

Andean Report by Jaime García Neumann

Venezuela goes off the IMF track

The new government's resistance to the financial elites' dictates has triggered a violent counterattack.

The Venezuelan government, headed by Rafael Caldera, is slipping out from under the heel of "savage capitalism" and "globalization" represented by the International Monetary Fund (IMF). At least, that's the fear of international financial and political interests which have undertaken a blackmail campaign to force Venezuela to change its economic policies.

The situation came to a head on April 11, when a government spokesman announced that "Venezuela will not sign a new letter of intent with the IMF, as this would represent betrayal of the people on the part of the Caldera government."

In mid-February, the secretary general of the Venezuelan Labor Party, Alejandro Peña Esclusa, wrote a letter to Caldera, later published by the national news media, warning about an "Operation Pincer" against the country by international groups and their domestic allies. Peña was referring specifically to a recent meeting of the Council of the Americas in New York, where the Venezuelan government was urged to return to the monetarist policies that sank the country under the government of deposed President Carlos Andrés Pérez (CAP). The Council of the Americas, of course, means Chase Manhattan Bank (Venezuela's leading creditor), David Rockefeller, and his local associates of the Cisneros-Banco Latino group.

Peña's warnings were confirmed in early April, when "Operation Pincer" moved to corner the Venezuelan government.

On April 2, a U.S. Department of Commerce report included Venezuela on a list of 35 countries with "bad trad-

ing practices." Three days later, U.S. Ambassador Jeffrey Davidow was even more explicit: "Venezuela still has various trade laws and customs that are very damaging to the flow of free trade, and the fact that it appears on the U.S. blacklist shows that we are having problems and that we are trying to negotiate to avoid them."

That same day, the Miami paper *La Nueva Herald* published a report which included Venezuela alongside Haiti on a list of high-risk hemispheric trading partners. And eco-fascists have been protesting in front of Venezuelan consulates in Miami and other cities, against a supposed massacre of dolphins and urging a boycott of Venezuelan products, including tuna and Citgo gasoline. The result of this sustained barrage has been a reduction of the country's credit lines, which in turn has made the import of basic goods more expensive and more difficult.

The Venezuelan bond market has also been affected. Standard & Poor's and Moody's have recently downgraded Venezuelan bond ratings.

Chase Manhattan President Arthur F. Ryan met with Caldera in Caracas on April 5. Upon departing, Ryan attacked a ghost he thought had long disappeared. "A moratorium on the foreign debt is inadvisable," he said. "It would be better to stay with the arrangements already made and to believe that that is in the best interest of both parties, because if this matter is reopened, the problem will not be resolved and, further, it would seriously affect the flow of capital into the country."

Caldera's recent visitors include

B'nai B'rith's Edgar Bronfman and British Undersecretary of Foreign Affairs David Gillmore, who warned that talks with Venezuela "have been held up a bit" and that British investors will put their capital "only in countries that demonstrate political stability, a state of law, and the freedom to operate."

The British hand behind the "pinchers" is also seen in the London *Economist*. In late March, it put out a "confidential" report attacking Caldera's decision to eliminate the despised Value Added Tax and not to increase the domestic price of gasoline, and predicted that the economy would soon enter a severe crisis. On April 10, the *Economist* placed Venezuela first alongside Nigeria on a list of nations afflicted with corruption.

The Caldera government's response so far has been unflinching. Congressional president Gómez Tamayo called for a "united front" against this campaign. Ruling party Congressman Leonardo Montiel charged April 11 that the campaign against Venezuela in the United States is headed by the economic group Washington, Inc., which holds stock in the *New York Times*, *Miami Herald*, and *Wall Street Journal*, and has influence on TV networks such as CNN and Univision (a Cisneros property). "When someone is not agreeable to the IMF, this powerful communications, financial, and political structure is brought into play to implacably attack the nation it doesn't like," Montiel explained.

That same day, President Caldera's son, Sen. Juan José Caldera, charged that three former CAP ministers—Miguel Rodríguez, Gerver Torres, and Moises Naim—"are using their positions as employees of the IMF and World Bank in Washington to instigate an entire strategy to bring about the failure of this government."