

Andean Report by Valerie Rush

Venezuelan 'days of rage'

Economic crisis and a leadership vacuum have turned the country increasingly toward violence and terrorism.

What began as a series of student riots in response to an early-April decision by the Jaime Lusinchi government to hike the cost of public transportation, has become a serious destabilization of this usually calm Andean nation, with frightening implications for the rest of the region.

April and May have seen a virtual replay of the 1968 "days of rage" in France, with tens of thousands of students rampaging through the streets of more than a dozen Venezuelan cities, looting stores, stoning policemen, burning police cars, kidnapping bus drivers, etc. At least one student has been killed, and scores seriously wounded in the clashes. The bus drivers' federation is threatening to strike nationwide, and riots continue to escalate, in number and violence.

The Lusinchi government has been forced to indefinitely postpone a planned May visit to Venezuela by Ronald Reagan, out of fear that the U.S. President's appearance would only aggravate political

The government has charged "professional terrorists" with being behind the student protests, and has already conducted several university raids and made hundreds of arrests. While there is evidence that trained provocateurs are in fact infiltrating the student protests, the reality is that a dramatic collapse in living standards has turned normally law-abiding citizens into very frightened, very angry, and very manipulable ones.

Despite all the public speculation about how this "stable" country got itself into such a fix, one need only ask the average Venezuelan.

shredding of its traditional financial "cushion" due to the oil price collapse and the allocation of nearly 50% of its export earnings to service its foreign debt, the Lusinchi government has decreed a number of highly unpopular austerity dictates, such as the 50-100% transport rate increase, which triggered the riots, and a wave of new price hikes.

The government has bent over backward to please the international banking community, lifting restrictions on foreign investment and other "free exchange" measures that have facilitated the growth of Venezuela as a drug-money laundering center. The government's avid defense of creditor rights, over those of the national interest, is creating a storm of reaction among Venezuelans who see Alan García's Peru experiencing unprecedented rates of economic growth while the threatened bankers' "reprisals" against that Andean neighbor have yet to surface.

Yet, with all its propitiation of creditors, Venezuela continues to get dangled, along with the rest of Ibero-America. Bankers' mouthpiece Paul Volcker, head of the U.S. Federal Reserve, returned from a "private" two-day visit to Venezuela to inform the press: "In the future, a regular financial flow will be reestablished to Venezuela." Pressured to assign dates and dollar amounts to his prediction, Volcker sneered through his cigar, "Miracles don't happen in a day."

As the country continues to bleed itself through debt service, deadly diseases like meningitis and tuberculosis have begun to move from rural poor

sectors of the country to urban centers like Caracas. One of the more frightening signs of the crisis came in the form of an April 11 press report that Venezuela's laboratories had run out of insulin and were unable to acquire more for lack of import financing.

One year ago, U.S. Treasury official Tim McNamar had told the press that if the debtor nations failed to meet their obligations, Ibero-America could experience a sudden shortage of insulin. A few months later, the Eli Lilly company, one of the few international insulin producers, announced it was shutting down its offices in Argentina.

Under cover of the growing wave of anti-austerity outbursts has come a resurgence of professional terrorism, courtesy of the networks put in place by Nazi-Communist terrorist Stefano Delle Chiaie, currently held by authorities in Italy, and agents of Libya's Muammar Qaddafi. When Delle Chiaie was seized in April, captured documents revealed a potential terror network financed by Italian and Libyan commercial interests. Venezuelan newspapers have named the powerful DiMase brothers, one of whom is the ambassador to Venezuela of the Order of Malta, as among those financiers.

Venezuelan press of April 1 reported that the police are pursuing investigations into the possibility that the student riots are linked to Delle Chiaie. Several of the arrested students named Delle Chiaie as the intellectual author of the riots. That Venezuela has apparently become a nesting ground for international terrorism is suggested by the early May arrest of Jordanian terrorist Mahmoud Atta, said to be in charge of Western hemisphere operations for the Abu Nidal terror network. In his apartment were discovered precise instructions on the creation of a base of operations in Venezuela.