

reported that the remnants of the old Pakistani and NATO-trained military and bureaucracy in Bangladesh are strongly pushing for elections this February to overturn the military regime. These forces are led by the ultra-rightwing Islamic Khondakar Mustaque, the man who took over the civilian government in August 1975 after plotting in connection with the CIA the assassination of Bangladesh national leader Mujibur Rahman.

Organizing on a platform full of communalism, anti-Indian and anti-Hindu propaganda, the Mustaque forces were expected

to win. These expectations were further strengthened by the death last Wednesday of Maulana Bhashani, the communalist moderate Islamic populist who had allied himself with stability and stated clearly that the population does not want the civilian butchers to return to power. On Nov. 24, ending this election pressure, president Abu Sayem announced that elections will be indefinitely postponed because "in most cases, personal and party interests took precedence over national interests, creating a situation that is repugnant to national unity and solidarity at this critical juncture."

## LATIN AMERICA

# Why CAP Went To Europe

Nov. 26 (NSIPS) — The tumultuous welcome that has greeted the current diplomatic and trade offensive of Venezuelan President Carlos Andres Perez in Europe over the past ten days, in contrast to the hysteria it has evoked in Atlanticist circles, is a measure of how far CAP has slipped away from Wall Street control. CAP's European tour is seen by a groundswell of forces internationally as a rallying point for establishing the triangular trade mechanisms between the EEC, the Comecon, and the Third World which are the prerequisites for moving into a new world economic order. In terms of press coverage, policy statements, and trade initiatives, the degree of coordination among these sectors is unprecedented, suggesting a tremendous urgency to settle the key global problems of trade and debt. This urgency is the shared perception of the imminent danger of nuclear war if James E. Carter gets into the White House.

Throughout his dramatic tour, Perez has repeatedly emphasized that the failure of the Paris North-South talks to successfully negotiate a new world economic order will result in a "threat to world peace" and eventual "disaster." "It is clear," CAP told reporters in Rome this week, "that the task at stake is to avoid a general war." The daily of the Italian Socialist Party, *Avanti*, reported that Perez also cautioned, "If the great powers attempt, through the use of force, to obtain control over raw materials (the result will be) something similar to the Nazi-fascist madness."

Twice during these ten days Perez directly warned Carter that the advisers of President Kennedy brought the world to the edge of nuclear holocaust as a result of the 1961 CIA invasion of Cuba. CAP is acutely aware that the "Kennedy team" consisted of the same Wall Street brinksman now serving as Carter's advisers.

Simultaneously, Venezuelan U.N. ambassador Simon Alberto Consalvi granted an interview to the Caracas newsweekly *Resumen*, in which he flatly stated that in Carter's entourage there are hawks that would take us directly to nuclear war." Noting that Carter "used 'hardliners' during the campaign," Consalvi singles out nuclear maniac James Schlesinger as one who has made it into "the ranks of the team that will be entering the White House." Equally significant, Consalvi, voicing a policy that is not unique to the Venezuelan government, revealed that his regime is suspicious of Carter's designs toward the Third World by labeling them "unknown," and by praising American U.N. ambassador and Ford Republican William Scranton.

The economic basis of CAP's historic tour is the exchange of oil for the capital-intensive inputs necessary for rapid industrialization. In Italy, CAP negotiated wide-ranging oil-for-technology deals with the anti-Atlanticist government of Prime Minister Giulio Andreotti and allied pro-development industrialists in the areas of auto, steel, aluminum, and electric power. In exchange, Italy is guaranteed a reliable independent source of oil, possibly at a preferential price — a strategically crucial move that could free the Italian economy from the blackmail of the Rockefeller-dominated Seven Sisters cartel. Perez and Andreotti agreed that they would serve as liaisons between the OPEC and the EEC, respectively, whereby the Italians will organize the EEC around Third World demands at the Paris North-South talks next month, while Venezuela will push for preferential treatment of the EEC by OPEC. CAP assured Andreotti that he is aware that any oil price increase of over 10 per cent would "create serious difficulties," adding that "the fate of the Third World is closely tied to the industrial recovery of the industrialized economies."

