

CIA-backed opposition suffers defeat in Venezuelan referendum

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The Venezuelan people on Sunday delivered a stunning defeat to a right-wing coalition backed by Washington, rejecting its demand for the ouster of the country's elected president, Hugo Chávez.

The former military officer has employed left-nationalist rhetoric directed against the United States and the native financial oligarchy, together with minimal social reforms, to appeal to the mass of impoverished workers and peasants in the oil-rich country.

With 95 percent of the votes counted in the national referendum, Venezuela's electoral council announced that nearly 60 percent had voted "no" on recalling Chávez and holding new elections. Speaking to a crowd of tens of thousands of supporters from the balcony of the Miraflores presidential palace in Caracas, Chávez called the referendum "a present for Bush."

Leaders of the Venezuelan oligarchy's political coalition, the Coordinadora Democrática, immediately denounced the vote total as a "gigantic fraud" and vowed they would not accept the results of the referendum. However, international observers rejected the claims of vote rigging, confirming Chávez's victory.

One of the observers, former US president Jimmy Carter, said that the turnout was the largest he had ever seen, and that he and other observers failed to detect "any element of fraud." Earlier, Carter declared his confidence that "the results of the elections will be more satisfactory than what we had in Florida in 2000."

The referendum marked the third defeat in as many years for the right-wing opposition and its attempt to overthrow Chávez. In April 2002, it carried out a coup in collaboration with the Bush administration, briefly imprisoning the Venezuelan president and installing a junta of military officers and businessmen. The attempt collapsed, however, in the face of mass resistance that erupted in the slums and working class neighborhoods of Caracas and other areas of the country.

Subsequently, an employer-organized general strike failed to dislodge the government, while inflicting severe damage to the country's economy. It was only after the failure of these extra-legal attempts to bring down the government that the opposition opted to use a clause in the constitution introduced under Chávez that allows for recall referendums.

Sunday's vote gave expression to the intense social polarization that exists in Venezuela, where nearly 60 percent of the population lives in poverty, while a financial elite siphons off the country's oil wealth. Chávez has won substantial popular support among Venezuela's impoverished majority, in part by using a small portion of Venezuela's oil revenues to fund education, health and housing programs.

He has become an object of intense hatred within Venezuela's

oligarchy and privileged sections of the middle class. These layers view his halting of planned privatizations—including the privatization of the country's massive state oil industry—as an intolerable restriction on their plundering of the country's economy. They equate his limited social reforms with communism.

In reality, the programs enacted by Chávez are not unlike the initiatives taken by moderate bourgeois governments in Latin America in the 1960s and 1970s. They stand out, however, because they come after decades of "neo-liberal" policies throughout the continent that have excluded any social reform measures.

Gaining national attention in 1992 by leading a failed military coup against then-President Carlos Andres Pérez, Chávez was jailed, pardoned two years later, and then elected president for the first time in 1998. He was swept into office thanks to the disintegration of the two corrupt parties that had run Venezuela for the previous 40 years under a system known as *Puntofijo*, in which they took turns controlling the government and divided the spoils between them.

The results of Sunday's referendum were determined ultimately by the turnout of millions of voters from the poor urban neighborhoods and the countryside. Many began lining up before dawn at schoolhouse polling places. At some polls the lines of voters were nearly a mile long, and voting had to be extended twice, with the last ballots being cast well after midnight.

There was also a large turnout in the wealthy Caracas neighborhoods, where the vast majority voted to throw out Chávez. In the weeks before the vote, the privately owned television channels and principal radio stations had filled the airwaves with appeals from opposition politicians and reports of polls predicting certain success for the presidential recall. Supporters of the Coordinadora Democrática were assured that the majority of "undecided" voters intended to cast "yes" ballots.

During the voting itself, officials of the National Election Council announced the discovery of a compact disk that recorded the altered voices of council officials and a report by a news reporter announcing a victory for the "yes" vote. Apparently, the disk was intended for broadcast before the polls closed.

This was only the latest scheme in the campaign of dirty tricks mounted by the opposition, with the support of Washington. Since the Bush administration came into office, some \$4 million has been funneled to anti-Chávez groups via the National Endowment for Democracy (NED), a quasi-governmental agency created by the US Congress in 1983 to carry out certain political destabilization efforts previously handled covertly by the Central Intelligence Agency.

Revelations that the NED had directly funded the referendum drive—in violation of Venezuelan law—and drawn up plans for a "post-

Chavéz” government eroded popular support for the recall. Chavéz cast the vote as a decision on whether Venezuela would remain “a free country, or be turned into a colony of the United States.”

Significantly, Chavéz’s victory had a calming effect on the oil markets, with the price of crude falling from a record high of nearly \$47 a barrel. Fears of upheavals that would disrupt supplies from the world’s fifth-largest petroleum exporter eased with news of the “no” vote.

While Chavéz, who directed his own campaign, lashed out in speeches to his supporters among the poor and the working class against Venezuela’s financial elite and US meddling, he directed a very different message to domestic and foreign business interests. He portrayed himself as the only political figure in Venezuela capable of maintaining stability and guaranteeing uninterrupted oil supplies.

