

UNIVERSITY OF MIAMI
CENTER for
HEMISPHERIC POLICY



Challenges to Security in the Hemisphere Task Force

October – December 2009



The Challenges to Security in the Hemisphere Task Force activities were assisted financially by the Bureau of Educational and Cultural Affairs of the United States Department of State.

“The Cuba-Venezuela Challenge to Hemispheric Security: Implications for the United States”

by

Jaime Suchlicki

Director

**Institute for Cuban and Cuban-American Studies
University of Miami**

This paper expands upon remarks delivered at the second session of the
Challenges to Security in the Hemisphere Task Force

December 3, 2009

Introduction

In the two years that have passed since assuming formal power in Cuba following Fidel Castro's illness, General Raúl Castro has continued his close alliance with Venezuela, Iran and China, and has expanded military cooperation and purchases from Russia. In addition, Venezuela's vast purchases of Russian and Chinese military equipment and the close Cuba-Venezuela relationship are troublesome. Although it is not known if Venezuela is transferring some of these weapons to Cuba, Caracas remains an open back



door for Cuba's acquisition of sophisticated Russian and Chinese weapons, as well as Cuba's principal financial backer.

Cuba and Russia

Currently, Cuba poses no conventional military threat to the United States. Yet Cuba's sophisticated intelligence services and its strategic alliance with Venezuela, Iran, Russia and other Middle Eastern countries elevate its position as a possible security threat.

Fidel Castro's close camaraderie with Hugo Chávez has forged a Bolivarian partnership between the countries based on anti-Americanism and support for like-minded allies in the region. Since the creation of the Foro de São Paulo in the early 1990s, Castro has committed significant resources to take advantage of the democratic trends in Latin America, helping supporters achieve power through the electoral process. Castro understood very early that without Soviet support, the violent road to power in the region would be weakened. Cuba's attempts at violent revolution also failed in various countries. Democracy offered an opportunity. Latin American leaders were trained and supported by Cuba, and then by Venezuela. Successes followed at both the local and national level in Bolivia, Ecuador, Nicaragua and El Salvador. There were also failures in Peru and Honduras.

This is not to say that Cuba has renounced completely the use of violence to achieve power. In countries like Colombia and Peru, Cuban operatives retain relationships with, and continue to support, insurgent groups. In other parts of the world Cuba also supports and shares intelligence with Hamas and Hezbollah and has maintained a continuous relationship with a variety of anti-American terrorist organizations.¹

In his first major policy initiative since assuming power, General Castro signed a far-reaching military aid agreement with Russia. In September 2006, Prime Minister Mikhail Fradkov visited Cuba and signed an economic aid pact providing Raúl Castro with \$350 million in credits to upgrade Cuba's armed forces, including the acquisition of Russian transportation equipment, air navigation systems, industrial goods for the energy sector and the financing of future Russian investments in Cuba. Fradkov met with Raúl Castro in a climate described as "cordial and friendly" by the Cuban press. Whether the Russian deal was in the making prior to Fidel Castro's illness, or developed as a more recent initiative, it reaffirms Raúl Castro's long-standing admiration and support for Soviet policies in the past and for Russian policies in the present.

¹ Domingo Amuchasteguí, "Cuba in the Middle East: A Brief Chronology." Institute for Cuban and Cuban-American Studies, University of Miami. July 1999; Cuba Transition Project, "Castro and Terrorism: A Chronology" *Cuba Focus* (Issue 57), July 29, 2004; "Crouching Tiger, Hidden Dragon: China in Cuba" *Cuba Focus* (Issue 58), September 7, 2004; "Castro and Chávez and the Rise of Evo Morales in Bolivia" *Cuba Focus* (Issue 70), December 15, 2005; "The Growing Iran-Cuba Strategic Alliance" *Cuba Focus* (Issue 76), May 16, 2006; "Western Sahara: Where the Castro Regime Meets Al-Qaeda" *Cuba Focus* (Issue 84), April 2007; "Islamic Investment in Cuba" *Cuba Focus* (Issue 99), August 11, 2008; and "Islamic Investment in Cuba: Part II" *Cuba Focus* (Issue 102), October 6, 2008.



