

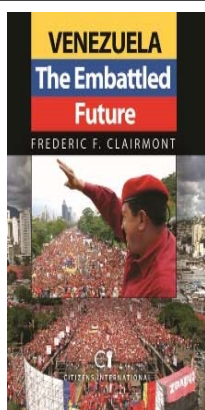


Venezuela: The Embattled Future

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"Our national security is threatened by the belligerent advance of a totalitarian communist power that is already at our doorsteps. The airport and military facilities of Grenada [pop. 98,000] are swiftly being transformed by advanced weaponry and troops provided by Cuba and the Soviet Union. These aggressive strides pose a lethal threat not only to our democratic institutions in the United States but to all freedom-loving peoples in the entire western hemisphere. This scourge must be halted." – US President Ronald Reagan, 1983 (The US-led invasion of Grenada in October 1983 was codenamed "Operation Urgent Fury")

"There is nothing in our system designed to exploit anyone." – George Bush, US ambassador to the United Nations, December 1972

"There's class warfare, all right, but it's my class, the rich class, that's making war, and we're winning." – Berkshire Hathaway CEO Warren Buffett, quoted in the *New York Times*, November 2006

An earlier version of this paper was presented as a lecture on the eve of the 26 September 2010 legislative election for the renewal of the 165 seats in Venezuela's National Assembly. That day will go down as a milestone in the history of the Americas for the election reflected a clash of two opposing and irreconcilable class forces that was being fought out within the country and internationally. You will understand that this is not a formal confrontation between two bourgeois prize-fighters whose class origins are identical. The electoral battle of September 2010 was the embodiment of the confrontation of contending class forces: those fighting to preserve the existing social and propertied order, and those wishing to establish what its protagonists have baptized the socialism of the 21st century.

What is unique in this confrontation, whose outcome is of decisive importance for the region and beyond, is that it is an ideological and class war that transcends national frontiers. This is a point that we shall stress again and again. It epitomizes the globalization of the class struggle. There should be no doubt that this is a war waged by the open enemies of Venezuelan democracy, strutting under the name of freedom. The word "overthrow" is no longer in current usage. It has been replaced with the innocuous-sounding name of "regime change", coined by the US State Department in the 1970s. The enemy is targeted for physical destruction and there are ample precedents for this since the end of World War 2. The Venezuelan administration of President Hugo Chavez and its



socialist orientation has long become anathema to imperialism and its political jackals. The alpha and omega of all the latter's policies is to annihilate any democratic order that rejects neocolonial hegemonism and the annexationist blueprints of imperialism.



It was Carl von Clausewitz (1780-1831), the renowned German military theorist, who spawned the aphorism that "war is politics by other means". In Venezuela, what we are witnessing is that politics is the unrelenting class war pursued on the domestic front by violence, targeted political killings and overt sabotage with no holds barred. The US imperio leads the battle on the external front. The cardinal counter-revolutionary juggernaut that is the United States is joined to its vassal bourgeoisie in Latin America, Nato and elsewhere. Successive US administrations since 1945, despite their repetitive babble on the virtues of "representative government" and "human rights", have sedulously battled and bled the forces of national liberation universally. In the universe of imperial-dominated hegemonism that masks its crimes in such nostrums as "the free multilateral trading system", the admirable notion of human rights and their familiar ideological baggage have become nothing more than sordid refurbished rationalizations to conceal the dictatorship of

capital and, increasingly, its reign of terror.

The US was founded as an empire, as Noam Chomsky and Howard Zinn have always reminded us.^[i] Indeed, George Washington, the first president, baptized it an infant empire. Thomas Jefferson is often cited as the exemplar of the American "democratic ideal" but in fact he was one of the zealous activists of racial exterminism. His racist yearning was to have members of the presumed superior Anglo-Saxon breed eradicate the Native Americans (pejoratively branded as Redskins) and grab their lands – which they proceeded to do throughout the century – deport negro slaves back to Africa and then push on to eliminate what his racial expletive called "the Latins". Mission accomplished, the Americas would then be repopulated with his exalted race of Anglo-Saxons.

