media coverage appears to bear the fingerprints of official control. In his examination of the mid- to late-20th century New York Times, journalist Harrison Salisbury discusses the way political intrigue and press coverage were intertwined in “the Gruson affair” of 1954.¹⁶⁹

Sydney Gruson, the Times man in Mexico City at the time, had been covering the Guatemala situation closely when in early June of 1954 he was instructed by his editor not to return to Guatemala and remain for the time being in Mexico, where he had returned for a short personal trip. Gruson was told there might be Mexican involvement in the coup rumored

¹⁶⁷ Ibid, p. 113.

¹⁶⁸ Ibid, p. 114.

¹⁶⁹ Harrison Salisbury, *Without Fear or Favor*, (1980) p. 478.

to be brewing.¹⁷⁰ The order flowed from misgivings about Gruson in Guatemala voiced by Allen Dulles, director of the CIA, to a confidant of Times publisher Arthur Sulzberger, who passed along the order for Gruson to stay out of the way in Mexico.¹⁷¹ Apparently, Gruson was determined to be a liability to the efforts of the CIA in engineering the coup, particularly in keeping the U.S. hand in the affair secret. Dulles and the CIA chose to paint Gruson as a political threat, concocting information that suggested Gruson could be a “security risk,” which Salisbury says was enough for Sulzberger to pull him to the sidelines.¹⁷² In reality, Salisbury argues, “Gruson was too good a reporter. He knew too much. He was too capable of uncovering the truth.”¹⁷³

The U.S. response to the Guatemalan revolution is a prime example of the way media has come into play when U.S. economic and political interests in Latin America are threatened. The defense of principles of press freedom is not high on the list of action priorities in the face of challenged business interests and potentially devastating blows to U.S. hegemony. This is seen in the U.S. Information Agency and CIA manipulation of regional media, even to the point of publishing false information to the public in pursuit of counterrevolutionary goals. Also seen in this study of U.S. response to Guatemala’s revolution is the way U.S. media can be a reflection of official U.S. government opinion rather than an objective analyst of world events. The looming threat of communism in the midst of Cold War hysteria heightened the sense of the danger Guatemala’s revolution posed and also made the situation highly newsworthy to U.S. media. The combination of this dominant social attitude toward communism and the role

¹⁷⁰ Ibid, p. 479.

¹⁷¹ Ibid, p. 479.

¹⁷² Ibid, p. 481.

¹⁷³ Ibid, p. 480.

of official sources in reporting on Guatemala cast the revolutionary government in a decidedly negative light, whatever the on-the-ground reality in Guatemala was.

VI. Chile Case Study

The case of the United States response to the revolutionary government led by Salvador Allende from 1970 until his violent overthrow in 1973 is an excellent example of the changing U.S. government approach to South American problems as the twentieth century marched on – moving from a direct, overt role as a player in the game of regime changes toward a backdoor approach, choosing to covertly manipulate the playing field rather than become directly involved. The Chilean situation is also an example of the increasingly globalized arena of Latin America. In the view of both the U.S. and Allende, the success of Chile's experiment with democratic socialism held earthshaking implications for the status quo in Latin America.

This case study of Salvador Allende's government and the U.S. involvement in its overthrow will focus on the economic nature of U.S. interests in Chile and the U.S. covert participation in mass media playing a "significant role"¹⁷⁴ in fomenting the coup that would put General Augusto Pinochet in charge of the military junta that then governed the country from 1973 to 1988. When examining the U.S. business interests in Chile, the Nixon administration's political interests, and the manipulation of private mass media to undermine a constitutional, democratically-elected government, it becomes clear that private media are not always incorruptible bastions of objective truth and the priorities of the U.S. government do not begin with the defense of democracy.

¹⁷⁴ Peter Kornbluh, *The Pinochet File: A Declassified Dossier on Atrocity and Accountability*, 2003, p. 91.

In Chile's election of 1970, Salvador Allende, a three-time failure at the presidential polls, squeaked into office with a plurality of 36.4 percent over his two rival candidates.¹⁷⁵ Representing the party "Unidad Popular" (UP) – translated as "Popular Unity" – Allende ran on the promise to implement a democratic, institutionalized shift to socialism in his country, "La Vía Chilena." In Washington, the unexpected Allende victory stirred panic that a challenge to the status quo in Latin America could succeed. As then U.S. President Nixon said in a now declassified conversation with the National Security Council immediately following Allende's election, "Our main concern in Chile is the prospect that he can consolidate himself and the picture projected to the world will be his success... No impression should be permitted in Latin America that they can get away with this, that it's safe to go this way."¹⁷⁶ Allende's program represented not just an isolated challenge to U.S. interests, but a regional, if not global, threat to the influence of the superpower.

