

# President Chávez goes for 'IMF revolution' in Venezuela

by David Ramonet

Two months after assuming the Presidency, the only thing which Hugo Chávez Frías has done, is to threaten to disavow the authority of both the National Congress and the Supreme Court, and thereby, of the Constitution itself. In reality, as aptly put by Venezuelan writer Jorge Olavarría (a backer of Chávez during the election campaign), Chávez has already "promulgated a coup d'état" against the Constitution, but he has been unable to execute it, because the Armed Forces are — still — responsible as one of their basic functions, for ensuring "respect for the Constitution and the laws of the country, obedience to which will always be a higher priority than any other duty." As Olavarría pointed out, the structure of the Armed Forces continues to be essentially the same as before Chávez's election, and that means, as stated by a Deputy from the Project Venezuela party, Alberto Franceschi, the Constitution "oblige even a sergeant who accompanies the President to restore it, by arresting him for incitement to violate the Constitution."

Chávez moved against the Constitution on three fronts, as follows: Suddenly, on April 4, to the surprise even of his own supporters in Congress, Chávez sent back to Congress the Enabling Law which it had passed one week before, demanding that it remove the modifications made to his bill, and pass it exactly as it was originally submitted. The law grants Chávez special powers to decide economic policy (in effect, to rule by decree); Congress, while it passed most of the bill, had refused to hand over its authority in every area demanded. Faced with the President's ultimatum, Congress summoned the economic cabinet ministers to testify regarding the demanded changes. But, to everyone's surprise, Chávez announced on April 10, in a speech to a military audience, that he had prohibited his ministers from appearing at the hearings, thereby effectively placing the ministers in contempt of Congress.

The day before, in a speech to the military garrison of metropolitan Caracas, Chávez lamented that active-duty military men are required by the Constitution to be non-political, and thus could not participate directly in the Constituent Assembly which he intends to convoke. But, he nonetheless recommended that active-duty officers meet in study groups, to discuss their proposals for the Constituent Assembly.

Then, on April 11, he told a group of his followers that "all the branches of government are damaged, worm-eaten. Neither the Congress nor the Supreme Court of Justice have

legitimate and moral authority." The next day, after the entire court issued a statement demanding respect from Chávez, and asking that he put aside confrontation, Chávez denied that he had said what every newspaper had reported he had said.

The Supreme Court then ruled that the Constituent Assembly, to be convoked on July 5 if approved in an upcoming referendum, cannot claim for itself "originating" powers. Chávez had included the term "originating" in the text of the proposed referendum, to specify that the Assembly is to have plenipotentiary powers, including the power to dissolve branches of government, specifically the Congress and the Supreme Court of Justice. Should the Assembly be so empowered, it will create a legal vacuum, because the Assembly would be acting, *a priori*, in the name of a Constitution which it had yet to write, and which would have to be approved by another referendum, before entering into force.

Chávez responded that he would respect the ruling, but said that, ultimately, it will be the Constituent Assembly which decides on the disbanding of the branches of government. That is, Chávez doesn't give a hoot what the Constitution, or any branch of government, says. According to him, the Constituent Assembly will have unlimited powers, no matter what.

## Why all the commotion?

President Chávez is in the middle of negotiating an expanded accord with the International Monetary Fund (IMF), which requires a drastic reduction of the fiscal deficit and a "deepening" of the neo-liberal "reforms" begun under the previous administration. Chávez's Enabling Law would introduce a general sales tax and a tax on bank transactions, and would reform the income tax system. It also sought authorization for the government to borrow \$12 billion on international financial markets, a sum which was reduced to \$7.8 billion.

Chávez has avoided defining the economic model which he intends to implement, merely saying that it will be a "Third Way" like that of the British monarchy's Prime Minister Tony Blair. But the day after he rejected Congress's version of the Enabling Law, Chávez attended a national leadership meeting of the Movement Toward Socialism (MAS) party, which has two ministers in his cabinet (Industry and Commerce, and Labor and Family), where he was handed a document which specifies that the Third Way "cannot be, as it was in the first

three years of the previous government of Rafael Caldera, an alibi for not facing up to the necessary adoption of urgent policies” based upon “orthodox formulas.”

According to the MAS, it is necessary to “provide the revolutionary government with an economic plan which admits without any complexes, the necessity of obtaining—through the policy of privatization and other mechanisms of a nature which transcend the strictly fiscal—the resources necessary to pay the foreign debt,” according to *El Universal*’s April 5 report.

