

Chavez Pushes Petro-Diplomacy

High Oil Profit Leads to Venezuela's Plan to Subsidize Heating in the United States

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The plea came in a letter from a group of U.S. senators to nine big oil companies: With huge increases in winter heating bills expected, the letter read, we want you to donate some of your record profits to help low-income people cover those costs.

But the lawmakers received only one response. It came from Citgo Petroleum Corp., a company controlled by the Venezuelan government of President Hugo Chavez, a nettlesome adversary of the United States who has accused the Bush administration of plotting to assassinate him and invade his oil-rich country.

The chief executive of Citgo wrote to the senators that the company is "studying potential plans for ongoing, sustained assistance programs in the United States with the goal of lifting our neighbors in need to an improved quality of life." Citgo is planning to announce today that it will provide discounted heating oil this winter to many low-income residents of Massachusetts, Venezuelan officials said, adding that the plan was in the works before the senators sought help. The company also plans to offer similar aid in New York.

Citgo's plan is the latest example of how Chavez is using a windfall created by soaring oil prices as a diplomatic tool, analysts said. Chavez has used oil in an effort to win friends and allies across Latin America and the Caribbean but has had limited success. In recent months Chavez has aimed his petro-diplomacy directly at the United States, partly in hopes of embarrassing the Bush administration, analysts said.

The populist South American president would relish being able to show that Venezuela, far less wealthy than the United States, had come to the rescue of low-income people here, analysts said.

"An attempt to ruffle feathers in the White House" is how Patrick Esteruelas, Latin America analyst at the Eurasia Group, a New York consulting firm, described Chavez's energy-assistance plan. "He is hoping to essentially stoke the flames, particularly among the more marginalized communities in the U.S."

This is the second time in recent months that Chavez has used oil to tweak the United States, analysts said. In September, Venezuela made a very public announcement about diverting shipments of gasoline to the United States to help

prevent shortages after hurricanes Katrina and Rita knocked out refineries along the Gulf Coast.

The assistance might be viewed as altruistic by the United States, if not for the history of tension between the Bush administration and Chavez.

In a September appearance at the United Nations, Chavez attacked the Bush administration for not doing more for the poor residents of New Orleans who were caught in the flooding after Hurricane Katrina. He also said the United States was abetting "international terrorism" because it failed to arrest the Rev. Pat Robertson for saying that the United States should consider assassinating Chavez.

Charles S. Shapiro, the State Department's principal deputy assistant secretary for Western hemisphere affairs, said Chavez is providing oil for low-income people "for political gain."

"It's an attempt to reach out directly to people to influence their perception of Venezuela," Shapiro said. "This would be somewhat akin to the government of Cuba offering scholarships to medical school in Cuba to disadvantaged American youth."

Chavez, who has cast himself as Latin America's leading critic of American-style capitalism, concerns U.S. officials because he has repeatedly threatened to cut off oil shipments. Venezuela is one of the largest suppliers to the United States, providing about 1.5 million barrels a day of oil and oil products. Chavez has been seeking new markets for his oil, including energy-hungry China. The country also is investing in a refinery in Brazil that could process Venezuelan oil.