Beyond the explicit political implications for U.S. influence should the contagion of Allende's democratic socialism catch on, the economic dominance of the United States in Latin America was also deeply threatened. Centered on the welfare of the working class population of Chile, a primary tenet of Allende's program was the nationalization of lucrative industries in Chile. Allende considered freedom from imperialist economic controls to be "a necessary precursor to political independence."¹⁷⁷ When Allende ascended to the presidency, multinational corporations – including more than 100 from the U.S, 24 of which were among

¹⁷⁵ Tanya Harmer, *Allende's Chile and the Inter-American Cold War*, 2011, p. 50.

¹⁷⁶ Kornbluh, p. 79.

¹⁷⁷ Harmer, p. 77.

the 30 highest ranking multinationals from the U.S. – had a tight grip on the Chilean economy.¹⁷⁸

These U.S.-based corporations relied on large chunks of income flowing from operations abroad, as much as 40 percent. Additionally, many of these multinationals operating in Chile were highly regarded contractors for the U.S. Department of Defense in 1970, when Allende's threat to capitalism commanded attention.¹⁷⁹ These facts side by side suggest an intimate connection between "U.S. military's defense of corporate interests overseas against the forces of nationalism and socialism,"¹⁸⁰ and the growth and prosperity of U.S.-based multinational corporations.

The Chilean economy in 1970 was dominated by foreign capital. Sectors under U.S. multinational corporation control included: 50 percent of machinery and equipment, 60 percent of industrial/chemical industries, 100 percent of automotive assembly, almost 100 percent of radio and television, 100 percent of copper fabrication, and 90 percent of advertising.¹⁸¹ Copper exports were the primary foreign exchange earner for the Chilean economy – at 75 percent¹⁸² - and in 1970, 80 percent of copper production in Chile was held in the hands of U.S. corporations¹⁸³ – namely Anaconda Copper and Kennecott Copper. In 1969, one year prior to Allende's election, around 80 percent of Anaconda's profits flowed from its mines in Chile.¹⁸⁴ International Telephone and Telegraph (ITT) was another U.S.-based

¹⁷⁸ James D. Cockcroft, et al, "The Multinationals," in *The Chilean Road to Socialism*, Dale Johnson (ed.), 1973, p. 4.

¹⁷⁹ Ibid, p. 16.

¹⁸⁰ Ibid, p. 16

¹⁸¹ Cockcroft, et al, p. 13.

¹⁸² Chile Research Group – Rutgers University, "Chile's Nationalization of Copper," in *The Chilean Road to Socialism*, Dale L. Johnson (ed.), 1973, p.26.

¹⁸³ James Petras and Morris Morley, *The United States and Chile*, 1975, p. 106.

¹⁸⁴ Chile Research Group, p. 36.

corporation with lucrative holdings in Chile, reportedly holding \$153 million in Chilean assets in the early 1970s.¹⁸⁵

How do these massive businesses connect to the United States government and its interests? U.S. multinational corporations were insured by the Overseas Private Investment Corporation against expropriation, but when OPIC's reserves fall short of the funds required to service claims – as was the case in Chile – Congress has to get involved to cover the deficit.¹⁸⁶ As researchers David Eisenhower and Dale L. Johnson state in a 1973 article covering this entanglement of interests, “This insurance automatically makes any dispute over the amount of compensation for nationalized investment a conflict between an agency of the U.S. government and the government of another country.”¹⁸⁷ Needless to say, the U.S. government's endgame in this matchup was the protection of its coffers against the payment of insurance claims and the protection of overseas corporations that are repatriating enormous profits back into its own economy. It's important to remember, also, that the economic threats of Allende's socialism and nationalization campaigns were rooted in the fear of their contagion. The U.S. government and these multinational corporations stood to lose significant capital in Chile, but if Allende was allowed to succeed, the losses could ripple out regionally and globally.

The economic branch of the U.S. government's response to the threat of Allende took the form of an exploitation of the Chilean economy's enormous dependence on U.S. capital and aid. Rather than jump in to directly back up corporate interests, the Nixon administration adopted an “overall strategy of controlled escalation of hostile measures,” which involved

¹⁸⁵ Cockcroft, et al, p. 6.

¹⁸⁶ David Eisenhower and Dale L. Johnson, “The Low Profile Swings a Big Stick,” in *The Chilean Road to Socialism*, 1973, p. 60.