What can the Russians expect from a renewed relationship with Cuba? For starters, the Russians have not given up on what they claim is Cuba's debt from the Soviet era, approximately \$20 billion. The debt, however, seems to have been off the official agenda during Fradkov's visit.

The Russians also may be interested in resuming and expanding Cold War-era espionage cooperation. The Soviet Union built the Lourdes electronic eavesdropping facility near Havana, which was used by the Soviets to spy on American military and gather technological secrets. The Russians closed it in 2001, following U.S. pressure, but it could be recreated in the island. The Chinese have established a similar facility in Bejucal, Cuba, and the Russians may look with envious eyes at the Chinese capacity to tap into current American military and civilian technology. Cooperation between the KGB and Stasi-trained Cuban espionage services, one of the best in the world, could resume, if it ever stopped, with the Cubans providing special help to the Russians.

Cuba and Russia see their new rapprochement as important for their respective national interests. Russia is interested in expanding its strategic reach into the Caribbean; Cuba is interested in Russia's economic and diplomatic support at a critical juncture on the island.

During the past two years there have been a number of other important high-level visits between the two countries. These culminated in the visit by Russian Deputy Prime Minister Igor Sechin to Cuba in 2008. Regarding trade, there has been a steady but modest increase. There has been a growing number of Russian tourists visiting the island. During his 2006 visit to Cuba, Prime Minister Fradkov explained that the credits did not imply the sale of specific Russian military equipment. "This means," explained Fradkov, "that Cuba will pay Russia directly for military equipment."² Such a statement clearly indicates Russia's willingness to sell additional military equipment to Havana.

The Sechin visit in 2008 had broader objectives. The principal one was to restore full-scale cooperation with Cuba. The delegation included Energy Minister Sergei Shmatko, Communications and Media Minister Igor Shchegolev and Education and Science Minister Andrey Fursenko. The visit coincided with a variety of statements by Russian politicians and military leaders about possible responses to U.S. deployment of missile defenses in Europe. These included the possibility of stationing strategic bombers in Cuba. Others speculated about reopening the Lourdes signals intelligence facility in Havana. Still others mentioned the possibility of establishing a satellite-tracking station in Cuba.³

It is possible that issues about Russian military deployments had not been discussed or properly agreed to by the Cubans. This may be why the Russians decided at the last minute to include Security Council Secretary Nikolay Patrushev in the delegation to deal with military themes. After Russian newspaper *Izvestia* discussed the deployment of strategic bombers to Cuba, and Norton A. Schwartz, Chief of Staff of the U.S. Air Force,

² W. Alejandro Sanchez Nieto. "Cuba and Russia: Love is Better the Second Time Around." *Cuban Affairs*, Vol. 2, Issue 2. April 2007.

³ "Igor Sechin Tested a New Approach to Cuba." *Kommersant*. August 4, 2008. Available online: www.kommersant.com/p1007608/r_527.



stated that this “would cross a red line,” the Cubans complained they had not been consulted. Even Fidel Castro wrote one of his “*reflexiones*” praising his brother Raúl for rejecting Russia’s request.

Yet, despite these Cuban denials, Patrushev met with Cuba’s defense and interior ministers. After the trip, the Russian Council issued a statement confirming that the two countries planned “consistent” work to restore traditional relations in all areas of cooperation.”⁴

It is significant that in July 2008 Anatoly Isaikan, head of Rosoboronexport, a Russian state enterprise for the sale of weapons, declared in the state newspaper *Rossiiskaya Gazeta* that Russia planned to export weapons in excess of \$6 billion in 2008. “Among the new markets,” Isaikan said, “are Venezuela, Mexico, Peru, Colombia, Brazil and Cuba.”⁵ The type, quantity and cost of these Cuba purchases are not known at this time.

