

premise of any economic system, of any economic process in the world.

Within the process of Venezuela's industrial development, efforts should be directed to those areas where Venezuela has a relative advantage; to the extent possible, the production process should be carried all the way to the end product, in areas like petrochemicals, the metallurgical industry, aluminum processing—which are all the sectors in which Venezuela has relative advantages—not to seek involvement in those areas where a productive process would be anti-economic or would not be competitive with the region or the world system.

**EIR:** You said that you would preserve the role of the state in strategic sectors of the economy. I imagine that means oil.

**Visconti:** Yes, petrochemicals, steel, and aluminum.

**EIR:** In other words, *Petróleos de Venezuela* should not be privatized?

**Visconti:** It shouldn't be privatized. However, opportunity should be given to foreign private capital which wants to come in and invest in those sectors, but without eliminating the participation of the state in existing industries that belong to the nation. Of course, these national industries should be made more efficient through an honest, capable, and depoliticized managerial and administrative process. There is a lot of talk about how the state is a bad manager, a bad administrator. But that is only the case because management and administration today are an exercise in dispensing political benefits, by placing people in charge of this or that industry.

**EIR:** In recent years, oil production and the income that Venezuela receives from oil has to a large degree left the country, either through capital flight or as payment on the foreign debt. That is, it has not directly benefitted the people. What role should oil play in the Venezuelan economy, and what should be done with the income from oil?

## 'Corruption has invaded the Armed Forces'

*The following are excerpts of a letter written Nov. 28, 1992 from San Carlos Prison by Admirals Hernán E. Grúber Odremán and Luis E. Caberra Aguierre, two of the leaders of the Nov. 27, 1992 coup attempt against President Carlos Andrés Pérez. The letter was directed to Dr. Pedro París Montesinos and Dr. Luis Enrique Oberto, president and vice president of the lower and upper houses of the Venezuelan Congress.*

Corruption has invaded the national Armed Forces, as seen in the alarming number of events which clash with morality and the law, encouraged by the interference of politics in their midst, violating the basic principle which nurtures every military man's willingness to sacrifice for his country. . . .

This has profoundly demoralized our Armed Forces, weakening their efficiency, and worse, altering the path laid out in the Constitution; they have become ineffectual and servile, and on the other hand, have lost the virtues of courage, spirit of sacrifice, abnegation, and dignity coherent with military character. . . .

The following examples demonstrate this:

1) The Army's AMX-30 tanks have been practically lost, because the contract for rebuilding them, which is

fraught with corruption, has been seriously questioned. . . . What happened to the investigation?

2) The missile-carrying frigates whose purchase caused an international scandal because of commissions paid, have reached their lowest operational level; this is due to . . . the failure to vigorously demand necessary maintenance.

The Navy's Amphibious LVTP-7 tanks have been lost due to the negligence and failure of the Navy's high command to oversee their maintenance. Who will answer for the at least \$30 million lost? . . .

The Korean firm which built the Capana-class transport ships returned almost \$26 million to the Navy, due to non-compliance with the contractual clause referring to gun mountings. Where is that money, and the interest earned on it when it was deposited in foreign banks? . . .

7) In the Armed Forces there are illegal acts which involve high-level officers, regarding multimillion-dollar purchases of goods in the U.S. and Europe. . . . Prior to Nov. 27, what was the operational status of transport and combat aircraft?

9) During the September 1992 inspection of the Armed Forces' Health Directorate, fraud of approximately 200 million bolivares was detected. . . . Who is responsible for this painful fact? Where is the money? . . .

Distinguished gentlemen: Can the Armed Forces, in such a state of moral and material deterioration, defend the country and its highest interests, if military force were to be deployed in some international conflict, or to protect our territory? . . .

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*To the extent that the recommendations of the IMF continue to be unconditionally and excessively applied, we face the danger of a social explosion perhaps more radicalized than what occurred on Feb. 27, 1989. This could end up in anarchy.*

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**Visconti:** Fundamentally, the Venezuelan oil industry should move toward development of its petrochemical industry at all levels: not the sale of crude oil, but its transformation into final products. Venezuela should become an exporter of products derived from hydrocarbons.

**EIR:** With greater added value.

**Visconti:** With greater added value. And what of the resources generated by this whole industrial process that is the property of the Venezuelan nation? Because there can also be private participation on the national level; there can also be foreign participation, which would make its contribution through taxes. But a national industry not only contributes through taxes, but is an industry of the Venezuelan people and must provide a larger portion of financial resources to the Venezuelan state than that which a private or foreign industry would provide. Undoubtedly.

Of course, all these resources should go to the national Treasury, so that the Venezuelan state can, as its first priority, meet the basic needs of the population, and secondly, attend to all the development programs of the Venezuelan state.

**EIR:** You spoke a moment ago of the "micro" side of things, what should be done at the community level. But at the "macro" level of the Venezuelan economy, what would be the priority great projects for the country in which the state should participate?

**Visconti:** Apart from infrastructure, or including it?

**EIR:** Including infrastructure.

**Visconti:** From the standpoint of industrial development, I have already noted the petrochemical industry, steel, and aluminum. These are our major areas.

From the standpoint of infrastructure, the priority in Venezuela is the development of waterways that could internally connect the country economically: the famous Orinoco-Apure axis. And then we would connect this "highway," let us call it that, from the heart of Venezuela to other areas of national territory by means of rail networks. There have existed plans to this effect for many years, but they have never been put into practice.