¹⁸⁷ Ibid, p. 60.

blocking credit to Chile by flexing the muscles of U.S. power in institutions like the World Bank and the Inter-American Development Bank and identifying the economic failures with the Allende government's policies while maintaining a public attitude of negotiation and compromise¹⁸⁸

This tangled web of economic and political interests that characterizes U.S. relations in Chile, and I would argue in Latin America increasingly throughout the century, is reflected in a 1971 statement from Peter Peterson, the director of the Council on International Economic Policy, an agency created by President Nixon in 1971 to shape policy decisions and uphold the interests of foreign investors. In a report to the president, Peterson said, "In an increasingly economic, interdependent and competitive era, we shall also find increasingly that economics is politics."¹⁸⁹

In addition to manipulating controls on the Chilean economy to sow the seeds of an internal rejection of Allende and his path to socialism, the U.S. government's approach also relied on exerting control over Chilean society by means of covertly befriending and bolstering the efforts of the internal opposition to Allende. This covert destabilization and disaggregation of the Chilean state would be the realm of the CIA. The targets for closer ties with Washington were contacts in the Chilean military, the conservative faction of the Christian Democratic Party, counterrevolutionary political parties in general, and the private-sector business communities. The means of infiltration: money. Contributions in the millions flowed from the CIA to opposition sectors in Chile during Allende's time in the presidency.¹⁹⁰ The Church

¹⁸⁸ Petras and Morley, p. 80-81.

¹⁸⁹ Ibid, p. 83.

¹⁹⁰ Kornbluh, p. 88.

Committee Report on the covert actions taken in Chile record spendings of \$8 million between the years of Allende's election and his overthrow.¹⁹¹ Some of those subversion dollars would be directly authorized by Nixon himself.¹⁹²

A campaign that played what the CIA termed "a significant role" in engineering the coup that violently removed Salvador Allende from office in 1973 was the "El Mercurio project."¹⁹³ Owner of El Mercurio Agustín Edwards was considered one of the richest men in Chile as the head of a media powerhouse. Edwards was against Allende's project from the start and per the declassification of CIA files detailing the covert actions taken against the Allende administration by Washington, he made a visit to Washington in hopes of finding allies in an Allende overthrow before the latter was sworn in to the office.¹⁹⁴ The records show that Edwards was lobbying for preparations for a military coup in September of 1970, following Allende's victory by a slim plurality, to prevent Allende from ever reaching the executive office.¹⁹⁵ After Allende's victory was ratified by the Chilean Congress, however, Edwards' paper would be the centerpiece of the anti-Allende propaganda campaign conducted by the CIA throughout his presidency, even becoming one of the "most militant parts of the opposition."¹⁹⁶

The economic downturn throughout 1971 exacerbated an already poor financial situation for El Mercurio. The financial failings were a result many factors, including the general economic downturn as a result of the "invisible blockade" being waged against Chile's economy by Edwards' U.S. allies, the paper's own errors in management, and Allende's declining

¹⁹¹ Select Committee to Study Governmental Operations, *Covert Action in Chile: 1963-1973*, 1973, p. 148.

¹⁹² Kornbluh, p. 92.

¹⁹³ Ibid, p. 91.

¹⁹⁴ Peter Kornbluh, "The El Mercurio file: secret documents shine new light on how the CIA used a newspaper to foment a coup," in *Columbia Journalism Review*, 42:3, 2003, p. 14.

¹⁹⁵ Ibid, p. 16.

¹⁹⁶ Ibid, p. 16.

advertising patronage in obedience to a law enacted by his legislature, which was controlled by the opposition parties.¹⁹⁷ Edwards placed the blame squarely on the shoulders of the Unidad Popular administration, accusing UP of “deliberately trying to shut down the opposition media in Chile.”¹⁹⁸ El Mercurio’s cries of oppression at the hands of Allende meant “the freedom of the press issue was the single most important theme in the international propaganda campaign against Allende.”¹⁹⁹ The Church Committee report on covert action in Chile records that the issue was publicized by the “major opposition research organization,” for the attention of the Inter-American Press Association in 1972, which declared “freedom of the press was threatened” in Chile during the Allende years.²⁰⁰

This use of the IAPA as a vehicle for international criticism of Allende draws out interesting conflicts of interest. Agustín Edwards served as president of the Inter-American Press Association from 1968 to 1969, just one year before Allende’s socialist path was voted into power. Additionally, Fred Simon Landis – a consultant to the Church Committee’s investigation of CIA action in Chile – argues, the international network of publications and publishers had CIA agents within its ranks. According to Landis, the agency had “five agents working as media executives at El Mercurio”²⁰¹ in 1969 before they were later promoted to positions on the IAPA’s Board of Directors.²⁰² Edwards’ association with the IAPA such a short time before his paper partnered with the CIA to overthrow Allende – and later uphold the Pinochet regime – and the alleged presence of intelligence agents in influential positions within

¹⁹⁷ Ibid, p. 17.

