

## Andean Report by Mark Sonnenblick

### New riots confront Venezuela's CAP

*All sectors are in rebellion against the socialist President's economic devastation policies.*

Venezuelan President Carlos Andrés Pérez went home after hobnobbing in the United States with George Bush and Jimmy Carter March 29-April 1, only to face new disorders provoked by his slavish obedience to the International Monetary Fund (IMF). High school students in working class districts in western Caracas burned tires and blocked traffic to protest quadrupling of bus fares. One person was killed; 1,000 died in Feb. 27-March 4 riots against the reductions in living standards ordered by President "CAP."

Hours before the demonstration, Pérez told reporters, "There is unease, there is confusion, and I understand the impatience of many sectors." The day before, as Pérez's negotiators sat down in Washington to try to renegotiate Venezuela's \$33 billion foreign debt, thousands of residents of a lower-middle-class region of Caracas marched and blocked traffic to protest having to pay more than double on their mortgages. Over the past month, rates floated up from 13% to 28%, with the sky the limit.

Pérez promised the IMF he would let internal interest rates float, while putting a straitjacket on wages. His party's secretary general, Humberto Celli, insists, "The measures are irreversible."

In Washington, CAP lauded the suggestion made by Treasury Secretary Nicholas Brady that selected countries be allowed to reduce their debt burden, if they were willing to apply IMF bloodletting. He proclaimed, "The Brady Plan is going to function for Latin American debt and it is going to function immediately for

Venezuela." No one expects Venezuela will see even token "debt relief" for at least six to nine months. But the disorders showed that the tough Brady conditionalities did "function immediately for Venezuela."

On March 26, the government doubled prices of most basic foods. Even so, the price control agency reported that there was no milk powder, flour, cornmeal, salt, rice, or toilet paper anywhere on the market, and that meat and fish were scarce. While many of the shortages are caused by the regime's willingness to reward speculators, agriculture and industry are slashing output.

A large tractorcade rolled through the key agricultural state of Guarico on April 5. Its organizers said the purpose was "to rescue our agriculture, today threatened with being wiped off the map of Venezuela."

Due to the impact of IMF measures like floating interest rates and elimination of food subsidies, Venezuela would produce 40% less grain than expected this year, farm leaders of the powerful Fedecamaras Chamber of Commerce projected March 31. Total national grain output would drop 786,000 tons, due to Pérez's policies. In Guarico state, only half the land is being planted. Production losses there alone mean 130,000 tons less rice, 170,000 tons less corn, and 160,000 tons less sorghum.

Farmers are outraged. Cattlemen in the west are paying their interest bills at the contracted old rate; they won a Supreme Court ruling March 31 that the rate increase was unconstitutional. At a meeting of the national farm federation, Fedeagro, some sub-

scribers to *EIR's Resumen Ejecutivo* urged an alliance between farmers and eaters, to prevent the government from playing its usual game of pitting them against each other. As per IMF orders, prices paid to farmers are far below rapidly rising costs, while consumers are being forced to pay exorbitant prices.

Industry, heavily dependent upon imported inputs, is contracting. Some \$3 billion worth of last year's import bills are being collected at triple the number of bolivars the central bank contracted. New inputs will cost three times more, and the World Bank is forcing tariff protection to be eliminated. The whole country will end up in the hands of a half-dozen oligarchical families and their international cartel partners, producers fear.

"The Country Has Risen Up Against the 'Package,'" bold headlines across the top of the daily *El Nuevo País* blared March 31. It reported that organized labor would go on general strike April 25, the students would close the universities April 6, the industrialists were suing the central bank, and the cattlemen were not paying higher interest.

"The charismatic defense minister, Division General Italo del Valle Alliegro, tomorrow could become a different and refreshing President of the Republic," the daily *El Mundo* commented March 31. The president of CAP's Democratic Action party, Gonzalo Barrios, charged the same day, "There is a campaign by those who want a coup."

The question of a coup is on people's minds because many remember that, under the military rule of Gen. Marcos Pérez Jiménez in the 1950s, Venezuelans suffered none of the bloody repression or economic devastation that they have felt under the "democrat" Carlos Andrés Pérez.