The next month, Russian Prime Minister Vladimir Putin reiterated the need for Russia “to rebuild its ties with Cuba.” “We need,” said Putin, “to re-establish positions in Cuba and other countries.”⁶

In September 2008 Anatoly Perminov, head of Russia’s Space Agency (Roskosmos), mentioned that Russia would be willing to transfer to Cuba “the necessary technologies to establish a space center on the island.” Perminov added that during discussions with Cuban officials, they reviewed agreements “signed two months earlier.” “The purpose,” he said, “is to prepare agreements toward the use of space for civilian purposes and to develop Glonass, the system for space navigation.”⁷

In 2007 the Cubans purchased seven Russian passenger planes. The Russian leasing company, Ilyushin Finance, sold two TU-204 and three An-148 planes to Cuba’s Aviamport S.A. Previously, Ilyushin had delivered three Il-96-300 and two Tu-204 air liners to Cuba. The An-148 is designed for passenger, cargo/passenger and cargo transportation. The Tu-204 is also designed as a passenger/cargo plane.⁸ Cuba agreed to buy \$100 million per year in civilian aircraft over the next seven years, including the An-148 planes.

Cuba welcomes this increased cooperation with Russia. Russian military, economic and diplomatic support are important to Cuba, especially if they force the United States to offer unilateral concessions to Cuba, particularly ending its embargo and allowing American tourists to visit the island. Russia’s growing presence in the Caribbean, while not challenging the U.S. militarily, allows for Russian power projection, forces the United States to increase its defenses and monitoring capabilities on its southern flank and increases the perception in Latin America and elsewhere that the United States is

⁴ “Russia/Cuba Ties Worry U.S.” *Los Angeles Times*. September 1, 2008.

⁵ EFE, July 9, 2008.

⁶ Reuters (Moscow). August 4, 2008.

⁷ “Rusia no frena su venta de armas a Irán.” *admundo.com*. September 18, 2008.

⁸ RIA Novosti. August 22, 2007.



being challenged in its own sphere of influence by outside powers. This, in turn, weakens American influence in the region and encourages anti-American leaders to take positions inimical to U.S. interests.

Iran

After decades of expending military, financial and human resources in support of a variety of Arab dictators, Islamic fundamentalist movements and anti-Israeli terrorist organizations,⁹ Havana recently has begun to reap substantial returns on its long-term investment in the Middle East. From Dubai to Tehran and via OPEC in Vienna, the political and ideological ties cultivated by Fidel Castro's pro-Islamic foreign policy are now generating tangible benefits for the successor regime of brother Raúl. In the process of receiving nearly US\$1.5 billion in foreign direct investment, financing and aid from autocratic Muslim states, Cuba is emerging as a strategic ally and outpost in the Western Hemisphere for a wide range of Islamic regimes.

For Cuba, the infusion of Islamic capital strengthens the regime's stability and diversifies the risk of economic collapse by adding a fourth financial pillar alongside oil from Venezuela, bilateral trade credits from China and Russia, and corporate capital from Canada and the European Union. As Cuba and its Islamic partners forge a trans-Atlantic alliance of their own, what are the implications of the increasingly free flow of trade and capital from the Persian Gulf to the Caribbean?

Communist Cuba's alliance with the Iran of the Ayatollahs dates to 1979, when Fidel Castro became one of the first heads of state to recognize the Islamic Republic's radical clerics. Addressing then Supreme Leader Ayatollah Khomeini, Castro insisted that there was "no contradiction between revolution and religion," an ecumenical principle that has guided Cuba's relations with Iran and other Islamic regimes.¹⁰ Over the next two decades, Castro fostered a unique relationship between a secular Communist Cuba and theocratic Iran, united by a common hatred of the United States and the liberal, democratic West.

