
Venezuela

Old patriots resist looting of oil wealth

by David Ramonet

“Taking advantage of the fact that the Venezuelan people, and a good part of the national leadership, know little of the oil issue, powerful interests have embarked on a strategic plan designed to hand over to foreign interests, the extraordinary Venezuelan treasure, which is our hydrocarbon resources.” This statement, part of the “Fundapatria Manifesto,” was published in all of Venezuela’s major dailies June 16 and 17. The just-created Fundapatria (Foundation for the Defense of the Fatherland), warned that what is known as the “oil opening,” or privatization, “can lead to the definitive decline of the national economy, in light of the overwhelming importance of oil, and hydrocarbons in general, in the state economy, the private sector, and in [the lives] of all Venezuelans.”

Aside from its defense of Venezuela’s oil patrimony, what is significant about Fundapatria is the fact that its members are all from the older generation which built the country, and has today decided to take up political battle, faced with the silence, indifference, complicity, or treason of members of the younger generation who hold most of the important positions in the country.

This was further elaborated by one of Fundapatria’s members, the highly respected intellectual Juan Liscano, in an article published in the daily *El Nacional* on June 14. “We are witnessing a mobilization of people between 60 and 70 years of age. While in 1928, and, later, in the decade between 1936 and 1946, the development of critical consciousness regarding the country’s ills occurred among youth or adults, today, a youth deformed and castrated by a neo-liberalism of the most sterile materialism, in the moral, civic, social and cultural spheres, defines itself according to the needs and values offered by the information and communication industries.”

Liscano explained that “in this national crisis, those labeled as ‘dinosaurs’ by brain-dead journalists, who’ve swallowed the myths of globalization, privatization, and economic jargon, are stepping forward, to preserve and consolidate Venezuela’s fundamental economic patrimony: hydrocarbons.” The opening up of the state-run oil firm, PDVSA, Liscano warned, is the fruit of “this policy of privatization, monopolies, and globalization, all to the bene-

fit of so-called economic neo-liberalism.” The elder statesman also explained that this movement of mature leaders is a continuation of the fight begun at the end of 1995, not only to defend Venezuela’s sovereignty as it relates to oil, but to question the country’s illegally contracted foreign debt.

Prominent among the 50 personalities who signed the Fundapatria Manifesto, is industrialist Luis Vallenilla, former president of the Latin American Industrialists Association (AILA), who, according to Liscano, is the “primary leader of this initiative.” Also included are former president of the Supreme Court Gonzalo Rodríguez Corro, who initiated the historic trial of deposed President Carlos Andrés Pérez, on charges of corruption; nationalist, Catholic lawyer Pedro José Lara Peña; members of the Academy of Economics, such as Domingo Maza Zavala, a member of the board of directors of the Central Bank (BCV), and former BCV president, Tomás Carillo Batalla; retired diplomat and television and radio commentator Román Rojas Cabot; Bolivarian historian Pedro Grases; and Guillermo Morón, president of the Academy of History.

A matter of sovereignty

Fundapatria requested that the National Congress not make any decision “on oil contracts related to the Shared Profits Plan [as the “oil opening” is known], until the Supreme Court has the opportunity to issue its own ruling.” But on June 19, the Congress approved eight contracts related to the “oil opening.”

A year ago, the “oil opening” was the first concession made by the government of President Rafael Caldera, in response to the enormous pressure placed on him by foreign creditors, and by the internal opposition. The plan consists of opening up for production ten new areas in which Venezuela’s light oil is found. In February, several foreign corporations bid on the areas, and eight contracts were granted. The winning companies will sign an “association contract” with the Venezuelan Oil Corporation (CVP), a company created for the purpose of representing the state-owned PDVSA, and the Venezuelan state, for exploration and subsequent exploitation of light crude. The state will not contribute funds to this association, since it is the owner of the deposits to be exploited, and the profits from the marketing will be shared among the partners.

At the heart of this matter is the fact that, to double production of crude oil over the next ten years, PDVSA needs investments of close to \$30 billion, which would generate enormous profits. Today, Venezuela exports \$18 billion worth of oil annually. But in order to guarantee payment of annual debt service, which is growing like a cancer, foreign creditors demand that future income not be compromised in any way.

Nonetheless, the old patriots of Fundapatria have organized a resistance fight, offering an example to other old patriots in the rest of Ibero-America.