And to the ports, we would connect railroad branch lines, escaping once and for all from that extreme dependency we

have upon car and truck transport, which is one of the most polluting methods of transport and whose infrastructure needs greater maintenance.

**EIR:** And this is extremely costly per ton-kilometer.

**Visconti:** Of course. So, fundamentally, the priorities are communications infrastructure, waterways, and railways. Of course, for short-term transport, one must use car and truck transport.

Venezuela's telecommunications services, which were supposedly privatized, have to be reexamined. It must be analyzed, because for reasons of sovereignty, telecommunications services should be in the hands of the state, and they have been passed to the private sector. These should be returned to the state, because they are a strategic service of national life.

**EIR:** Continuing with this question of infrastructure, but in regional terms, what do you think of the idea of integrating or establishing a river connection between the Orinoco and the Amazon?

**Visconti:** Orinoco, Amazon, Cuenca del Plata?

**EIR:** Right, to integrate the trade waterways of various nations.

**Visconti:** This is an historic aspiration of South Americans, and it would be the fundamental step to take in developing the heart of South America.

**EIR:** It is a common interest of Venezuela, Brazil, and Argentina.

**Visconti:** All of South America should concern itself with moving this project forward as quickly as possible.

**EIR:** And the implication of all this is that Venezuela's foreign trade could also orient itself more toward the Latin American continent, for example, with regard to oil.

**Visconti:** Yes, as we have already noted earlier, there is a need on the regional level to drive forward a process of industrial development and economic complementarity, where each of our nations must develop the areas where it has a relative advantage. And to guarantee that through such a regional trade agreement, the products will flow and move

and feed the development needs of the region.

**EIR:** Let us take a concrete example. Brazil imports oil and has a surplus of food; Venezuela exports oil and needs to import food. Here is obvious complementarity.

**Visconti:** Yes, it is definitely illogical that Brazil should have to buy oil from the Middle East instead of from Venezuela, when it is a South American country that is contiguous to Venezuela. It is a contradiction, I think, which cannot stand up to the slightest analysis from a logical economic standpoint: that given Brazil's need to meet its energy requirements from abroad, it should have to turn to the Middle East market, when it has a leading producer of the region next door. It is illogical.

These are the distortions that exist on the level of the world economic system, which should in some form or another be corrected.

**EIR:** The Nov. 27 uprising was unsuccessful, at least in terms of the immediate intention of taking power. Clearly, this means that the situation you are describing has not changed. What is going to happen if there are no changes now?

**Visconti:** The concern is not only that of young soldiers nor of the Armed Forces. The concern is already on a national scale. The Venezuelan population has also grown a little in that sense, and is equally concerned, because the political leadership is preventing progress, preventing transformation, and preventing movement toward a real democratic process. What does this mean? That apart from the discontent that exists within the Armed Forces, there is also discontent within the population. It means that both the military sector as well as other sectors of our national life must keep pressuring for necessary changes.

**EIR:** Two concluding questions. What message do you have for the youth of Venezuela and of Ibero-America, a youth which sometimes thinks it has no future, which has no optimism? What is your message and that of your movement for this youth?

**Visconti:** More than a message, I have a reflection on what not only Venezuelan youth should do, but Ibero-America's youth also.

We must be aware of the way in which we have been manipulated for a long time, for years, throughout history. The process of transculturation to which we have been subjected is the product of interests who operate on a global scale, both from the economic and political standpoints, which has made us lose a sense of our national and regional identity. Only through our own means, by assuming a sincere and objective awareness of our own capacities, of our regional capacities, and through integration of similarly sincere efforts both within our individual countries and regionally,

will we be able to confront the reality of the crises we are facing.

We can be rescued from these crises we face, but only by means of a process of national integration, and then through regional integration. All the development programs, projects, and activities that we carry out must be with the clear certainty of what we are capable of accomplishing, both individually and through combining the efforts of the countries that make up our region.

**EIR:** When you speak of "transculturation," I imagine that you are referring, among other things, to the role of television, to the problems of pornography and drugs, and so on. All of this is something that the youth must reject for the sake of a higher ideal, the goal of integration that you are proposing.

**Visconti:** Yes, that is so. Transculturation comes fundamentally through what the media tell us, or what they try to present as reality and which makes us lose sight of what truly constitutes national and regional values. To the point that the United States in recent years, since it is the one that has a world monopoly over the media, has inundated us with messages that do not appropriately guide our youth. The national and regional images that are imposed on us do not allow us to see ourselves as we are. We are using a looking glass which is not a reference point for Venezuelan or regional reality. We are using a looking glass that distorts the landscape outside.

**EIR:** Some final message or comments for our readers?

**Visconti:** Yes. I have had the luck here in Peru to make contact with the publications that you produce. It has been a surprise, but also very pleasant, to see that what we had in the past empirically determined as a form of action that must be pursued if we are to overcome the marginal situation in which our countries find themselves, you are and have been proposing, from a scientific standpoint, for some time. So I am delighted by the fact that publications like yours exist which scientifically validate what we have perceived as the lawful path to take.

We hope that you will continue to be inspired by these same principles, and also will continue to work and continue to provide us, as you have done, with the scientific information that we need to establish solid foundations and to be able to move toward that final objective which we all seek: the rescue of our nations and the genuine development of our region.

**EIR:** Is there a final point you would like to make that perhaps I have not asked you?

**Visconti:** No, we have conversed at length. But there will be new opportunities for us to address issues that we have perhaps unwittingly not touched on at this time.