

CAPITALIST BLOODBATH

in VENEZUELA

The exploitation of a natural resource such as oil is a two edged sword for national capitals. If there are the advantages of a balance of payments surplus, large government revenues and credit worthiness in the world's money markets, there is also a down side. A strong currency pulls in imports and discourages exports, leading to a destruction of the industrial base. The wealth generated is invested overseas where higher rates of return can be obtained.

This has been an underlying tendency in the British economy over the last two decades. Now that oil prices are falling because of stagnation in the world economy, the balance of trade is slipping into the red and only ever increasing interest rates are preventing a flight from the pound. The UK economy is again being revealed as one of the weakest in the league of rich nations. What may still lie in the future for Britain can be seen in stark clarity in another national capital whose ruling class saw 'black gold' as its passport to prosperity.

In the mid-seventies the high price of oil allowed the Venezuelan bourgeoisie to line its pockets. The wealthiest minority were able to indulge themselves in luxury imports and to invest abroad, particularly in the USA. To the abhorrence of this section of the bourgeoisie a leftist government was elected which found it politically expedient to spread a little of the wealth to the other classes in society. This was in the form of subsidies on staple products, cheap prices for petrol and rudimentary welfare provisions.

At the same time the distortions of the oil boom were undercutting the foundations of the economy with the result that today unemployment stands at 25%. Also an underclass of poor was growing, populating the slums and the shanty towns around Caracas and the other major cities. Nevertheless the government was re-elected on a platform of letting the 'good times' continue. But as oil prices turned down this was funded more and more by borrowing from foreign bankers.

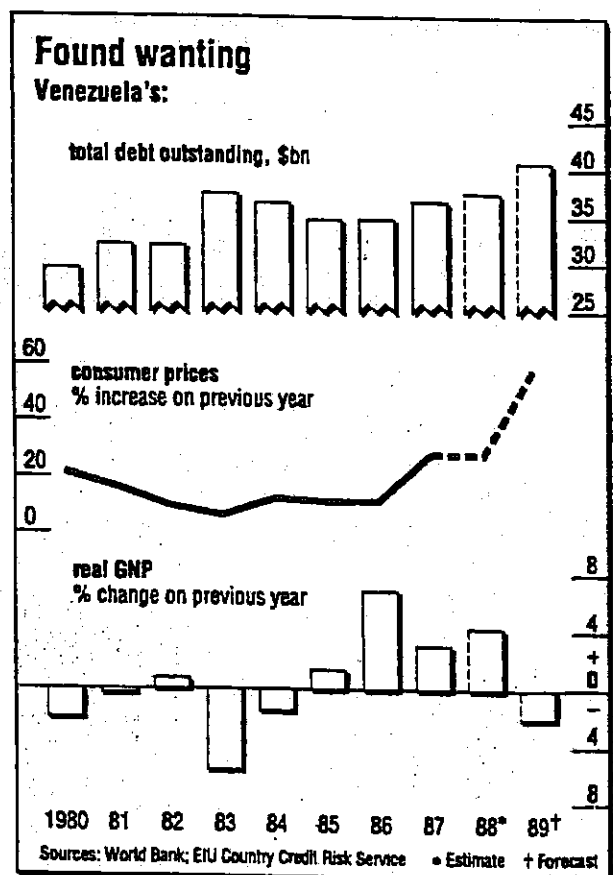
For Venezuela, oil exports peaked in 1978 at \$19 billion. In 1988 they were \$8 billion and 43% of all foreign earnings went to servicing debts to the Western banks of \$38 billion. At the beginning of this year the logic of capitalism finally caught up with the Venezuelan bourgeoisie. Harsher policies were dictated by the International Monetary Fund as a condition of new loans to bolster the national reserves.

As always the way out of the crisis of the bourgeoisie was to cut the living standards of the working class. Subsidies were cut leading to price rises outstripping wages. The poor were to be driven below the level at which they barely survived. But this time the victims refused to place their heads meekly on the block.

Incensed by increases half as much again as those announced by the government on foodstuffs and bus fares, by the blatant speculation of shopkeepers creating shortages by holding back goods until the price rises were authorised, goaded by the corruption of the state, the political parties and the trade unions, and by the flaunting of their wealth by the rich, the urban slums erupted. For a few days at the beginning of March, in what one reporter called a 'national uprising', the poor from the shanty towns rioted, burning shops and public transport. Together with the other exploited classes they looted those goods which their poverty and the profiteers had denied them.

BLOODBATH

The response of the state was immediate and brutal. 10,000 troops were flown to the capital and set about the bloody reassertion of order. Demonstrators and rioters were shot down in the streets, looters were pursued into the slums and killed in their own homes. A state of emergency was imposed which suppressed meetings and banned extra-parliamentary opposition groups. Civil rights were suspended allowing arrest on sight and detention without trial. This bloodbath left 1000 dead and perhaps 7000 in detention.



Meanwhile government spokesmen were ready with their responses: that the uprising was provoked by 'subversive groups, that the IMF and the foreign bankers were to blame and that Western capitals would have to go easy in the future. Palliatives were offered in the form of wage rises but these were already in the pipeline, and price freezes but at the new level.



Painful austerity

The Venezuelan and the world bourgeoisie claimed to be surprised by the response which the austerity measures provoked. But perhaps not too surprised after the recent spate of hunger riots in Sudan, Jordan and Algeria. The Venezuelan President Perez' remark that "we got out of this relatively well" reveals the cynicism behind the mask of remorse.

LESSONS

Events in Venezuela hold a number of object lessons for anyone taken in by the propaganda of the defenders and reformers of capitalism. Those who think that capitalism no longer 'oozes blood and muck from every pore' must think again when they see how the bourgeoisie imposes its order on society by repression. Those who believe that capitalism can still improve humanity's lot can see how capitalist relations of production lead to the squandering of natural resources while driving the mass of people deeper into poverty.

Those who claim that democratic government means that power and prosperity are more evenly spread in society are proved false for Venezuela is not a military dictatorship like Chile, nor is it in the hands of the cocaine barons. Its democratic institutions are held up as a model for other countries in South America. Now many of those people who quietly queued to vote for Perez' party lie dead, shot by his troops.

Finally there are those who put their faith in parties or politicians of the left. But again Venezuela shows the poverty of this view. Perez calls himself a democratic socialist, he is a welcome participant at meetings of the Socialist International where he rubs shoulders with the Kinnocks and Mitterands of the West. But when capitalist logic dictates these professed friends of the workers will defend to the last drop of workers' blood the class system which they represent. That Perez has done what was expected of him in Venezuela is demonstrated in an article in the Economist where the fiercest critics of his government, the wealthy faction of the Venezuelan bourgeoisie are recommended to close ranks with him now and give him their support.

Sinclair

translate?

Later this year the **C.B.G.** intends publishing **Reply to Lenin** by **Herman Gorter**. Fortunately this already exists in an English translation which we have typeset in book form. However a very great amount of important material from the German Left exists in our possession in **German**. Some of it we have managed to have translated but there is much more we cannot hope to read in English unless we can discover comrades willing to translate for us. It is our intention to publish a collection of this material in the near future. Texts of the **K.A.P.D., Minutes of their First Three Congresses** and later **historical and theoretical material of the first revolutionary wave** all awaits translation. **So too does material in Dutch** such as a biography of Gorter and material in **Russian** on the Russian Left Communists. If you could help us in translating, **from any language** (we also need material in **Spanish** and **French** translated) please contact us at the group address.

And if anyone would be willing to assist us financially with the above publications please contact us also at the group address.