In an interview with the Argentine newspaper *Pagina 12*, Venezuelan Vice President José Vicente Rangel made this theme explicit. Rangel pointed out that the right-wing opposition had no one to replace Chavéz and no popular support for forming a government.

“Now I will tell you that they cannot manage this country,” he said. “Chavéz is a *dique de contención* (a dam against social upheavals), and the markets understand this. They know. The markets are much more intelligent than the political analysts, because they never want to lose.”

Washington’s noticeably muted response to Chavéz’s victory—as well as Carter’s rush to confirm the results—are confirmation of this assessment. In the end, the Bush administration, with its intimate ties to the oil industry, followed the logic of the markets. The last thing it wants to see at this moment is a continued rise in crude oil prices, with gasoline rising toward \$3 a gallon at the pumps in the run-up to the November election.

Given the continued debacle in Iraq and the potential threat to oil supplies throughout the Middle East, not to mention the threatened collapse of the Yukos oil giant in Russia, secure exports from Venezuela are a vital strategic concern. The Latin American country currently sends the US 1.5 million barrels a day out of the 2.6 million it produces, and accounts for 13 percent of US petroleum imports.

There is little doubt that a defeat for Chavéz would have spelled greater upheaval in Venezuela. As Rangel points out, the opposition lacked a credible candidate. Moreover, the constitution calls for an election within 30 days, a virtual impossibility. Whether Chavéz would be eligible to run in that election would be a matter of intense dispute.

Washington’s accommodation to Chavéz’s victory, however, is merely temporary and tactical. Planning for his overthrow continues unabated.

Despite the fulminations of his right-wing opponents, Chavéz’s policies are hardly socialist. Land in Venezuela remains firmly under the control of the *latifundistas*, with the wealthiest 3 percent owning 77 percent of the country’s farmland, and the poorest 50 percent of peasants controlling just 1 percent of the land. Millions of others are landless.

Foreign oil corporations operate freely in Venezuela, accounting for more than a third of production. The Chavéz government has, moreover, rigorously complied with the debt payment conditions laid down by the international banks and lending agencies.

Nonetheless, to the extent that his policies conflict with the economic model Washington is dictating to the rest of the continent, he is seen as a threat that must be eliminated. Of particular concern are plans to double royalties paid by foreign oil companies from 16

percent to 30 percent. Moreover, Chavéz’s anti-US rhetoric finds a growing audience in the hemisphere, given the rising popular hatred of “free-market” economic policies and US influence.

According to *El Mundo* in Spain, the CIA has already begun elaborating plans to counter Venezuela’s influence in Latin America in the wake of the referendum. In a front-page story, the Madrid daily reported August 9 that William Spencer, the agency’s assistant director for southern hemisphere affairs, was in Chile meeting with CIA country directors from Colombia, Ecuador, Brazil and Peru to discuss plans to “neutralize” Chavéz.

The newspaper reported that the CIA was discussing an escalation of financial and military pressure against Venezuela. The report also said that the US State Department had prepared for the possibility that the Chavéz government would call off the referendum on the grounds that it had uncovered a plot to assassinate the president.

This scenario is revealing. Within the US-backed opposition, there is increasing talk of a violent solution to Venezuela’s protracted political crisis and calls for Chavéz’s death. Among the most open in this regard is former Venezuelan president Carlos Andrés Pérez, whom Chavéz tried to overthrow in his abortive 1992 coup, and who was subsequently impeached for corruption.

Speaking in Miami with the Venezuelan newspaper *El Nacional*, Pérez said: “I am working to remove Chavéz. Violence will allow us to remove him. That’s the only way we have.” He continued by declaring, “Chavéz must die like a dog, because he deserves it.”

The former president indicated that Chavéz’s overthrow and/or assassination would be followed by a period of dictatorship. “We can’t just get rid of Chavéz and immediately have a democracy,” he said. “We will need a transition period of two or three years to lay the foundations for a state where the rule of law prevails.” A “junta,” he added, would shut down the National Assembly, the Supreme Court and all other institutions where supporters of Chavéz enjoy a majority.

Pérez is an experienced hand at imposing the “rule of law.” He is notorious in Venezuela for calling out the army in 1989 to crush a revolt by the country’s poor against a draconian International Monetary Fund austerity package. Estimates of the number shot to death in the *Caracazo* run as high as 3,000. He is the authentic face of the US-backed “democratic” opposition.

There is no doubt that the cabal of right-wingers and anti-Castro Cuban exiles running the State Department’s Western Hemisphere bureau will redouble efforts to bring about a successful coup in Venezuela, once conditions are more favorable. In this, however, as in the Iraq war, there is every indication that continuity in policy will be maintained, should Bush’s Democratic challenger, John Kerry, win the election in November.

Kerry has issued repeated statements calling for greater “pressure” to be exerted on the Chavéz government, accusing it of using “extra-legal measures,” creating “a haven for narco-terrorists” and sowing “instability in the region.” He has also called for tripling the funding for the National Endowment for Democracy.



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