The state-terrorist murder of Toussaint Louverture (1743-1803) and the slave revolt in Saint Domingue (later Haiti) at the start of the 19th century unmasked the unbending hatred of anything that smacked of effective democracy.^[ii] I would suggest studying CLR James' classic *The Black Jacobins* to grasp this chapter of sordid colonial pillage and extermination. It dramatizes the implacable law of the class struggle that Marx poignantly hammered home at the time of the Paris Commune in 1871, when the revolutionary working class took to the barricades, and were gunned down, bayoneted and subsequently deported by the thousands:

"The civilization and justice of the bourgeois order comes out in its lurid light whenever the slaves and drudges of that order rise against their masters. At that moment, this civilization and justice stand forth as undisguised savagery and lawless revenge ... the infernal deeds of the soldiery reflect the innate spirit of that civilization of which they are the mercenary vindicators."

The Fifth Columnists of US imperialism in Venezuela, represented by the political formation of the "election-monitoring group" Sumate and other political transmission belts, originate in the serried ranks of Big Capital. The media giant Globovision clamours day and night for the overthrow of the Chavez government. And of course the same plans and projects are harboured by an entrenched, overwhelmingly unreformed white-skinned bourgeois bureaucracy that considers any progressive mutations in the social order anathema to their class and propertied interests. However, there is no doubt, as a perfunctory visit to the nation will reveal, that the working class, the peasantry and the more enlightened segments of the intelligentsia under Chavez's leadership have made significant gains in a very short historical time span in reshaping the inherited class relations, notwithstanding the systematic sabotage.

There should nevertheless be no illusions as to the entrenched class society in which the Bolivarian revolutionaries of Venezuela are struggling. The rantings on "Castro-communism" by the class enemies of the Bolivarian revolution are nothing more than a screech of blatant ignorance. Cuba, despite the measures now being taken to reallocate a sizeable segment of the workforce to the private sector, is a socialist order created and led by the Communist Party. Venezuela, in contrast, is still predominantly a capitalist economy strapped in the grips of world trade and global accumulation. But within this bourgeois political context massive counter-organizational power drives and politico-state power will continue their unrelenting assault against capitalism.

Within Venezuela the big capitalists, landlords and rentiers are battling one of the most dynamic and fastest-growing socialist parties in the world, one with a membership that has already rocketed to over 5 million. The governing United Socialist Party of Venezuela (PSUV) has become the Promethean ideological and institutional battering ram of the Bolivarian revolution that shows promise of being the gravedigger of capitalism. Do not misunderstand me. Given its youth and inexperience, the party is not free from internal conflicts, but in time, with the pressure of events in the next two years, I have little doubt that it will overcome current weaknesses. There is no automaticity in this drive to political change, however; change there will be, but it can only be germinated by extended debate and the cleansing of the opportunists that have nestled in its ranks. Swiftly pursuing these revolutionary changes, as in Cuba, is not a matter of choice; it is one of life or death.

The Creole and international bourgeoisie have chosen the path of naked class war. They are playing a lethal game without fully grasping the reverberations of the forces that they have unleashed. This is the law of unintended consequences articulated by Hegel: "Out of the actions of men comes something quite different from what they intend and directly know and will." The goal of the exterminists is explicit: it is not merely the smashing of the Chavista-led political machine but the obliteration of the achievements of the Bolivarian revolution. This blueprint of what amounts to scorched-earth economic policies embraces: privatization of the state-owned petroleum company PDVSA and its transfer to the giant oil multinationals; reprivatization of all banks and credit institutions; privatization of the large and growing merchant marine; scrapping of exchange controls; and a return of expropriated *latifundia* (large estates) to their original owners. All this in the name of liberty, democracy and restoring the rights of private property.



The tale is a familiar one but that is only for starters as the aim stretches to privatization of the health and educational sectors and ending the separation of church and state. Indeed, the ultimate goal is a return to the conditions of the pre-Chavez era under the repressive, blood-drenched regimes of Marcos Perez Jimenez and Juan Vicente Gomez, akin to the American occupation of Cuba under the political boot of Fulgencio Batista. The physical obliteration of the structure and leadership of the revolutionary movement is part and parcel of their stratagems. What we are seeing is a war and it is not being fought according to Marquess of Queensberry rules. As one of the

caudillos of the appropriately named opposition group MUD (Coalition for Democratic Unity) pithily puts it: "We are not simply going to derail Chavez's agenda, which is nothing more than wholesale theft; we are flinging everything we have to uproot hook, line and sinker his communist tyranny and expel all communist fellow travellers, not least of all the Cubans. And this shift to freedom will occur in record time. Our future will be anchored in the Free World and its system of free markets. We shall make short shrift of his foreign gangsters such as Morales, Ortega, Correa and their like.

This includes booting out the Iranians and shoving the signed contracts into the garbage can."

