

# IMF, Bush deploy to prevent one, two, many Venezuelas

by Valerie Rush

With the anti-International Monetary Fund fire set Feb. 5 by Venezuelan military rebels still smoldering, the Fund and the Bush administration have sent in their top henchmen—IMF Managing Director Michel Camdessus and U.S. Defense Secretary Richard Cheney—to try to stamp it out. However, as anyone knows, stamping on a fire is just as likely to scatter the coals.

In Cartagena, Colombia, the IMF's Camdessus defensively insisted to the press corps assembled for the U.N. Conference on Trade and Development (Unctad) that "the invisible hand of the Fund" was not responsible for the conditions which led to the coup attempt in Venezuela. He then proceeded to Peru, where the enforcement of IMF austerity policies, dubbed "Fuji-shock" after President Alberto Fujimori, has succeeded in doubling the number of Peru's "critically poor" from 7 million to 14 million in less than two years.

A full-page newspaper ad taken out by former Lima Mayor Alfonso Barrantes greeted Camdessus Feb. 14, charging that IMF policies in Peru were creating "a climate of dangerous political and social instability." Newspaper headlines like that of Lima's *Ultima Hora* blared that former Venezuelan President "Herrera Campins Blames IMF for Failed Coup."

Arrogantly ignoring these warnings, Camdessus praised Fujimori's economic program as "a model for the rest of the world," and as "an immensely important success." When challenged by a reporter as to the poverty, hunger, and misery such policies have caused, Camdessus acknowledged that Peru's "social situation is dramatic," but insisted that economic policies "cannot be changed on the pretext of fighting poverty"! He demanded that the free trade and austerity policies, known as "neo-liberalism" in Ibero-America, be intensified.

The only credits Camdessus promised were for foreign debt payments; he insisted that the country's "social challenges"—such as ending terrorism—would have to be financed by internal resources.

And, in response to the hostile responses he had received from certain Peruvian political layers, Camdessus left with the threat that there exist "two dangers" facing Peru: the people's "weariness with the adjustment program," and the banks' "weariness with helping."

## Economic blackmail and military might

Camdessus's not-so-veiled threat of a withdrawal of international credit from any country which grows "weary" of the IMF's austerity dictates was backed by the parallel deployment to Ibero-America of Secretary Cheney, whose 10-day, five-nation tour began Feb. 15, coinciding with Camdessus's departure.

Cheney is visiting several key countries, including Brazil, Argentina, Guatemala, and Chile, where he will pursue two parallel strategies: First, to attempt to repair U.S. military relations with countries whose armed institutions, in some cases even the high military command, have lost as much faith in their own governments as they have in the United States. Secondly, to sound out the possibility of forging a "Desert Storm"-style hemispheric intervention force or, as one U.S. Defense Department spokesman told the Brazilian press, to promote a new "military initiative for the Americas" modeled on Bush's "Enterprise for the Americas" free trade plan.

The first test of such a multilateral invasion force, if Cheney should succeed in his mission, could well be in Haiti. The forcible restoration, by *Ibero-American* "peacekeeping" forces, of the bloody dictator Jean-Bertrand Aristide would presumably boost George Bush's flagging popularity. More importantly, however, it would deliver a message to the rest of the continent.

Indeed, the proponents of such an intervention force clearly have bigger fish than Haiti in mind, as exemplified by Venezuelan President Carlos Andrés Pérez's recent call for "a mechanism that would allow international armed intervention to restore democracy wherever a military coup has taken place," according to the Feb. 17 *Financial Times* of London. Pérez stressed, says the *Times*, that this is especially important for Latin America, where "military coups have been frequent in history." Pérez should know.

U.S. Assistant Secretary of State for Inter-American Affairs Bernard Aronson has also been plugging for such an intervention force, and has been cited in the press repeatedly urging a "strengthening" of the Organization of America States' security system, as a means of "preserving democracy" on the continent. Speaking to reporters in Washington, D.C. one week after the Venezuelan coup attempt, Aronson

insisted that the OAS had to “renew the debate” on what practical security mechanisms could be applied when democracy is threatened anywhere in the region.

In Argentina, in particular, Secretary Cheney’s visit is designed to stroke that “IMF democracy” into becoming a new world order “gendarme.” A Pentagon spokesman has confirmed that Cheney intends to convey to the Argentine government his personal appreciation for their involvement in Bush’s “Operation Desert Storm” against Iraq. Immediately following Cheney’s visit, Argentina will be receiving the head of the U.S. Southern Command (SOCOM), Lt. Gen. George Joulwan, to win that country’s support for moving the headquarters of SOCOM from Panama to Brazil.

