

- Carry out an adjustment plan to assure above all that the country will comply with its obligations to international banks and have access to new credits.

- Free up prices to conform to the law of the market.
- Eliminate controls and tariffs to “modernize” the economy and gain access to the world free market.
- Devalue the currency to promote exports.
- Privatize state companies, which are inefficient by definition.
- Open to foreign capital to invest in the country by acquiring the devalued properties.
- Liberalize the financial sector, permitting more “creative” methods.
- Raise interest rates to attract capital.
- Dollarize the economy as part of “globalization.”
- Do all of the above in order to have access to bailout

negotiations with more developed countries.

As we will see, in Venezuela as in other countries, the real effect of such measures is far from what is promised. Instead, the dismantling of real production and the impoverishment of the population under the Pérez regime were evident—so much so that at the same time in Venezuela, a growing movement of resistance to IMF policies sprouted, which created, one way or another, a series of popular revolts, two attempted military coups, the ouster of Pérez, and the election of Caldera, with the expectation that the new President would break with the IMF model and start a process of real national development based on the common good.

### **The mirage of the Venezuelan miracle**

During the first year of Pérez’s government, 1989, the IMF-prescribed shock therapy was applied. Prices were

## **War against the banks—or civil war!**

*This statement was issued by Alejandro Peña Esclusa, the secretary general of the Venezuelan Labor Party (PLV).*

Dr. Rafael Caldera’s inaugural address as he assumed the presidency on Feb. 2, omitted fundamental issues. He omitted to say that one bolivar out of every three in the national budget is earmarked for paying interest on the external debt; that the international banks—as bankrupt as the Banco Latino, and for the same reasons—are putting on pressure for us to pay this usurious debt at all costs; and that it is not possible to simultaneously attend to the very urgent necessities of the Venezuelans, and the demands of the banks. In his zeal to be an optimist, Dr. Caldera omitted, thus, to present the cruel reality such as it is. As so, once again, it is our responsibility to do so.

We are on the verge of a civil war. The causes which led to the “jolt” of Feb. 27 [1989] and the military uprisings of 1992 are still there: Venezuela, once a rich country, in only 20 years was sacked and indebted by the international banks and by their domestic stooges, driving 80% of the Venezuelans into misery. Twenty years of materialism and hedonism, 20 years of counterculture, pornography, rock, drugs, and so forth, have destroyed the moral values based on family, based on the love of God and one’s native land. The country has practically been dismantled.

It is true that, fortunately, Carlos Andrés Pérez fell. It is also true that this created a wave of optimism, but the problems of an economic order and the problems of a

moral order are still there, and it will not suffice to solve them by putting an honest citizen in the presidency.

Are the millions of individuals affected by the misappropriation of funds by Banco Latino perhaps going to remain unharmed? Is it enough to tweak the ears of the bankers to make sure that there won’t be another such misappropriation? Will the mortgage debtors hurt by the elimination of their subsidy remain silent? Will the very high interest rates, which are ravaging productive activity, come down without strict exchange controls? We also wonder: Can the economy be reactivated while we pay one bolivar out of every three for foreign debt?

Let us be realists! We need a strong nationalist government, which undertakes a head-on war with usurious international banking, which declares a moratorium on the foreign debt, which establishes strict exchange controls—and which builds Ibero-American integration with the other nations of the continent on these same points. We need a government which calls the corrupt by their full names and ruthlessly prosecutes them. It is not enough to say that we will do our best to make sure that the depositors of Banco Latino get their savings back; the Cisneros-Latino group directly has to be fingered, and made to answer, with their personal property, and to pay for their crimes.

The country is in flames. If the government does not take up the nationalist flag and put an end to the IMF packet, if it does not face down the creditor banks, then it will have to stop the protests with arms. Meanwhile, the Causa R party, which is part of the narco-terrorist international—the São Paulo Forum—is destabilizing from within the Congress and only awaits the failure of Caldera to send its hordes into the streets.

Either there will be a war on the banks, or there will be a civil war!