But even more surprising was Perez' pledge to deposit Venezuelan petrodollars in Italian banks, a direct slap in the face to Wall Street, which for the past two years has used Caracas as a convenient clearing house for recycling petrodollars back to New York. According to the Italian daily *La Repubblica*, Venezuela has already transferred \$500 million of its reserves from New York to Italy. "We have confidence in the recovery of the Italian economy," Reinaldo Figueredo, Perez' official spokesman, said in Rome.

In Britain, representatives of 16 key industries met with CAP, offering "the most advanced technology" for Venezuela's industrialization plans, according to Figueredo, in the areas of coal, petrochemicals, rail, steel and auto. At the same time, CAP delivered a promise similar to the one made to the Italians when he said he has "full confidence" in the recovery of the British economy, as shown by the fact, he added, that Venezuela has deposited some of its reserves in London "...and we have no intention of taking them out of there."

However, the most politically significant leg of CAP's tour is his current stay in the Soviet Union. In a speech in Moscow two days ago, CAP told Soviet President Nikolai Podgorny that the Third World "expects more active and definitive action" from the socialist countries in the fight for the new world economic order, and called for Soviet participation in the North-South dialogue. Perez also signed a three-year package of economic

cooperation accords under which Venezuela will supply Cuba with oil, while the Soviet Union will send industrial equipment to Venezuela. The strengthening of relations between the socialist sector and the Third World, he said, "opens to us extraordinary perspectives" in industrial, technological and scientific development. This opening is only appropriate to what the Venezuelan chief executive called "the deeds and heroism of the great Soviet nation, which have contributed such great sacrifices for the history of independence and freedom on the world." And in an indirect reference to the traditional U.S. hegemony over Latin America, CAP emphasized that as a result of the "new world reality," Venezuela is subjugated to no particular sphere of influence.

#### Why CAP?

It is no secret to the Soviets, the Europeans, and the Third World that the Venezuelan government had until recently served as Wall Street's Trojan Horse. The maneuverings of such New York-directed ministers as Manuel Perez Guerrero and Gumersindo Rodriguez to sidetrack the Third World away from the crucial issue of debt are legendary. But by the middle of this year a series of developments began to make Perez aware that going along with the game of the Atlanticists would mean his own demise.

CAP had been called upon by Wall Street to implement austerity in a country where an estimated 68 per cent of the population suffers anemia as a result of malnutrition. Twenty of the leading 27 causes of death in Venezuela are directly related to starvation. There were widespread reports in the press of children collapsing in school as they waited in line for a glass of milk. All this in a country that has among the highest foreign exchange reserves in the world, a country with an unlimited potential for development.

Venezuela never really got its hands on the earnings it made from oil sales. The Atlanticist ministers in CAP's cabinet have funneled 95 per cent of the nation's foreign reserves straight into Wall Street, the World Bank, the bankrupt Eurodollar market, and U.S. Treasury notes.

This glaring contradiction hit CAP and domestic pro-development industrialists in the face when a three-month torrent left more than a third of the country under water by the end of last June, wiping out as much as 90 per cent of the crops in key agricultural areas. This disaster intersected with more than two years of organizing for debt moratoria and a new world economic order by the Venezuelan local of the Latin American Labor Committees (CLLA), confronting key Venezuelan leaders with the sensuous necessity for these proposals. Within weeks after the CLLA called for an emergency debt moratorium for the nation's agro sector, the largest growers federations in the country echoed this demand.

Although CAP's ministers have succeeded in stalling this critical issue, the current collapsed state of Venezuelan agriculture is key in shaping the President's present pro-development thrust. Speaking before the U.N. Food and Agriculture Organization in Rome last week, CAP identified "hunger and food production" as the most serious problems facing humanity. "The traditional problems of agriculture, undernourishment, and malnutrition have nothing to do with natural disasters," said Perez, but are the result of a lack of financing, infrastructure, and technology. "It will not be possible to resolve the food drama of the world if the developed countries do not program agricultural production in terms of world requirements," he said. "Only the scientific and technological calacity of the developed world, with its immense economic resources, can make agricultural development in all regions and countries viable and possible." By the summer, Perez, sensing the need to spur sagging oil revenues, had

already begun to make subtle moves to free Venezuelan oil from dependence on the Rockefeller multinationals. Mines Minister Hernandez Acosta, closely tied to pro-development industrial interests such as Mendoza Enterprises, visited Moscow as a followup to previous Soviet offers to provide technical assistance.

