Kissinger wants to grab Venezuelan oil

The "Hemispheric Strategic Energy Reserve" would complete the destruction of the Venezuelan economy.

As Venezuela heads into a presidential changeover and faces one of the most difficult periods in its history, Henry Kissinger paid a visit and met with the cabinets of both the outgoing administration of Ramón J. Velázquez, and incoming President-elect Rafael Caldera. Kissinger, long tied to Rockefeller interests, which for much of this century have considered Venezuela their private preserve, proceeded to revive a proposal that dates from 1979 under the Carter administration. Kissinger brought up with Caldera the idea of creating a "hemispheric strategic energy reserve," which would guarantee the United States access to Venezuelan oil in times of emergency.

As reported by *Diario de Caracas* on Dec. 31, Caldera said he agreed with Kissinger's proposal to create an "energy alliance" between the United States and Ibero-America. "This is an idea we have also been looking at," he said, "because the problem of energy has fundamental priority."

Venezuela needs an energy alliance with the United States based on the kind of oil-for-technology agreement which U.S. statesman Lyndon LaRouche proposed in 1979 for Mexico. Here, Venezuela would sell its oil to the United States in exchange for the high-technology capital goods it requires to enter the 21st century as a modern industrial power. Kissinger's scheme, however, is a raw materials looting scam geared to assuring foreign debt payments, and limiting Venezuela's sovereignty.

Describing his meeting with Caldera, Kissinger said, "I have known him for 20 years, and I had a meeting with him that was quite advantageous and useful for the future of Venezuela." "Venezuela has been a country very close to my heart for a long time," Kissinger told the press. He neglected to add, "And close to my pocketbook as well." Kissinger was paid handsomely by the government of impeached President Carlos Andrés Pérez, whom he visited earlier in 1993 on contract as an adviser to the President.

Despite the fact that he has dramatically toned down his rhetoric since the elections, Caldera still makes the international banking community nervous because of his calls during the campaign to declare a portion of Venezuela's foreign debt to be illegitimate, and to submit the issue to the World Court at The Hague. Kissinger's visit will no doubt be far from the last from this crowd, as they seek to ensure that Caldera follows their dictates.

Caldera will take office on Feb. 1, in a condition of terrible political weakness. He won office with only about 30% of the votes cast, but, given that 41% of the electorate abstained, he only won 18% of the registered electorate. He has no party of his own, and the diverse coalition that backed him only captured 18 seats in Congress of the 144 whose outcomes have been determined (51 remain to be determined). Even with the 11 seats of the Movement Toward Socialism party which also backed him, he can count on only 29 seats, barely 20% of the seats decided.

And from this position of weakness, he inherits a government that has no money. The population is desperate for an improvement in the economy after five years of disaster under Carlos Andrés Pérez, and to satisfy their expectations, Caldera would have to make a total break with the bankers' free trade policies.

Nearly five years after Pérez opened the country to nearly tariff-free imports, agriculture is in crisis and manufacturing has been devastated by cheap imports that have led to widespread plant closings and layoffs. Inflation has soared to 45% a year, the highest in Venezuela's history, and interest rates are so high they are preventing investment. The country is due to pay $5 billion on its foreign debt this year, for which it lacks the funds, and any reasonable prospects for acquiring them.

Venezuela's mainstay of foreign exchange, the export of oil, which still accounts for nearly 90% of the value of Venezuela's exports, has crashed to $13.30 a barrel, down from more than $18 just one year ago, a more than one-third decline, with devastating effects on the country's ability to import, much less accumulate a surplus with which to pay back debt. And prices could easily drop further in the spring when demand for heating oil drops off in the northern hemisphere.

If Caldera does nothing, or is seen to be junking all of his populist campaign slogans, he will face the anger of a population near its limit of toleration of misery. Five years ago, in February 1989, Caracas exploded in four days of looting and riots against Pérez's attempt to raise the gasoline price. This "Caracazo," as it is called, will be just a foretaste of what may happen if the population feels betrayed again.