In the early 1990s, Havana started to export biopharmaceutical products for the Iranian healthcare system. By the late 1990s, Cuba had moved beyond pharmaceutical exports to transferring (licensing) both its medical biotechnologies and, along with the technical know-how, implicit capabilities to develop and manufacture industrial quantities of biological weapons.¹¹ In addition to training Iranian scientists in Cuba and sending Cuban scientists and technicians to Iran's research centers, the Cuban state-run Center for Biotechnology and Genetic Engineering established a joint-venture biotechnology production plant near Tehran at a cost of US\$60 million (Cuba provided the intellectual capital and technology, and Iran the financing). With this facility, Iran is believed to

⁹ Cf. Domingo Amuchastegui, "Cuba in the Middle East: A Brief Chronology," and "Castro and Terrorism: A Chronology." *Cuba Focus* (Issue 57), July 29, 2004.

¹⁰ Fidel Castro cited in Damian J. Fernandez, *Cuba's Foreign Policy in the Middle East* (Boulder, CO: Westview Press, 1988), p. 86.

¹¹ Cf. Jose de la Fuente, "Wine into vinegar: the fall of Cuba's biotechnology," *Nature Biotechnology*, October 2001 (Vol. 19, Num. 11).



possess "the most modern biotechnology production plant of its type in the Middle East."¹²

Geographically, Cuba's strategic location enabled Iran, on at least one occasion, to clandestinely engage in electronic attacks against U.S. telecommunications that posed a threat to the Islamic regime's control and censorship. In the summer of 2003, Tehran blocked signals from a U.S. satellite broadcasting uncensored Farsi-language news into Iran at a time of rising unrest. Based on the location of the satellite over the Atlantic, it would have been impossible for Iranian-based transmissions to affect the satellite's signals. Ultimately, the jamming was traced to a compound in the outskirts of Havana that had been equipped with the advanced telecommunications technology capable of disrupting the Los Angeles-based broadcaster's programming across the Atlantic. It is well known that Cuba has continuously upgraded its ability to block U.S. broadcasts to the island, and hence conceivably, to jam international communications in general. Although the Cuban government would later claim that Iranian diplomatic staff had operated out of the compound without its consent, given that Cuba "[is] a fully police state," as an Iran expert has noted, "it is difficult to believe the Iranians had introduced the sophisticated jamming equipment into Cuba without the knowledge of the Cuban authorities," much less utilized it against U.S. targets without the knowledge of the Castro regime.¹³

For its solidarity with, and services to, the Islamic Republic, Iran began compensating the Cuban government directly. During the presidency of Mohammad Khatami (1997-2005), Tehran offered Havana an initial 20 million euros annual credit line.¹⁴ Then following the election of current Iranian President Mahmoud Ahmadinejad in 2005, the island has emerged as a major beneficiary of Tehran's foreign policy. Consequently, Iranian financing for Cuba expanded exponentially from a modest 20 million euros in 2005 to 200 million euros for bilateral trade and investment projects in 2007.¹⁵ At the same time, Havana was spearheading a campaign within the Non-Aligned Movement to legitimize Iran's "peaceful" nuclear program as an "inalienable right" of all developing nations.¹⁶ In June 2008, Ahmadinejad approved a record 500 million euros credit for the Castro regime. From Iran's perspective, Cuba deserves to be rewarded for its "similarity in outlooks on international issues."¹⁷

In total, since 2005, Cuba has received the equivalent of over one billion dollars in credits from Tehran. With Islamic Republic financing, Cuba has begun to make critical

¹² See Cuba Transition Project, "Cuban Foreign Policy in the Middle East: A Cuba-Iran Axis?" *Cuba Focus* (Issue 55), June 7, 2004, Note 12, http://ctp.iccas.miami.edu/FOCUS_Web/Issue55.htm.

¹³ Safa Saeri, "Cuba blows the whistle on Iranian jamming," *Asia Times* (Hong Kong), August 22, 2003, http://www.atimes.com/atimes/Middle_East/EH22Ak03.html.

¹⁴ Raisa Pages, "Iran Grants Cuba 20-million Euro Credit," *Granma Internacional* (Cuba), January 17, 2005, <http://blythe-systems.com/pipermail/nytr/Week-of-Mon-20050117/012103.html>.

