

There is no 'third way' for Venezuela's President-elect Chávez

by David Ramonet

The first urgent task of Venezuela's President-elect, Lt. Col. Hugo Chávez Frías (ret.), will be to demonstrate that he is the President of all Venezuelans, and not that of London's creation, the São Paulo Forum, as former Nicaraguan President and head of the Sandinista Front Daniel Ortega has boasted. At risk is not merely President Chávez's standing before the entire Venezuelan population, but the success or failure of his government and the very existence of Venezuela as a sovereign nation-state, in the face of a world crisis which admits of no "third way" solutions.

In nationwide elections on Dec. 6 that saw a relatively low 35% abstention rate, Chávez was elected President by 56% of Venezuela's voters—a total of 3.6 million votes—while his nearest adversary, Henrique Salas Romer, obtained 40%, or 2.6 million votes.

On Feb. 4, 1992, at the head of the so-called Bolivarian Revolutionary 200 Movement (MBR-200), Chávez led a failed military rebellion against President Carlos Andrés Pérez (CAP), who, after subjecting the country for three years to the ravages of globalization and the same "financial opening" imposed by former U.S. President George Bush and former British Prime Minister Margaret Thatcher on the whole world, had won the thorough hatred of the Venezuelan people.

Pérez was finally driven out of office in 1993, after being convicted of embezzlement of public funds and sentenced to three years under house arrest (due to his age). The interim government of President Ramón Velásquez finished out his term, leaving intact the disastrous economic policy of the CAP government, which ended with the bankruptcy of the Venezuelan banking system in January 1994. Thus began the government of President Rafael Caldera, who for two years tried to change the globalist direction begun by CAP, but who yielded finally to both foreign and domestic pressures (including those of the leadership of the Movement to Socialism [MAS] party, which now backs Chávez) to submit to the International Monetary Fund (IMF). In 1994, Caldera dismissed the charges against Chávez et al. related to the 1992 revolt.

Chávez, with a section of the MBR-200, has been traveling throughout the continent, beginning with Cuba, and par-

ticipating in meetings of the São Paulo Forum, the narco-terrorist international conceived by London and forged by Fidel Castro in 1990 to unite "all currents," from the Colombian narco-guerrillas to the Theology of Liberation adherents and armchair Marxists.

In 1997, the MBR-200 became the Fifth Republic Movement (MVR), a coalition of retired military men (many of them conservatives) and personalities from the old university left, who launched Chávez's Presidential candidacy. Opportunely, the MVR was able to pull together other parties affiliated with the São Paulo Forum (like the MAS, Fatherland for Everyone, Electoral Movement of the People, and Venezuelan Communist Party) and others of a different sort. With this coalition, Chávez succeeded in focussing the generalized frustration and discontent of the population, after ten years of continuous deception, against the whole Venezuelan political system.

The forces of the São Paulo Forum throughout Ibero-America are celebrating the victory of Chávez as the first time that a movement affiliated to the Forum has captured a Presidency by election, thereby setting a precedent for the continent. But despite all this, doubt remains as to whether the policies of President Chávez will be the same as those of candidate Chávez.

The candidate vs. the President

During his election campaign, Chávez stated that his economic thinking is similar to that of British Prime Minister Tony Blair, who promotes a so-called "Third Way." Ever since Chávez returned from London in mid-1998, from a tour organized by the British ambassador in Caracas, Richard Wilkinson, that statement has been made more and more often.

Thus, Chávez has repeated regularly that he will pay all of the country's financial obligations, and will seek to reduce the profile of annual debt service through "debt for equity" swaps and renegotiation of terms and grace periods on part of the debt. He promised to meet the macro-economic parameters demanded by the IMF, but also pledged to satisfy "macro-social" demands related to jobs and wages.

However, at no time has it been more obvious that this so-

called “Third Way” is no option. There is the plan of the Group of Seven nations, headed by Blair, to impose another round of IMF conditionalities on those countries already strangled by debt. The only other way is that being forged by China, in alliance with Russia, India, Malaysia, and other countries which are joining up to cooperate in building the so-called Eurasian Land-Bridge, or “New Silk Road,” a project involving construction of infrastructure along more than 11,000 kilometers stretching from Rotterdam, the Netherlands to Lianyungang, China. As economist Lyndon LaRouche has explained, these agreements for the genuine reconstruction of the world economy are the basis for building a new financial system to replace the IMF.