### **The ‘third cartel’**

The issue which constitutes the greatest potential danger to the whole region, however, is President Chávez’s insistence to having Venezuela remain “neutral” toward the Colombian Armed Forces and the FARC and ELN narco-guerrillas assaulting that country. Chávez is willing to offer Venezuela as the headquarters for the bloody “peace” negotiations which the Colombian government seeks to carry out with the narco-guerrillas, with U.S. State Department blessing. This, despite the warning by the new president of the National Commission Against Illicit Drug Use, Judge Mildred Camero, that “the narco-guerrillas are gaining territory in Venezuela. Although we do not have current statistics, there has been an increase in the exchange of drugs for arms and people, . . . part of our territory is being used for processing drugs. The guerrillas buy and sell inputs, as well as finished products. . . . Do not forget that the narco-guerrilla has at his disposal an entire infrastructure, which, among other things, permits it to infiltrate civilian organizations and get close to the military.”

On April 10, *El Universal* published a letter which the Colombian ELN sent to the Venezuelan Ministers of Interior and Foreign Relations, Luis Miquilena and José Vicente Rangel, respectively, as well as to the Governor of the state of Zulia, Lt. Col. Francisco Arias Cárdenas (ret.), in which the ELN expressed gratitude for “permitting us the use of your territory and collaboration” to hold more than 60 meetings with representatives of Colombian “civil society.”

Thanks to these meetings, says the letter signed by the military commander of the ELN, Antonio García, “new initiatives have appeared, which keep alive the importance of a political solution.” A few days later, the ELN hijacked an airplane with more than 40 passengers aboard, demanding as a condition for the release of these hostages, that the Colombian government “demilitarize” several townships which border on Venezuela.

### **The MSIA responds**

On April 16, the Ibero-American Solidarity Movement (MSIA) of Venezuela, associated with Lyndon LaRouche, issued a statement addressing the crisis: “In the face of the spectacle of a government leading the country to its disintegration, and an opposition so weak that it does not wish to

call things by their real names, the MSIA of Venezuela has the responsibility to outline a clear alternative to the disaster toward which we are heading,” it reads. The international financial system has been disintegrating, step by step, in accelerating fashion since 1995, yet, instead of joining the “Survivors’ Club” formed by Russia, China, and India, to promote, together with President Clinton, a New Bretton Woods, as proposed by Democratic Presidential pre-candidate LaRouche, Chávez embraces the “moribund IMF order.”

The Enabling Law is “another IMF package aimed at sharing the poverty, imposing brutal austerity, and surrendering the wealth of the nation through further privatizations, to ensure the faithful payment of the foreign debt, the only issue Chávez dares not confront, save for rhetorical purposes,” charges the MSIA. “The IMF does not care whether a government signs its letter of intent with its right hand or its left.

“To reactivate the national economy, Venezuela must join the ‘Survivors’ Club.’ It must impose exchange and capital controls against the financial predators; it must return to issuing sovereign credit, to get national industry and agriculture moving again; and it must take up the cause of true Ibero-American integration, to develop great infrastructure projects.

“The Constituent Assembly which President Chávez is imposing is not only illegal due to the dictatorial manner in which it is being implemented. It is in itself an oligarchical project to unleash a destructive Jacobinism to raze the basic institutions of the nation-state. The model most cited . . . is that of the illegal 1991 Colombian Constituent Assembly, financed by the narcos, which has brought that nation to the point of balkanization, with a state daily less capable of confronting the regional narco-guerrilla threat. There are reasons that the FARC and the ELN sing the praises of President Chávez, as much for what he has done, as for his future intentions.

“Since the days of George Bush and Margaret Thatcher, the financial oligarchy . . . has been carrying out its ‘Plot to Annihilate the Armed Forces and Nations of Ibero-America,’ as the famous book published under this title by *EIR* explains. Nor does it matter to the oligarchy whether this project advances on the right flank, or by the left. . . . The politicization of the national Armed Forces, to transform them into the political base of the government in office, is the quickest way to eliminate the institution as the guarantor of the sovereign nation-state. The national Armed Forces belong to the nation, not to the government in office, and its future cannot be tied to its temporal political fate.”

The MSIA statement concludes: “Let us remember history: Necker, Marat, and Robespierre—the protagonists of the French Revolution which President Chávez so often cites—considered themselves the most absolute of kings, invoking ‘the Sovereign,’ yet each one met their fate. We cannot permit that, when the ‘Chávez Project’ sinks, the institution of the military sinks with it.”