At least its clarity is admirable. But this was precisely the terrorist blueprint of the Venezuelan chamber of commerce Fedecamaras, propagandist and ventriloquist's dummy of its US paymaster, in April 2002 when its former head Pedro Carmona took over as the country's interim president during a shortlived anti-Chavez coup.

What the opposition groups in Venezuela and their imperial mentors are hollering for is a bloodbath. In September 2010 these criminal scum legally leapt once again into the electoral ring, bankrolled by tens of millions of dollars of foreign money. The designation "opposition", however, is correct only in a very formal and restricted sense. They are in fact mercenaries.



The confrontation is not between two conventional bourgeois parties such as Tory or Labour, Democrat or Republican, both of which, despite their formal divergences, are wedded to the sacrosanct dogma that private ownership of the means of production, distribution and exchange is the morally inviolable principle of civilization. Their electoral joustings are nothing more than the battle for supremacy as to who gets or does not get the choicest pickings from the exploitation of the wealth created by the working class. In the lingo of Margaret Thatcher that epitomized the bonds between Tory muscle and the money bags of the City: "There is no alternative [to our system]." The philosophy behind this Thatcherian dictum is spelled out by the German novelist B. Traven in his imperishable novel *Government*(1936), whose setting is Mexico under the dictatorship of Porfirio Diaz (1875-1911): "Grab where and when there is anything to be grabbed. For poetic justice you must look to opera, and to the Easter Communion when sermons are preached about the Resurrection of the Saviour of mankind."

The upshot of this pitiless class war will determine whether an embattled democratic socialist-oriented Venezuela, and the resurrection of its national sovereignty under the leadership of Chavez and the PSUV, succeeds in beating off the onslaughts of the big battalions of global imperialism. No doubt Rosa Luxemburg would have branded this a battle against barbarism.

The counter-revolutionaries, or *golpistas*, in their murderous pursuit of the restoration of the *ancien regime*, have conjured up forces they can no longer control. We ought, however, never to ignore the fact that revolutions, their leaders, their master ideas and their political machinery are never fixed in time. They are forcible eruptions of volcanic intensity that are vomited by the historical process born of intolerable exploitative conditions, as we are now witnessing in the Middle East whose regimes were spawned by imperialism. The incandescent perception of Thomas Carlyle (1795-1881), the celebrated historian of the French Revolution, is a trenchant reminder of the impact of such irreversible class-power shifts as have been unleashed not only in Venezuela but in the entire region:

"Hunger and nakedness and nightmare oppression lying heavily on twenty-five million hearts, this, not the wounded vanities or contradicted philosophies of philosophical advocates, rich shopkeepers, rural noblesse, was the prime mover in the French Revolution; as the like will be in all such revolutions, in all countries."

The battle being waged in Venezuela transcends national frontiers. In its sheer scale it is unique in the history of the Americas, and in certain ways it bears comparison to the wars of imperialist intervention (1917-1921) that were waged to crush the Russian October Revolution in its cradle. The global bourgeoisie, in the prosecution of its blatant class war, has flung its armoury against the Bolivarian republic. This battle to the death is revelatory of the worldwide reach and intensity of the class struggle that will not vanish with the flick of a magic wand. And hence it will not stop the

rot that imperialism has spawned over time.

We shall now focus our attention briefly on the major external enemy of the Bolivarian revolution, that is, the United States, a nation which, despite its mendacious claims of its democratic heritage, has always remained the enemy of democratic practice. To be sure, there are *differentia specifica* between Democrats and Republicans, but they are not of a class nature. They are both political embattled contenders in the defence of the prevailing class and propertied order. As mentioned, their electoral joustings are not intended to revolutionize the propertied/exploitative relationships, for that falls outside their ambit. The likes of Obama and Bush are the political praetorian guards of imperial predation that share a common origin. They are genetically linked members of the same propertied caste, nevermind the colour of their skin. The overarching unity of the entire system is the hegemonic drive for the perpetuation and aggrandizement of capital.