According to an official statement of the U.S. embassy in Buenos Aires, Argentina has been assigned a special role in U.S. regional strategy: “For the U.S., there is the tactical possibility of turning Argentina and other countries of Latin America into full partners in the resolution of conflicts, in the strengthening and preservation of democracies, and in providing the world a greater degree of security and stability.” Ever ready to serve his master, Argentine President Carlos Menem has already offered to stand in as a Bush “mediator” in the battle over GATT agricultural policies between the United States and Europe.

Of course, while the IMF and the Bush administration depend on the cudgel to keep Ibero-America in line, there are some who urge a more subtle approach. Gert Rosenthal, the executive secretary of the U.N. Economic Commission on Latin America (ECLA), for example, is worried that “what happened in Caracas could happen in practically any country in the region.” And ECLA senior economist Robert Devlin insists that the countries of the region will have to “narrow the income gap either through the vision of their leaders or through the force of events.” How to preserve the free trade neo-liberal model while preventing more Venezuela-style explosions on the continent, will be the subject of an ECLA conference scheduled for later this year.

## **Olympian arrogance**

The bullet-scarred, would-be gods of Olympus of the Carlos Andrés Pérez government continue to pretend that the insurrection is over, that the imprisoned rebel leaders are a handful of isolated “fascists,” and to insist, like Michel Camdessus, that IMF dictates played no role in prompting the coup attempt. Pérez’s refusal to alter his economic program and his denial of political reality has enraged many Venezuelans, and prompted former President Rafael Caldera to publicly charge that Pérez “has maintained an arrogant posture, by insisting that there will be no restructuring or changes.”

Under intense pressure from the very frightened Democratic Action (AD) ruling party, President Pérez has apparently acquiesced to the removal from his cabinet of Planning Minister Miguel Rodríguez, the most visible figure associat-

ed with the government’s harsh austerity policies. His replacement is expected by the end of February. Realists within the AD are, however, pleading for a more complete purge, to include Finance Minister Pedro Rosas, Foreign Minister Armando Durán, Interior Minister Virgilio Avila, and Central Bank director Pedro Tinoco. So far, there has been no sign from Pérez that he will go that far.

There are rumors, however, that Pérez is considering bringing one or more opposition politicians into his cabinet—presumably to help take the heat—and has already met with Eduardo Fernández, the secretary general of the Christian Democratic COPEI party. Fernández, like Pérez himself, is known as a recipient of generous funding from the Cisneros financial empire in Venezuela, whose links to international drug-money laundering circles have come under repeated investigation.

It is, in fact, these very financial empires which have come under attack as the source of the government corruption which the Feb. 4 military insurrection had targeted. Respected Venezuelan intellectual Arturo Uslar Pietri triggered alarms just after the coup attempt, when he publicly denounced that “there is a kind of plutocratic control over Venezuelan life, by which leading economic organizations are, with government backing, forming vast oligopolies which pose a tremendous danger.” Pérez ordered an investigation of Uslar Pietri’s charges, and the renowned personality has been warned that he may end up in jail, for slander.

The likelihood of a new coup attempt is openly acknowledged. On Feb. 16, the former head of Venezuela’s largest trade union federation, José Delpino, protested that none of the economic conditions which had triggered the Feb. 4 insurrection had changed, while former President Caldera refused to rule out another coup attempt, for the same reasons, in an interview with the Argentine press a few days earlier.

While the political elites battle it out in Venezuela, the military rebels who sparked the fight continue to inspire nationalist fervor. The families of the prisoners have formed a committee to defend their human rights, and their spirited speeches in defense of their husbands, sons, and brothers have been prominently published. One such speech, by the wife of coup leader Lt. Col. Francisco Arias, emphasize that the rebels “have no ambitions. We don’t need power or money. What we need is for the people to have their dignity.”

And at a prayer meeting for the rebels, opposition congressman Enrique Ochoa Antich (who is also the president of the Human Rights Defense Committee as well as brother of current Defense Minister Gen. Fernando Ochoa Antich), appealed “for the dignity of those who dared to dream, for the dignity of the humble, for the dignity of the people. . . . This is a prayer for the truth: Venezuela deserves the truth. Venezuela wants to hear from their own lips what the ideals were of those who decided to run the risk of rebellion.”