¹⁹⁸ Ibid, p. 17.

¹⁹⁹ Select Committee, p. 176.

²⁰⁰ Ibid, p. 176.

²⁰¹ Fred Landis, “CIA Psychological Warfare Operations in Chile, Nicaragua and Jamaica,” in *Science for the People* Jan./Feb. 1982) p. 9.

²⁰² Ibid, p. 9.

the organization casts considerable doubt on the objectivity of IAPA's opinions of Chile's press freedom.

Already having been a line item in the CIA's budget for many years, El Mercurio reached out to the agency in late 1971 with a request for "covert support totaling \$1 million" to maintain operation.²⁰³ The CIA presented two options to Henry Kissinger, head of the Nixon administration's National Security Council: pay up and hope that it's enough to keep the paper going, or let it fold and "arrange a maximum propaganda effort on the issue of freedom of the press."²⁰⁴ Ultimately, it was Nixon who settled the debate among his policy makers by personally authorizing an initial \$700,000 of CIA funds to prop up El Mercurio as a center of opposition hostility, the remaining \$300,000 following a month later by the hand of Kissinger. Within less than a year, Washington would send another \$965,000 in El Mercurio support.²⁰⁵ Additionally, El Mercurio was receiving covert funds funneled through the U.S.-based industry giant International Telephone and Telegraph, one declassified memo discussing \$100,000 being deposited from the company to Edwards.²⁰⁶

During the Allende years, El Mercurio "positioned itself as a bullhorn of organized agitation against the government," according to Peter Kornbluh in his examination of the declassified documents on Washington's actions in Chile.²⁰⁷ But in addition to its own editorial stance in opposition to Allende, a result of its owner's rank in the business elite that stood to lose from the progressing socialist march and its long standing funding relationship with

²⁰³ National Security Council, "Action Memorandum for Henry Kissinger, '40 Committee Meeting, September 9, 1971,'" in *The Pinochet File*.

²⁰⁴ Ibid.

²⁰⁵ Kornbluh, *The Pinochet File*, p. 92.

²⁰⁶ Ibid, p. 93.

²⁰⁷ Ibid, p. 93.

decidedly anti-Allende external forces, El Mercurio also published material created by the CIA for dissemination through media.²⁰⁸ The paper even went so far as to publish an editorial in June 1973, three months before the coup, denouncing Allende, the constitutional president, and “essentially calling for insurrection.”²⁰⁹

It’s difficult to look at this evidence and consider El Mercurio to be an independent source of news and opinion in Chile. The paper’s effectiveness in fomenting a violent coup atmosphere was compared by the CIA to the most extreme right-wing groups, including the “neo-fascist paramilitary group Patria y Libertad.”²¹⁰ El Mercurio was a mouthpiece for the highest levels of the opposition to Allende, namely the United States government and the internal opposition parties of Chile, claiming to fight against an undemocratic administration it accused of attacking the fundamental right to a free press while actively throwing in its lot to incite the extra-constitutional overthrow of the democratically elected president of what had been the most stable democracy in Latin America.

The U.S. government’s opposition to Allende penetrated not only the internal Chilean press, but also the U.S. press covering the events in Chile. A 1973 article by John C Pollock and David Eisenhower examines the key themes expressed in U.S. media coverage of the Allende government in Chile from his election to the beginning of 1972. The themes put forth, Pollock and Eisenhower contend, are in contradiction to the evidence of the true situation in Chile.²¹¹ The coverage examined is judged to lead readers to believe five particular assumptions: “Chile’s socialist president is isolated,” “Threats to the political system come exclusively from the Left,”

²⁰⁸ Select Committee, p. 176.

²⁰⁹ Kornbluh, “The El Mercurio File,” p. 19.

²¹⁰ Ibid, p. 18.

²¹¹ John C. Pollock and David Eisenhower, “The New Cold War in Latin America: The U.S. Press and Chile,” in *The Chilean Road to Socialism*, 1973, p. 76.