At the same time, the U.S. State Department drive to militarize Latin America, highlighted by the July 16 cold coup in Peru, made it clear to CAP that he was either slated to become a powerless figurehead of a de facto military regime, or be overthrown altogether.

This was to be accomplished through the activation of the Rand Corporation scenario printed in 1975, calling for regional wars on the continent as a means of insuring against any break-aways from U.S. hegemony. Beginning in July, various Atlanticist press conduits, particularly UPI, AFP, and AP, began to heat up the historical border dispute between Colombia and Venezuela over the Gulf of Venezuela. CAP and Colombian President Alfonso Lopez Michelsen quickly issued a joint communiqué condemning "multinational (news) agencies that spread inexact or tendentious reports." Earlier UPI falsely reported that Lopez had been assassinated by "terrorists," a maneuver that was immediately identified by Caracas sources to NSIPS as part of a muffled coup plot that would have triggered a simultaneous military takeover in Venezuela. CAP ordered government TV and radio stations to cancel subscriptions to UPI, according to an Interpress report.

Mere days after Lopez and CAP met to defuse the Rand operation, the Venezuelan government was rocked by a destabilization operation when rightwing thugs within the Disip, the political police unit that has served as a haven for CIA-deployed Cuban exiles, murdered Liga Socialista secretary general Jorge Rodriguez. At this point it was clear to all observers that reactionary circles were embarked on a course that would gradually put the right wing of the military in de facto control of the country.

In September, the Perez forces responded favorably to a Soviet invitation for a visit to Moscow by a delegation of Venezuelan congressmen, which included two of CAP's key factional allies within the Accion Democratica party, Gonzalo Barrios and Canache Mata, who returned praising Soviet economic development and peace initiatives. Simultaneously, the collapse of the British pound jolted Venezuelan industrialists to awareness of the fact that the impending collapse of the Eurodollar market would completely obliterate the nation's dollar-dominated reserves. Comments began appearing in the Caracas press about "a new international monetary crisis," further prompting industrialist support for CAP's quest for new trading arrangements with non-dollar spheres, particularly the Comecon.

Wall Street responded by pulling the old arch-Atlanticist godfather of AD, Romulo Betancourt, out of retirement. On Sept. 13, in his first public appearance in months, Betancourt tried to launch a McCarthyite anti-communist witchhunt designed to pull CAP away from his rapprochement with the Soviets and foment a split between Venezuela and Cuba. CAP refused to be duped and publicly thwarted Betancourt's attempted crack-down against leftist parties. On Oct. 6, CIA-directed Cuban exiles blew up a Cuban airliner, killing 73 persons, in an effort by Jimmy Carter's controllers to recreate the Missile Crisis climate for a nuclear faceoff with the Soviet Union, as well as to quash any further pro-Soviet motion in the Caribbean, particularly by Perez. Here again CAP refused to buckle, and has since been cooperating fully with the governments of Cuba and Guyana in exposing the CIA's hand in the mass murder. At his press conference at the United Nations, he challenged the

United States to answer the evidence of "connections to official agencies" surrounding the bombing.

While all these developments have been crucial in pushing Carlos Andres Perez away from Atlanticist domination, the consistent role of the Latin American Labor Committees has been key. For two years, the CLLA has been the only voice in Venezuela organizing for debt moratoria and the new world economic order. The CLLA has been the only accurate source of information on the historic struggle of Mexican President Luis Echeverria for the new order, and on the Wall Street imposition of a bankers' dictatorship in Peru. It was the CLLA that first proposed a program of exchanging Venezuelan oil with the advanced sector in terms of the necessary capital goods and technology required for Third World development, the groundwork of CAP's present policies. Thousands of copies of Nueva Solidaridad and special briefs have made their way into industrialist, journalist, and political layers laying out Wall Street's schemes around the Rand scenario, the Rodriguez murder, the collapse of agriculture, the World Bank design of turning the five-year V Plan into a labor-intensive Schachtian looting operation, and the nuclear war danger of the Carter fraud. Hundreds of meetings have been held with government officials, political figures, union leaders, and businessmen on the only way a military coup can be averted in Venezuela: an internationally-focused fight for a new world economic order and debt moratoria.