¹⁵ IRNA, "Iran, Cuba sign investment, trade MoU," Tehran, April 24, 2006.

¹⁶ Cf. "NAM backs Iran's right to nuclear technology," *Tehran Times*, August 2, 2008, http://www.tehrantimes.com/index_View.asp?code=174294.

¹⁷ Fars News Agency, "Iran, Cuba Sign Trade MoU," Tehran, June 20, 2008, <http://english.farsnews.com/newstext.php?nn=8703310656>.



investments in the rehabilitation of dilapidated Soviet-era infrastructure. Iran is funding some 60 projects ranging from the acquisition of 750 Iranian-made rail cars to the construction of power plants, dams and highways.¹⁸ Access to Iranian credit has, in turn, driven annual bilateral trade from less than US\$20 million in 2001 to US\$327 million in 2007 and has led to the founding in May 2008 of a secure Tehran-Havana-Caracas shipping line connecting Iran to Venezuela via Cuba. In the view of Iran's finance minister, the investment in the joint Cuban-Iranian maritime freight venture benefits "[the three countries'] important business ties."¹⁹ Moreover, with Havana as a growing financial and logistics center for Islamic interests in the region, the new line "may contribute to the expansion of trade between Iran and other Latin American nations."²⁰ Reports also have uncovered covert cooperation between the two countries in the development and testing of electromagnetic weapons that have the capacity to disrupt telecommunication networks, cut power supplies and damage sophisticated computers.²¹

Cuba and China

During the past few years China has become one of Castro's most important allies. Trade, credits and investments have increased significantly. China is exploring for petroleum on Cuba's north coast and has provided Cuba with sophisticated electronic capabilities.

Chinese Signal Intelligence and Cyberwarfare

China has been operating a signal intelligence station in Bejucal, south of Havana, since 1999. This facility has numerous satellite communications antennas that could be utilized for the interception of military and civilian communication traffic in the United States. The Chinese also intercept U.S. military satellite communications at a facility located northeast of Santiago de Cuba.²² China also provided the Castro government with sophisticated antennas to block Radio Martí signals.²³

From a U.S. national security perspective, the most important area to watch within contemporary China relations with Cuba is Sino-Cuban military and intelligence ties. While these ties do not represent an immediate threat to U.S. security, they are troublesome and worth watching carefully.

U.S. Policy Toward Cuba

The dynastic succession from Fidel to his brother unfortunately is currently proceeding smoothly. If there is to be a transition toward a democratic, open society, it will be

¹⁸ IRNA, "Envoy: Arak Pars Wagon has big share in Iran-Cuba exchanges," Arak, Iran, August 15, 2007.

¹⁹ Press TV [Iran], "Iran, Cuba to launch shipping venture," November 5, 2007, <http://www.presstv.ir/detail.aspx?id=29859&ionid=3510213>.

²⁰ Ibid. See also IRNA, "Iran, Cuba agree to set up shipping company," Tehran, November 5, 2007.

²¹ Frederick W. Stakelbeck. "The Iran Cuba Axis." *Frontpage.com*. January 18, 2006.

²² American Foreign Policy Council, *China Reform Monitor No. 487*, March 3, 2003. <http://www.afpc.org/crm/crm487.shtml>.

²³ "Those Men in Havana Are Now Chinese," *Wall Street Journal*, July 30, 1999.



difficult and lengthy. It will require, in addition to maintaining current U. S. policy, a major effort in several areas: public diplomacy and communication; diplomatic initiatives; support for the dissidents and human rights activists, as well as for a civil society in the island; and a variety of covert operations to weaken the successor regimes.

The United States needs to develop policies and actions that undermine the Cuban regime, put it on the defensive and accelerate its end. A message of hope and prosperity, instead of the suffering and misery provided by the current Communist regime, is necessary to mobilize and embolden the Cuban people. A message to the Cuban military that other armed forces have prospered after transitions in Eastern Europe and Chile is key to encouraging Cuba's military to begin to play a role as the vanguard of change, not against it. A message from the Cuban-American community saying that it does not seek revenge or profit in Cuba, and that it stands ready to help rebuild the impoverished country, is critical in building bridges to people on the island.