The middle and upper classes are repositories of political wisdom,” “Chile’s effort to diminish foreign corporate influence is irrational,” and that Allende is leading Chile into “impending disaster.”²¹² These themes are presented in varying ways, explicit and not, Pollock and Eisenhower argue.²¹³

The question then becomes: Why would the U.S. media take up this mantle of opposition to Allende and his democratic road to socialism? The article argues that the press is following the path blazed by corporate interests, not through backroom collusions and or “conspiracy,” but in light of the “widely shared, historical U.S. assumption that private property is sacrosanct.”²¹⁴ Allende’s socialism was perceived as a threat to the world the U.S. media sees itself as defending, and Pollock and Eisenhower argue the louder the complaints from businesses get, the more virulent the language and coverage of his government become.²¹⁵

In conclusion, this study of U.S. action in Chile makes it clear that the motivation of U.S. government involvement in Chile was not the strengthening of democracy. Rather the self-proclaimed leader of the free world was willing to sacrifice democracy upon the altar of U.S. political and economic interests in the region. This is seen in the evidence of the Nixon administration’s fear of the spread of Allende’s democratic, socialist success in his socialist experiment and the U.S. manipulation of internal media sources through a covertly funded propaganda campaign. This pursuit of strength at all costs would lead the U.S. government to allow Allende’s successor Pinochet to hold a bloody grip on Chile for 17 years after the end of Chilean democracy, defying human as well as civil rights at every turn. This episode is also

²¹² Ibid, p. 73-75.

²¹³ Ibid, p. 72.

²¹⁴ Ibid, p. 85.

²¹⁵ Ibid, p. 84.

significant for U.S.-Latin American relations moving forward, as the art of external opposition moves into the realm of economic pressures rather than overt military force. Finally, the Chilean example also shows the way U.S. media is swayed by dominant political and economic belief systems, its coverage reflective of the corporate and government interests rather than holding them to account. These points offer a historical example with which to compare the U.S. media opposition to the Chavista government of Venezuela as the examination of criticisms of press freedom in the country moves forward.

VII. Conclusion

When placed side by side, the Guatemalan, Chilean, and Venezuelan revolutionary experiences all show patterns of negative coverage and criticism from media associated with perceived threats to the U.S. In each situation, U.S. business interests and hegemonic influence in Latin America stood to lose ground if the revolutionary project were to succeed, and in each situation media was used as a bullhorn for the counter-revolutionary aims – i.e. the return to privately held resources and business enterprise rather than the nationalization and redistribution of power or wealth away from the country's traditional elites. It has been historically proven in both Guatemala and Chile that this alignment of attitudes between the U.S. businesses and government was no accident. Covert operations in both countries co-opted the mass media for purposes of orchestrating the overthrow of a legitimate government. There are traces of connections between media in Venezuela and U.S. entities as well, although this may be revealed in years to come as having little actual influence on the actions of private

media in that context. Even so, the Venezuelan media has proven its own propensity to take up arms against Chavismo with or without the U.S. government as a puppeteer directing its moves.

Additionally, the Guatemalan, Chilean, and Venezuelan situations illustrate the willingness of the U.S. government to break with democratic process if it benefits them to do so, despite outward claims to be working for the promotion of democracy in the region. This is shown by the U.S. government's tolerance of the violent, oppressive military regimes that followed the downfall of democratically elected presidents in Guatemala and Chile, and by the Bush administration's immediate recognition of the temporary replacement for Chávez during the military coup that unconstitutionally removed him from power in 2002. Understanding this context of U.S. attitudes and actions in the region, criticisms from U.S. sources of violations of the democratic principle of a free press by an administration like that of Chávez, who was an openly anti-imperialist influence in his country and the region, must be questioned. While real issues and challenges to democratic institutions may be present, historical precedent would suggest that in the case of relations with Latin America, democracy and the protection of rights associated with it is a tertiary goal of the U.S. hierarchy after goals of maintaining hegemonic political influence and protecting economic interests.

Furthermore, in each case, there is a harmony between U.S. media coverage of revolution and the dominant attitude from the U.S. government and U.S.-based corporations. Looking back at the way U.S. media covered reform and revolution in Guatemala and Chile casts doubt on the objectivity of U.S. media coverage of Venezuela. The antagonist may have changed, but the patterns of casting redistributive policies in a negative light and the adherence to the official line from U.S. government, business, or non-profit officials remain the same.

Intentionally biased or not, criticisms of the Chávez government's treatment of the press must be viewed as one side of the story, told by characters with an interest in seeing the Bolivarian Revolution crumble.

Venezuela's press may or may not be "Not Free," – that's not the central point of debate here. What is, however, is the motivation behind the presentation of press oppression in Venezuela by major U.S. media. With an understanding of the way the halls of power in the U.S. have perceived Latin American revolutions as political and economic threats, the ultimate goals of the U.S. government in its relations to Latin American countries in general, and the way those opinions and objectives have found purchase in U.S. and foreign media in the past, one must begin to question the objectivity of news from U.S. press related to revolutionary or reformist movements in Latin America.

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