#### The Military Danger

As a result of CAP's current offensive, Wall Street is forced to turn to the open coup alternative at the first sign of a weakening in CAP's international position. A coup right now would merely force Europe and the Third World to break immediately with the dollar, but the groundwork is being set should CAP and his allies falter. Perez is well aware of this, as he pointed out in his press conference in London this week. One of the "essential reasons" democracy is increasingly weak in Latin America, he said, "is precisely the result of the economic instability that provokes this political instability."

The signals are clear, as a coordinated fascist front to stop CAP has emerged stretching from the CIA's Cuban exiles, through the old falangist wing of the Christian Democrat party, Copei, to the Betancourt faction in AD. The political boss of the extensive Cuban exile community in Caracas, CIA agent Felix Martinez Suarez, publicly endorsed terrorist violence in a prominent newspaper ad two weeks ago. This week, two notorious Cuban exile CIA fronts, CORU and Condor, threatened to bomb Venezuelan airliners if the Perez government persists in its prosecution of CIA-Cuban exile terrorists.

Copei is now split down the middle, with the faction around

leaders such as Luis Herrera Campins and Abdon Vivas Teran heading up a pro-development faction similar to the Andreotti forces in Italy. But the old reactionary falangist wing around former President Rafael Caldera has been forced to surface in an effort to undermine CAP's motion. Aristides Calvani, Caldera's foreign minister, in an interview in the right-wing Caracas daily El Universal this week, warned Perez not to snub the U.S. "It is incongruent that a Venezuelan President who has yet to pay an official visit to the United States, travels to the U.N. without making an official visit to that country," he said. "Especially in the case of President Perez, who on this occasion is going to the Soviet Union." Giving away the unholy matrimony between these falangists and the "liberal" Jimmy Carter, Calvani snapped, "Nothing should have prevented his seeing President-elect Carter. I just can't understand what happened."

It is widely known that the right wing of Copei is closely linked with the fascist elements in the armed forces. Other falangists have recently tried to stir up animosities within the military by publicly alleging dissatisfaction over salaries and promotions — a typical pre-coup rumor.

Meanwhile, the Atlanticist "left" press service, Interpress, hysterically screamed this week that the "objective" of CAP's tour "is to split the Europeans from the U.S." Further, Copei columnist Sanin, in El Nacional of Nov. 19, nervously wrote, "The bad part about it is that he is being compared with the Mexican Echeverria."

However, another El Nacional columnist, Jason, the same day ironically noted the success of CAP's trip and the fact that the inroads made with the Andreotti government have left even the pro-development faction of Copei flatfooted. "You'd think he was Andreotti's cousin," he remarked, citing the warm reception from the Italian press on Perez' arrival in Rome. As to the devastating effect CAP's drive is having on the right wing of his own AD party, Jason quipped, "It looks like CAP is closer to President Leoni (of Italy) than (former Venezuelan) President Betancourt."

It is obvious that for CAP to survive he cannot stop in midfield. The right wing is waiting to pick him off should he even slow down, as a Wall Street think tank source told NSIPS two weeks ago. "The threat of a military coup should keep CAP from going too far," he said. Within Latin America, he must strengthen the geopolitical position of potentially pro-development forces through trade. The scheduled visit to Caracas by Peruvian President Morales Bermudez upon CAP's return from the Soviet Union is an opportunity to give breathing room to the Peruvian centrist forces trying to fight off a Chilean-style bankers' coup. But more broadly, CAP absolutely cannot afford to have the North-South talks in Paris be sabotaged.

### The CADI—76 Meeting:

## Peruvian Regime Announces Turn From "Peruvian" Development Model

Nov. 27 (NSIPS) — A parade of Peru's right-wing cabinet members swore to a gathering of Peruvian executives at the CADE-76 economic planning meeting this week that they would wipe out all remaining vestiges of the "Peruvian Revolution" in order to facilitate labor-intensive looting of the country's natural and human resources. The wholesale reorganization of the Peruvian economy which they outlined is based on the rejection of the premises of the 1968 Peruvian Revolution which

held that the government's role was to promote nationalist "Integral Development" for the purpose of raising the living standards of the population. The new system promises "new openings" for foreign capital for massive extraction of oil and metals and "a climate of business confidence" in which local entrepreneurs can mobilize the population to scratch out and export whatever marginal resources are left.

In order to effect this transformation to Schachtian looting