The road ahead is treacherous. No one has a fail-safe process for accelerating a transition to democracy. The lessons of Eastern Europe and elsewhere provide some guidelines on what could be done. Yet, it took decades of communist leadership changes, economic decay, internal corruption and significant help from the West and its institutions to end communism in Europe. It will take significant resources, as well as U.S. resolve, to bring Cuba into the community of free nations.

Should Chávez Worry the United States?

The emergence of the Chávez regime in Venezuela represents the most important threat to U.S. national interest and security in Latin America. Emboldened by Venezuela's vast oil resources and his close relationship with Iran and Russia, Chávez has laid claim to the leadership of the anti-American movement in the region.

The collapse of the Soviet Union, Fidel Castro's illness and Cuba's weak economic situation, thrust the leadership of the Latin America left onto Chávez. If Fidel was the godfather of revolutionary/terrorist/anti-American groups, Chávez is the trusted "capo," the heir to "the struggle against Yankee imperialism."

The Venezuelan leader has no desire to relinquish power. He has manipulated past elections, and will manipulate future ones, to be re-elected for at least the next decade. He is increasingly deepening his Bolivarian revolution by weakening and subverting Venezuela's democratic institutions. In the process of consolidating his authoritarian rule, he is now aiming his control at the culture-conserving democratic institutions. The press, the church, the education system and the family are all under attack, in a relentless move toward establishing a unipersonal dictatorship.

Chávez's threat is not only internal. It also threatens democratic development in Latin America. In the past two years he has purchased over \$6 billion in Russian weapons. State Department spokesman Ian Kelly said that the United States is worried about the



arms deal. “We have concerns about Venezuela’s stated desire to increase its arms build-up, which poses a serious challenge to stability in the Western Hemisphere.”²⁴ The militarization of Venezuela and the ambitions of its leader represent a major threat to neighboring Colombia. Chávez has threatened Colombia, a close ally of the United States, and has warned of a possible military conflict. The border dispute between Guyana and Venezuela also offers Chávez an opportunity to flex his muscles with a much weaker neighbor.

At best, Venezuela’s weapons purchases are leading to a major arms race in the region, with Colombia acquiring U.S. weapons and Brazil turning to France. Other countries, such as Ecuador and Peru, are also spending their much-needed resources in the acquisition of weapons. A coalition of Venezuela and its allies, Ecuador, Bolivia and Nicaragua, may develop into a club of well-armed, anti-American regimes capable of intimidating its neighbors and exercising significant influence in the region.

As recent evidence has shown, Venezuela has been supporting the Fuerzas Armadas Revolucionarias de Colombia (FARC). The principal challenger to the Colombian regime, the FARC is a guerrilla/narcotrafficking group operating throughout the country. Chávez has provided them safe haven and political support. High-profile FARC operatives have used Venezuelan territory with impunity. In the past, small arms from Venezuelan military inventories have turned up in the hands of the FARC. FARC guerrillas and drug smugglers use Venezuelan territory for the transshipment of drugs from the cocaine-producing regions of Bolivia and Colombia to the markets in the United States and Europe. According to a Government Accountability Office (GAO) report, cocaine flowing through Venezuela grew fourfold (from 60 to 260 metric tons) between 2004 and 2007.²⁵

Venezuela’s alliance with the FARC has evolved into a major enterprise, smuggling narcotics and laundering money through Venezuelan financial institutions and state-run enterprises. Simultaneously, Chávez ended all U.S. Drug Enforcement Administration (DEA) operations in Venezuela, expelled U.S. DEA officials and has denied visas to U.S. anti-drug personnel.

