

Marketplace

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Chavez touches off a war of words



King Juan Carlos of Spain has responded to more name-calling from Venezuelan President Hugo Chavez by telling the South American leader to shut up. Chavez has fired back by threatening Spanish businesses. Dan Grech reports on this escalating and heated exchange.

TEXT OF STORY

KAI RYSSDAL:

Now a story about a man whose influence is due in no small part to 100 dollar a barrel oil. Venezuela is the fourth largest supplier of crude to the United States. President Hugo Chavez has called President Bush the devil. Secretary of State Condoleezza Rice a true illiterate. And this past weekend at an economic summit, Chavez called former Spanish Prime Minister Jose Maria Aznar a fascist. King Juan Carlos of Spain was there, and he responded with what was on many Spaniards' minds. He told Chavez, literally, to shut up. Now the King's all over YouTube, and Chavez is threatening Spanish businesses. From the Americas Desk at WLRN in Miami, Marketplace's Dan Grech reports on this escalating economic war of words.

Venezuelan President Hugo Chavez speaks during a press conference at the Miraflores presidential palace in Caracas on Nov. 13, 2007. (Juan Barreto/AFP/Getty Images)

DAN GRECH: In the video, the King of Spain leans forward and jabs his finger at Chavez.

KING JUAN CARLOS: Porque no te callas!

It's become an Internet phenomenon, a political rallying cry, a ring tone for mobile phones:

MAURO GUILLEN:

I think a lot of people around the world actually have been saying it was high time that somebody actually challenged Hugo Chavez.

That's Wharton professor Mauro Guillen, himself a Spaniard. Chavez has reacted to the king's put-down by threatening the future of Spanish business in Venezuela. He even mentioned banks Santander and BBVA as potential targets for nationalization. Guillen says Spanish multinationals have heard it all before.

GUILLEN:

So in Peru under President Toledo, in Bolivia with Morales, in Argentina with Kirchner, Spanish companies have had trouble. They have learned how to cope with these situations. They essentially have

to stay the course and wait until the storm dissipates.

Spain is the second-largest investor in Latin America after the U.S., with \$176 billion in total investments. But Spain is also a former colonizer and therefore a target for populists like Chavez.

Jerry Haar with Florida International University says Chavez is putting a chill on private enterprise.

JERRY HAAR:

His economic saber rattling is spooking present investors and certainly dissuading potential investors from coming into the market.

The business climate in Latin America has turned so hostile, Spanish investment has dropped more than 90 percent since its peak in 1999.

I'm Dan Grech for Marketplace.