Opposition to the Bolivarian revolution, as in the case of Cuba, began at the cradle of the upsurge of the revolutionary movement. The US caste oligarchy was the major planner and bankroller of the *golpe* (coup) in April 2002. Its goal was to kill Chavez and cripple the economy. It was a matter of touch-and-go. The attempt failed but not for lack of trying. The Fourth Republic was not wiped out because of the mass support of workers and peasants, as described in detail in my book *Cuba and Venezuela: The Nemeses of Imperialism*.[\[iii\]](#)

The drive to decapitate a democratic regime has not slackened, however. The US 4th Fleet is in the Caribbean and three of its 15 world-class aircraft carriers are in the waters of the Caribbean. The US embargo against Cuba, although long condemned by the world's nations in the UN General Assembly, has remained for over half a century, with the aim of destroying the first socialist nation of the Americas. The cost of the blockade, according to the estimates of the Cuban government, now exceeds \$700 billion. The US has also imposed an embargo on Bolivia's industrial products. The Obama cabal was the central force behind the coup in Honduras that overthrew the elected government of Manuel Zelaya. The latter's crime was that it legislated minimum-wage legislation and higher taxes on multinationals and, not least, its adherence to economic integration pursued by ALBA (the Bolivarian Alliance for the Peoples of Our America).

Meanwhile, the militarization of a once-neutral Costa Rica has begun with the implantation of 6,000 US Marines. The restoration of US military bases, with the connivance of the narco-trafficking Panamanian elite, is in full swing. The abortive military coup in Ecuador in September 2010 that almost led to the assassination of President Rafael Correa is part of the same conspiratorial design. [\[iv\]](#) Most conspicuous of all was the setting up of seven airbases in Colombia (notwithstanding that its National Assembly repudiated as illegal on constitutional grounds the agreement between ex-President Alvaro Uribe and the US government) whose goal as stated by the Pentagon planners was to encircle Venezuela. But US military domination of Colombia has other objectives too. This included the push to wipe out, in the name of combating terrorism, the FARC (Revolutionary Armed Forces of Colombia) rebels who have been fighting the corrupt narco-financed governments for several decades. The September 2010 killing of FARC leader Jorge Briceño by US special commando-led forces backed by 70 Apache helicopters and aircraft armed with "smart bombs" marked a major push in what has become an open war against a national liberation movement in Colombia.

The tentacles of US military intervention are now spreading. We ought not to forget that the US has 852 military bases worldwide. This is matched by the dominating presence of US corporations abroad, with the 1,000 largest US financial and non-financial corporations deriving on average over 43% of their revenues from their foreign subsidiaries. A number exceeded by the Big Five Wall Street banks that derive 55% of their revenues abroad. The military/industrial/banking complex is not confined to continental USA but is universal. They represent different faces of the imperial gulag.

The economic, military and political penetration of Venezuela and the Latin American region as a whole was conspicuous for centuries. This was tersely stated by Henry Stimson, Wall Street corporate lawyer, investment banker and Secretary of War in Roosevelt's cabinet in 1945: "I think that it's not asking too much to have *our little region* over here which never has bothered anybody [emphasis added]." Note the paternalistic tone, the air of overweening condescension and arrogance, the unbreakable steel-like grip of personal proprietorship enshrined in those three nasty little words: "our little region". What he's saying is that "this is our backyard and the preserve of

American capitalists and woe to any intruders that move to put their hands on it".

Talk of the divine rights of American corporate ownership has marched to the drumbeat of racial arrogance. "The time is not too remote," jubilantly thundered US President William Taft (1857-1930), "when the whole hemisphere will be ours in fact as, by virtue of our superiority of race, it already is ours morally."

There is no space for democracy in this scheme of things. Moving from the abstract to the concrete, what Stimson and Taft were saying was seen in the most concrete definition of economic liberalism that has ever been articulated. It remains the dominant credo of capitalism at all stages of development: "Here in Venezuela," noted an American oil magnate in the 1950s, "you have the right to do what you like with your capital. This right is dearer to me than all the political rights in the world." [\[v\]](#)



Indeed, oil has occupied a central role in the tragedy of systematized rape and pillage in Venezuela. Oil was discovered in 1916 in Maracaibo. These resources were immediately grabbed by the Seven Sisters cartel of oil companies, notably Standard Oil of New Jersey. The white-skinned political headmen who plundered Venezuela in the aftermath of the Conquista in 1810 knew nothing of the amounts of black gold pulled out of the entrails of the earth. What is the meaning of independence and sovereignty in this context? The Bolivarian revolution is now answering this question for us.

A finance minister sheepishly told me, at an Unctad (UN Conference on Trade and Development) meeting dealing with multinational control of the marketing network, that his ministry had barely an inkling of the extent of the pillage. (The swindle would later be known as "creative accounting", a phenomenon so poignantly brought out in the Enron fraud.) This is what one progressive Venezuelan politician meant when he said that oil was "the devil's excrement". The Creole elite received the droppings that were doled out to them but they were not required to have an understanding of the complexities of oil marketing from the pithead to the retail pump. In short, that was not the concern of the colonized lesser breeds.

