

# Venezuela Marches Down The Road to Civil War

by David Ramonet

Mob followers of Venezuelan President Hugo Chávez, organized and deployed like paramilitary troops, attempted to assault the Venezuelan Supreme Court on Aug. 14. A majority of the court's magistrates had ruled in favor of four high-level officers of the Armed Forces facing possible charges of military rebellion, in connection with the events of April 11-13, 2002. The mob assault was frustrated, thanks to the efforts of National Guardsmen deployed to protect the Justice Palace, in contravention of express orders from the Chávez government to allow the assault to proceed. When members of the mob fired at the troops, they were dispersed with tear gas and rubber bullets.

Chávez's televised appeal to "the people" to gather at the Justice Palace, which had been made several days earlier, was thus in vain. In fact, when the "Chavista" mob began to shoot, the National Guardsmen rebelled against the general in charge of the operation, refusing to "fall back," as they had been ordered from the Presidential palace itself.

Still later, when President Chávez called on the military commanders to declare their opposition to the Supreme Court ruling, they refused.

For the great majority of Venezuelans, Hugo Chávez's mandate has lost all legitimacy, and his stubborn insistence on remaining in the Presidency despite the repeated mass demonstrations demanding his resignation, has led the country to the brink of civil war. The Supreme Court ruling exonerating the military officers was not only a political defeat for Chávez, but also opened the door to an investigation and possible indictment of Chávez himself, which would make a collision of forces virtually inevitable.

Under these circumstances, contrary to the claims of the international self-styled "Project Democracy" apparatus, the National Armed Forces is, in fact, the only national institution capable of preventing civil war.

## Chávez on Trial?

Ironically, Venezuela's President is now faced with having his own "Bolivarian Constitution" turned against him. Chávez has all along chosen to interpret the new national charter as he pleases, to justify the establishment of a fascist Jacobin regime, modeled explicitly on the criteria of Hitler's favorite jurist, Carl Schmitt. Chávez never imagined the current situation back in December 1999, when the text of the new Constitution, written by a Constituent Assembly hand-picked by the President himself, was approved in plebiscite.

On Aug. 14, the Supreme Court approved, by a vote of 11-8, a paper by Magistrate Franklin Arriechi, which proposed to dismiss the accusation of "military rebellion" against four military officers, simply because the new Constitution does not recognize such a crime. Further, Article 350 of the Constitution consecrates the right of rebellion against any regime that puts itself above the Constitution and violates human rights.

Now that the court has ruled that the officers who declared themselves against the Chávez regime on April 11, did so in adherence to the Constitution, it remains to be determined who hears responsibility for the massacre of defenseless demonstrators against Chávez that took place that day.

The Supreme Court reconvenes in September, and one of its first agenda items is a case against Chávez himself, followed by one against then-Defense Minister and current Vice President José Vicente Rangel, as well as Attorney General Isaías Chávez. Other accusations are also pending against Chávez, following a Supreme Court decision that any citizen who considers him or herself to have been the victim of any abuse, can file a lawsuit. Above these pending accusations is the charge of embezzlement, since Chávez has already admitted that \$2.3 billion in oil revenues that should have been deposited in a special savings fund known as the Investment

Fund for Economic Stabilization, were used instead for operating expenses. Also pending against Chávez is the charge that he illegally received \$1.5 million from Banco Bilbao Vizcaya Argentaria (BBVA), for his 1998 electoral campaign, and the campaign for the 1999 Constituent Assembly.

Any of these cases could land Chávez in jail, and after orchestrating the failed self-coup of Aug. 14, he is seriously considering several possible options for dismantling the current Supreme Court. However, Chávez only has a relative majority of 86 National Assembly deputies, against 74 of the opposition, while the law states that a two-thirds majority is required to oust a Supreme Court magistrate. Thus, he has ordered the convoking of a new Constituent Assembly, under the illusion that he can repeat history, and again dissolve the constituent branches of government, as he did in 1999.

Chávez and his “Taliban,” (or “Black Bloc,” as they call themselves) are not excluding violence, and are preparing for confrontation. One such confrontation is in the works for September. The directors of the state oil company PDVSA are once again going head-to-head with PDVSA President Alí Rodríguez—a prominent figure in the narco-terrorist São Paulo Forum—and are preparing for another labor strike, which the Venezuelan Labor Federation and the business leadership represented by Fedecámaras will join.

The reason for the conflict is the unfavorable conditions of the oil agreement with Cuba, whose supply was suspended by the PDVSA directors because Cuba owes Venezuela \$142 million. Not long ago, Chávez personally ordered that the supply of oil to Cuba be resumed, against the wishes of the company itself. In fact, one of the cases pending against Chávez before the Supreme Court, concerns this contract.

The government of the United States is ready to put in its two cents. The U.S. Embassy has opened up an office explicitly to “mediate” between the opposition and the government, clearly for the purpose of preventing the participation of the defense forces in any transition process.

## A Government in Bankruptcy

Despite the fact that the Chávez regime has enjoyed three and a half years of nearly uninterrupted high oil prices (with the exception of a few months), the government is practically bankrupt today. The economic depression has raised official unemployment to a whopping 16% of the 10 million person workforce, and driven 52% of those still employed into the



*Venezuelan President Hugo Chávez has lost legitimacy in the eyes of most Venezuelans, and his flagrant regard for the “Bolivarian Constitution” that he himself introduced in 1999, has now brought the country to the brink of civil war. Here, a demonstration in April against the President.*

“informal economy.” An administration, known for squandering money, has created a budget deficit this year of 8% of GNP. This is a considerable increase, even with a budget this year of only 25.5 billion bolivars, as compared to last year’s 28 billion.

To resolve this problem, the Chavista majority in the National Assembly approved a tax package that increases the value-added tax (VAT) from the current 14.5%, to 16% as of September. A bank transaction tax will increase from 0.75% to 1%. In preparation for putting this plan into action, the government devalued the national currency, which went from 700 bolivars to the dollar three months ago, to 1,400 bolivars today.

The government is not paying its local vendors, and is thus driving them into bankruptcy. The only thing that has, in fact, been religiously honored, has been service on the \$27 billion foreign debt. However, like every other country in the region, the specter of default also hovers over Venezuela. Although the debt is guaranteed by oil profits, oil revenue is practically the only assured income upon which the public budget can be sustained. Thus, Finance Minister Tobías Nóbrega proposes to carry out a swap of \$1.6 billion in debt bonds for longer-term notes, in exchange for raising their interest rate from 14%, which they are now paying, to 17%. Further, with the backing of the International Monetary Fund, the Chávez government hopes to collect another \$2 billion with new bonds placed on the international markets. That is, if they find a buyer.