The fact is that President Chávez will find himself at the helm of a country in its worst fiscal and financial shape of the past century. He will be forced to choose between these two options, and no others. The 1999 budget, of 13 trillion bolivars (some \$23.5 billion) is basically the same as that of 1998, adjusted to this year’s inflation. That budget was re-calculated at an average price of \$10.50 per barrel of Venezuelan oil, but at the moment, the price per barrel is fluctuating at \$8-9 per barrel.

On foreign policy as well, Chávez will have to backpedal if he wants to preserve the very existence of Venezuela. In this area, the only thing he has specified to date is his readiness to “do everything possible” to collaborate in the “peace dialogue” between Colombian President Andrés Pastrana and that country’s narco-terrorists, thereby tacitly giving the narco-guerrillas the same political status as the sovereign government in Bogotá.

But those “dialogues,” as has been amply documented by *EIR*, are a negotiation over sovereign national territory. That is, what is being negotiated is an armistice based on the unconditional surrender of the Colombian state to the narco-terrorists, and the partition of Colombia into at least three “sovereign” entities, to form a Swiss-styled “confederation.”

Most recently, Colombia’s narco-terrorist ELN and FARC, whose spokesmen are active participants in São Paulo Forum meetings, backed Chávez’s candidacy, and have crowed with delight over his victory.

Further, an individual close to Chávez, Lt. Col. Francisco Arias Cárdenas (ret.), who is the governor re-elect of the state of Zulia, is engaged in a “dialogue” of his own with the ELN. Arias had participated with Chávez in the 1992 military revolt, but they then had a falling out when Arias went on to collaborate with the government of Caldera. More recently, during the election campaign, the two men reestablished a close working relationship. Arias has met with the spokesman of the ELN’s “International Front” in Paris, and with other spokesmen inside Colombia, and he insists that he will continue with his negotiations. Earlier, Arias had proposed the creation of a supranational strip of land along the Venezuela-Colombia border, to be patrolled by UN blue helmets or some

other supranational entity. Such a move would be a big step toward the destruction of the national sovereignty of both nations.

The Constituent Assembly: a monkey trap

The only specific political platform that candidate Chávez has embraced has been the convocation of a Constituent Assembly to reform the Venezuelan state. According to the President-elect, he seeks to achieve a “new social contract” based on the thinking of French philosopher Rousseau.

Spokesmen for the MVR have repeatedly offered as an example of this “constituent assembly process” the case of Colombia’s 1991 constitution—which was admittedly financed by the drug cartels! But that “constitutional process,” as in other recent such cases, has proven to be nothing more than an institutional mechanism employed by the international financial oligarchy to further the destruction of the sovereign nation-state, and to impose globalism and “New Age” paradigms, so popular among ’68 generation hippies, by appealing to a Jacobin-style “will of the masses.”

In fact, the idea of such a constituent assembly in Venezuela was first proposed by Carlos Andrés Pérez, following the Colombian example. Since 1995, the constituent assembly proposal has been used as a mechanism to pressure the Caldera government, to force it to abandon its “statist” economic policies—that is, policies intended to defend the national economy against flight capital.

As a candidate, Chávez had given an ultimatum to the new Congress elected on Nov. 8, to hold a referendum that would poll the nation on the constituent assembly proposal. If this were not done, he had warned, he would himself do so by decree once elected. Now, as President-elect, his spokesmen have agreed to follow the constitutional path for such a referendum, which requires a constitutional amendment first. If he tries to impose the Constituent Assembly by force, the current polarization in the country will worsen. It should be kept in mind that, while he won the Presidency with a clear mandate, Chávez does not have a majority either in the Congress, the Senate, or among the governors.

But even should Chávez try to convoke the Constituent Assembly by negotiation, such a move would prove a disaster for the country, the beginning of the end of the institutions of the sovereign nation-state.

As one of his first acts as President-elect, Chávez designated Gen. Raúl Salazar as Defense Minister, which was received with approval by the Armed Forces. He then designated one of his closest collaborators, Luis Miquilena, an old leftist labor leader, as Interior Minister. The greatest surprise, thus far, has been the nomination of journalist Alfredo Peña, linked to the media empire of communications magnate Gustavo Cisneros Rendiles (synonymous with Rockefeller interests in Venezuela), as his Secretary of the Presidency.

Is that where Chávez’s “Third Way” is heading?