But the appropriation of the economic surplus did not end there. Indeed, a good portion of the dividends and royalties received by the national elite was then funnelled back into American banks that used these savings to swell the bankers' coffers and to finance the American economy. Here was a concrete case history of the poor subsidizing the rich. This was the dual form of exploitation. The oil giants – then and now – worked hand in glove with the US government, which, together with the Creole caste oligarchy, ensured that any reformist policies that smacked of interference in the affairs of the oil giants would be crushed. Their political thugs were enlisted to do the job. The economic and political strategies of Standard Oil were similar to those deployed by British Petroleum in Iran up to 1979.

The advocates of the socialism of the 21st century in Venezuela have chosen equitable and rational ways to ensure the non-exploitative harnessing of their exhaustible natural resources. This is what is meant by participatory democracy, the core of the Bolivarian revolution. In 2004 at the time of the recall referendum, I was in Venezuela. This is what I wrote for the *Economic and Political Weekly*, and I seek your indulgence for the sin of self-quotation:

"The oligarchy believes, like all ruling classes at all times and in all climes, that their social order inherited from the Conquista and subsequently moulded by yet another white man's imperial order

was a creation of providential fixity and permanence, one that was unchallengeable by the Indio, the Negro, the poor Whites and the world of exploited labour. There is no way therefore that this reactionary mass and their foreign moneyed backers can seek a peaceful accommodation with the revolutionary theory and practice of the Bolivarian revolution."

The aphorism of Harold Joseph Laski that "freedom is a function of power" applies to the central goals of the revolution. This time, however, the wielders of class power are not the oppressors but the oppressed, who have been transformed into a liberating force for all races.

Chavez had grasped the nature of power even before the grand climacteric of the counter-revolutionary putsch of April 2002, in which the US, Spain and the Vatican were the foremost conspirators. Venezuela was not slated to become another Grenada or Chile, thanks to the tens of thousands of workers who poured down from the impoverished slum-ridden barrios to defend the revolution.

For a deeper understanding of the dialectics of revolution and counter-revolution, I shall discuss briefly the tragedy of Salvador Allende's Chile and my personal encounter with Dr Allende himself, who received me at the Moncada Palace before he and his socialist government were butchered there. It was all too obvious, as I entered his modest office, that I was in the presence of a beaten political animal. His face was drawn and there were dark shadows below his eyes. He spoke haltingly but coherently. He stressed that the ballot box would beat the bullet and the rule of law would prevail. While I had a suspicion that he did not believe what he was saying, I came only to listen and learn and not to argue and contradict. It was in the early afternoon and one could hear cacophonous political howling and the incessant beating of saucepans by housewives and other sworn enemies in the streets. They were in fact howling for his blood. Was Allende aware that this was the final countdown?

We shall never know. It was obvious to me and to others like myself that his future blueprint of socialism in Chile was a fiction. It was not surprising that *El Mercurio*, whose counterpart in Venezuela is Globovision, was calling for his death sentence and this was true of the rest of the native bourgeois and foreign media barons. Dr Allende reminded me that he was besieged by invisible forces which he never spelt out, but one grasped what he had in mind. In fact, however, the nightmarish forces of gathering evil that were pitted against him were never invisible; they were thunderously audible and they were visible from his window.

The non-governmental organizations (NGOs) and the powerful capitalist sector in Chile dominated by a minuscule minority were called upon to play their counter-revolutionary role and they did not fail to respond briskly to the challenge. The CIA had penetrated every niche of the bureaucracy and the armed forces and their Fifth Columnists. General Augusto Pinochet, as he admitted, had already been in contact with the CIA for over five years. The Catholic Church had already bared its teeth and soon would give its blessings, as it did earlier to Franco and Mussolini, to the US-Pinochet dictatorship.

If Allende realized that a killer enemy was at the gates, he revealed nothing to me of these deep and troubling thoughts. His gentility and sweetest of smiles betrayed no hint that the noose was being slipped around his neck. He talked of his aspirations for an egalitarian society and of his great hopes for a socialist South America.

I listened but was besieged by growing apprehensions that I was in the presence of an impending tragedy, although I could never have envisaged the scale of the carnage and "disappearances" that would follow in such a short duration of time. It would have been insolent to ask him where he went wrong. He confessed hesitantly, however, to the things that he should have done but did not do. His approach was hesitant and vacillating. The answer was already there. Pinochet and his CIA mentors were waiting in the wings. The overall diktat of exterminism was now unabashedly rammed down the gullets of the naive and the political innocents by Henry Kissinger, the grand inquisitor of the Chilean gulag: "I don't see why we need to stand by and watch a country go communist due to the *irresponsibility* [italics mine] of its people." Such is his paean to the demolition of a democratically elected government. In Chile's case, as in Guatemala and Indochina, Nicaragua and Indonesia, exterminism becomes the unique response to the imperatives of democratic change.

