

SENSITIVE

SIPDIS

AMEMBASSY ATHENS PASS TO AMCONSUL THESSALONIKI
AMEMBASSY BERLIN PASS TO AMCONSUL DUSSELDORF
AMEMBASSY BERLIN PASS TO AMCONSUL LEIPZIG
AMEMBASSY BRASILIA PASS TO AMCONSUL RECIFE
AMEMBASSY OTTAWA PASS TO AMCONSUL QUEBEC
AMEMBASSY BRIDGETOWN PASS TO AMEMBASSY GRENADA

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TAGS: Internal Governmental Affairs (PGOV),
External Political Relations (PREL),
Venezuela (VE),
Human Rights (PHUM),
Democratization (KDEM)

SUBJECT: Globovision Owners Acknowledge Defeat; El Nacional On the Ropes?

REF: 10 CARACAS 181; 09 CARACAS 663

CLASSIFIED BY: DUDDY, AMBASSADOR, DOS, AMB; REASON: 1.4(B), (D)

1. (S) Summary: In separate meetings with the Ambassador between February 17-19, several of Venezuela's major private media owners acknowledged that relentless Venezuelan Government (GBRV) pressure against their television and print outlets has threatened to put them out of business. Two of opposition-oriented television network Globovision's largest shareholders, Nelson Mezerhane and Guillermo Zuloaga, confirmed the allegations of Globovision's outgoing director, Alberto Ravell, that threats from senior GBRV officials had forced them to fire Ravell and to tone down Globovision's strongly anti-Chavez orientation. In a separate conversation, the President of independent daily El Nacional, Miguel Enrique Otero, asserted that due to the paper's substantial loss of advertising revenue from companies that had either been nationalized or been threatened by the GBRV, the paper would go out of business by April without substantial financial assistance. Otero asked the Ambassador whether the U.S. could provide such assistance. End Summary.

Ravell Resigns; Alleges GBRV Pressure on Globovision Owners

2. (SBU) Following more than a week of widespread speculation regarding the potential sale of opposition-oriented television network Globovision (Ref A), station director Alberto Ravell announced his resignation during a February 18 press conference. Ravell, who is also a minor shareholder in the station, alleged to reporters that Energy Minister Ali Rodriguez and Venezuela's Central Bank President Nelson Merentes had pressured the station's principal shareholders, Globovision President Guillermo Zuloaga and Banco Federal President Nelson Mezerhane, to sack Ravell, to get rid of controversial anti-Chavez talk show host Leopoldo Castillo, and to soften the station's strongly anti-Chavez orientation. In resigning, Ravell affirmed: "For now my objectives have been met. The channel has not been sold, Leopoldo Castillo is still on the air, and Globovision will

not change its editorial line." He added, "I have absolute faith in Globovision and Zuloaga that they will not modify their editorial stance."

3. (C) In a private meeting on February 17, Ravell told the Ambassador that GBRV pressure on Zuloaga involved trumped up legal charges stemming from a May 21, 2009, raid on Zuloaga's Caracas residence. The raid had resulted in the confiscation of 24 new vehicles and hunting trophies (Ref B), criminal charges against Zuloaga and his son, and an order preventing Zuloaga's departure from the country. (Note: Zuloaga has consistently claimed the automobiles belonged to his car dealership and were at his home for security reasons, and that the hunting trophies had been legally acquired abroad. End Note.) According to Ravell, the February 12 lifting of Zuloaga's overseas travel ban by the GBRV was a bargaining chip used against Zuloaga to force his acquiescence. Ravell opined that the pressure point applied by the government against Zuloaga was ultimately his son: "Zuloaga would do anything to keep him safe."

4. (C) Ravell affirmed to the Ambassador that Nelson Mezerhane had been under similarly intense GBRV pressure to engineer a change in Globovision's management and editorial line. Ravell claimed that Mezerhane had been threatened by Energy Minister (and previously Finance Minister) Rodriguez that if Mezerhane did not comply with GBRV demands, "we will go after your bank."