As Colombia has taken the upper hand in its conflict with the guerrillas in the last five to six years, FARC narcotics operations have been flushed out into the open – as has Venezuela’s complicity in these criminal activities. The 2009 GAO report noted, “According to U.S. officials, Venezuelan government officials have provided material support, primarily to FARC, which has helped to sustain the Colombian insurgency and threaten security gains achieved in Colombia.” U.S. officials note that the Venezuelan government may have provided FARC with as much as \$300 million and arms.²⁶ In July 2009, Colombian authorities revealed that they had seized a FARC arms cache containing

²⁴ Reuters, September 14, 2009.

²⁵ U.S. Government Accountability Office, Report to Ranking Members, Committee of Foreign Relations, U.S. Senate, Drug Control: U.S. Counternarcotics Cooperation Has Declined, 111th Congress, 1st Sess. Washington D.C. July, 2009.

²⁶ IBID



powerful Swedish-made antitank rockets that, according to the serial numbers, were originally sold to the Venezuelan military. Chávez's regime denied providing the weapons to the guerrillas.²⁷

Venezuela and Iran

The most remarkable and dangerous foreign policy initiative of the Chávez regime has been allying Venezuela with Iran. During the past several years, Chávez has allowed the Iranians to use Venezuelan territory to penetrate the Western Hemisphere and to mine for uranium in Venezuela. Chávez policy is aiding Iran in developing nuclear technology and in evading U.N. sanctions and U.S. vigilance of the Iranian drug trade and other illicit activities. The Chávez regime is also providing Venezuelan passports to Iranian operatives. Recently Venezuela's Mining and Basic Industries Minister Rodolfo Sanz, acknowledged that Iran is "helping Venezuela to explore for uranium." "Venezuela will soon start the process of, developing nuclear energy for peaceful purposes," he added, "not to build a bomb."²⁸ Chávez himself suggested recently that Venezuela and Iran could pursue "nuclear cooperation."²⁹

The concern is not necessarily that Venezuela will build its own nuclear bomb. What, for example, would stop the Iranians, once they develop their own weapons, from providing some to their close ally in Caracas? Or worse, will the Iranians use Venezuela as a transshipment point to provide nuclear weapons to terrorist groups in the hemisphere or elsewhere. Or with the help of Venezuelans, would the Iranians smuggle a nuclear weapon into the United States.

Given Chávez's erratic and irresponsible behavior, these possibilities should not be dismissed lightly. Not too long ago, Fidel Castro helped the Soviet Union surreptitiously introduce nuclear weapons into Cuba aimed at the United States. The October 1962 missile crisis is a grim reminder that poor U.S. vigilance, a daring leader in the Caribbean and a reckless dictator in Russia almost brought the world to a nuclear holocaust.

Since 2004, Iran has created an extensive network of installations throughout Venezuela. Most of these installations are designed to provide cover for illegal and subversive activities and to aid terrorist organizations in Latin America and the Middle East.³⁰ The Venezuelan government established a binational Iranian-Venezuelan bank, an alliance between the Banco Industrial de Venezuela and Iran's Development and Export Bank, and facilitated the formation of an entirely Iranian-owned bank, the Banco Internacional de Desarrollo. It also created a binational investment and development fund and opened offices in Caracas of Iranian commercial banks.³¹

²⁷ Charles Kraul, "Colombia-Venezuela Relations Fall Further with Rocket Revelation," Los Angeles Times, July 28, 2009.

²⁸ Gustavo Coronel, "The Iran Nuclear Axis" Human Events, October 29, 2009.

²⁹ "Venezuela Defends Nuclear Ambitions," UPI, September 15, 2009.

³⁰ See Norman A. Bailey, "Iranian Penetration into the Western Hemisphere Through Venezuela," New York Federal Reserve Bank, February, 2009.

³¹ *Ibid.*



The Iranians have acquired “industrial” installations throughout Venezuelan territory, including a “tractor” factory in the State of Bolívar, a “cement” plant in the State of Monagas, a car-assembly plant in the State of Aragua and a bicycle factory in the State of Cojedes. Some of these installations in reality are used primarily as warehouses for the storage of illegal drugs, weapons and other items useful to Iran and its terrorist clients. In addition, the Islamic Republic bought a gold mine in Bolívar that indeed produces gold, but also produces uranium.³² As part of a mineral survey in Guyana this year, U308 Corp., a Canadian uranium exploration company, recorded a substantial source of uranium in the Roraima Basin, which straddles the border between Guyana and Bolívar. Iranian companies and others with Middle Eastern backgrounds operate mines in this region; at least two of these facilities have their own ports on the navigable Orinoco River, through which uranium and other contraband can be smuggled to the Atlantic.

The VenIran “tractor factory” in Bolívar attracted international scrutiny when Turkish customs inspectors intercepted twenty-two containers bound for the Venezuelan facility on December 28, 2008. Labeled “tractor parts,” the containers instead carried an “explosives lab” and nitrate and sulfite chemicals that could be used to manufacture explosives.³³

Iran is also providing Venezuela with technical assistance in the areas of defense, intelligence, energy and security. Iranians, as well as Cuban personnel, are advising and protecting Chávez and training his security apparatus. A close relationship between the three countries, with a clear anti-American tone, has developed. This triple alliance represents a clear threat to U.S. security interests and to the security of several countries in Latin America.

U.S. Policy Toward Venezuela

Since the initial years of the Cuban Revolution, no regime in Latin America has challenged the national security interests of the United States like Venezuela. Venezuelan President Hugo Chávez’s close relationship with Iran, his support for Iranian nuclear ambitions and his involvement in the affairs of neighboring countries all pose a major challenge to the United States.

For the past five years, U.S. policy has either ignored or mildly chastised Chávez for his policies and activities. That policy is no longer viable or prudent. The United States needs to develop policies that undermine the Chávez regime, organize the opposition and accelerate the end of his rule. Covert operations to strengthen opposition groups and civil society are urgently needed. Vigilance and denunciation of Venezuelan-Iranian activities and Chávez’s meddling in Colombia and elsewhere are critical to gain international support for U.S. policies.

³² Ibid.

³³ Roger F. Noriega, “Hugo Chávez’ Criminal, Nuclear Network: A Grave and Growing Threat,” [American Enterprise Institute Online](#), October 14, 2009.



While regime change in Venezuela may be a difficult policy objective, U.S. policy makers need to understand that the long-term consolidation of Chavista power in Venezuela may present a greater threat than the one posed in the 1960s by the Castro regime. Unlike Cuba, Chávez has significant oil wealth and Venezuela is a large country that borders on several South American neighbors. Chávez's alliances with Iran, Syria and other anti-American countries, and his support for terrorist groups, while representing an asymmetrical threat, are as formidable a challenge as the Cuba-Soviet alliance.

The United States can also weaken Chávez's power, as well as that of Russia, Iran and other countries, by a systematic policy of lowering the world price of petroleum. A combination of accelerated domestic policies in the area of conservation and alternate sources of energy is urgently needed. Regulation of speculation in the futures oil market would also help. Washington could furthermore release some of the petroleum currently stored in the Strategic Petroleum Reserve (SPR). An arrangement could perhaps be developed with Canada or Mexico for these countries to lease storage facilities and store petroleum for future use in an emergency by the United States while Washington reduces its own SPR.

A comprehensive, alert policy is required to deal with the threat posed by Chávez's actions and Iranian inroads in the hemisphere. Chávez is, after all, Fidel Castro's disciple and heir in the region. The lessons of the Missile Crisis of 1962 should increase our uneasiness about Chávez's adventurism and Iranian motivations in Latin America.

Jaime Suchlicki is Emilio Bacardi Moreau Distinguished Professor and director of the Institute for Cuban and Cuban-American Studies at the University of Miami. He is the author of Cuba: From Columbus to Castro, now in its fifth edition; Mexico: From Montezuma to the Rise of the PAN, now in its third edition; and the recently published Breve Historia de Cuba.

All statements of fact or expression of opinion contained in this publication are the responsibility of the author.