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Zuloaga and Mezerhane Confirm Capitulation

5. (S) In a February 18 meeting with the Ambassador, Zuloaga and Mezerhane largely confirmed Ravell's account. Following various GBRV threats, some even from Chavez himself in the past, Mezerhane claimed that Minister Rodriguez had attempted to pressure him into buying out Globovision shareholders Zuloaga and Ravell, firing Ravell, and getting rid of Leopoldo Castillo, to forestall the GBRV withdrawing millions of dollars in deposits from Banco Federal; Mezerhane added that he "had practically been forced to sell the bank." Mezerhane and Zuloaga told the Ambassador the GBRV strategy was for Mezerhane to buy Globovision for nearly 32 million dollars and for Ravell to "leave quietly... to work on expanding Globovision from abroad." Mezerhane further agreed to "Send Leopoldo Castillo away for a while... first class tickets for two weeks in Australia."

6. (S) Despite Ravell's pronouncements at his press conference that Globovision would not self-censor despite the GBRV pressure, Zuloaga and Mezerhane admitted they were being forced to soften the station's future editorial line. Mezerhane observed that "this arrangement has bought us some time. Globo will continue on, however we will not use the screen to scare people. We will report on the problems in an objective, independent manner... we will, however, most likely refrain from naming names." When asked why the Government had allowed the station to operate for so long, Zuloaga replied, "The Government needs to leave a small window open to pretend there is freedom of expression here." Mezerhane added, "Globovision is Chavez's 'Carta de Libertdad de Expression' ('free speech credential')... he can say, 'look here is Globovision, see,

we are a democracy'.'

7. (S) Zuloaga told the Ambassador that the station is financially independent and healthy despite the GBRV's recent attacks, increased lawyer's fees, and continual legal harassment. (Note: Globovision currently confronts civil and criminal charges stemming from six separate GBRV investigations. End Note.) In reflecting on his decision to bend to the GBRV's will, Mezerhane noted "I have over 13,000 employees, plus the bank, to care for." Looking towards the September National Assembly elections, Mezerhane predicted: "If Chavez wins, we are all gone. Our next meeting will have to be in Boca Raton... Buying time before the election is the name of the game. If given the choice to die now, or in September, I choose September."

Major Newspaper Taking Its Last Gasps?

8. (S) In a separate February 19 meeting, Ambassador Duddy met with El Nacional newspaper President and Editor-in-Chief Miguel Henrique Otero and his wife, Antonieta Jurado, who is a part owner and Editor of online news source Noticias 24. Lamenting the GBRV's "economic asphyxiation" of El Nacional and the independent media generally, Otero told the Ambassador that El Nacional was reaching the end of its financial rope. Due to plummeting advertising revenue that stemmed from the loss of advertising partners that had either been nationalized or been otherwise intimidated by the GBRV to cease such advertising, Otero predicted that El Nacional could

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be out of money and thus business by April. Otero affirmed that fellow independent daily El Universal was also having severe financial difficulties, and for similar reasons. (Note: In his February 18 meeting with the Ambassador, Nelson Mezerhane had highlighted that El Universal had lost over 14% of its advertising revenues just with the recent nationalization of supermarket chain Exitos. End Note.) Jurado commented, "Globovision has now been lost. We will be the next to go."

9. (S) Otero noted that increased GBRV nationalizations would further reduce already limited commercial space/advertising revenue, and limit the independent media's space to maneuver in the months ahead. To keep El Nacional alive, Otero asked the Ambassador whether the Embassy knew of services of private financing they could approach outside the country, or failing that, if the USG could be persuaded to help. (Note: The Ambassador noted that investors and financial institutions in the U.S. were increasingly anxious about expansion in Venezuela. He also noted that he had never heard of the USG underwriting a newspaper even, for instance, during the difficult period in the early 80's in Pinochet's Chile. End Note.)

10. (C) Comment: Chavez continues to reduce the private media's ability to serve as a countervailing democratic force. With Globovision executives softening their tone, counting their remaining days, and major print media in apparently dire financial conditions, Chavez is close to his goal of "domesticating" or eliminating the remaining free and independent media in Venezuela. End Comment.
DUDDY