What Allende failed to grasp was the theory and practice of Chairman Mao and his revolutionary maxim that "power grows out of the barrel of a gun". Allende had no guns. They were in the hands

of his killers and he made no attempt to neutralize them. There was an immense sadness that filled me when we said goodbye. Allende had cradled illusions about the remorseless exigencies of the class struggle and the nature of the class enemy. For me it was the end of Allende's road on that bright September day in 1973. What followed, as we know, was the smashing of Allende and the crumbling of his house of cards.

There was a positive side, however, to this turn of events. What his experience bequeathed to our generation, and certainly to Chavez, who was then a member of the armed forces and 19 years of age, was the knowledge that the ruling class would give no quarter. In an incisive discourse to the Third Unctad Conference in Santiago in April 1972, to which I listened with hope and compassion, Allende had referred to the role of imperialism in the region's history. Later that year in December, speaking at the UN, he attacked "imperialist intervention" in Chile. It was the first Bush, then US ambassador to the UN, who had the temerity to answer him with the asinine counter-claim: "There is nothing in our system designed to exploit anyone." The US ruling class has always had the capacity for installing mechanisms in their skulls to rationalize the horrors of their history of domestic and colonial exploitation. In this respect Bush was once again true to form.

Still, while historical flashbacks and analogies are useful, history never repeats itself. Events at the global and regional levels have had a momentous metamorphosis since September 1973. Not the least of what we have witnessed is the seismic change in the centre of gravity of world economic activity from the Atlantic to the Pacific. That is, the former white-man-centric metropolises of imperialism are undergoing a process of wilting, and nowhere are these virulent self-destructive forces that are tearing at the guts of its moribund economic system so perceptible as within US capitalism itself.

Meanwhile, the gripping changes that have swept Venezuela, such as the wiping out of illiteracy, the democratization of education, the reduction of inequalities, not to speak of its prodigious industrial and financial changes, are undeniable realities. But that is not all. It has become the standard bearer of internationalism; ALBA and its successful plans for regional integration have merited universal acclaim. Yet these changes have not impeded the howling wolves of exterminism from labelling Chavez a dictator of the vilest species. For this reason he continues to be vilified and demonized.

The would-be internal liquidators of the nation's sovereignty are inextricably linked to the external ones. Cardinal Urosa, the leading Vatican propagandist, was one of the leading conspirators in the April 2002 putsch. The tone of his diatribe betrays his riveting hatred for democratic change: "Chavez has a violent, exclusive, totalitarian tendency. He is destroying the country and he must be stopped. He is pushing the country down the road of Cuban naked dictatorship and the horrors of Bolshevism."

That this is a blatant lie does not really matter. It is based on the principle of Dr Goebbels that the big lie hammered home relentlessly, day in day out, becomes transmogrified into truth. It is the trick of the political alchemist that aspires to transform lead into gold.

More and more of this endless slime is peddled by the corporate media like Fox News and CNN; not surprisingly, Urosa remains one of their ideological stalwarts. He is of the same species as the CIA-bankrolled Cardinal Obando, the high priest of Nicaragua's Contras, which contributed to the slaughter of thousands of Nicaraguan peasants. This was the same creature eulogized by Reagan as "one of the greatest sons of the Nicaraguan freedom [sic] movement." But here again Venezuela is neither Chile nor Nicaragua. Cardinal Urosa was called to account by the government for his vitriolic and outrageously mendacious statements.

What should be highlighted is that the central driving force of the Bolivarian revolution and its profound democratic propensities is crystal clear, as elucidated by Chavez: "I am a Christian. I am a Bolivarian. I am a Marxist. I perceive no incongruities in my beliefs and world outlook stemming from my unceasing years of struggle for pulling my people out of the poverty germinated by capitalism and elevating them to the highest living standards within the frame of democratic practice."

How many politicians in the so-called developed countries who garb their spiritual nakedness in garments of "democracy", "the rule of law" and "human rights" could embrace such dazzling moral

claims?

Chavez has gone on to add what is a resounding politico-ethical manifesto: "Let me remind the masters of the Church who underpinned the most brutal forms of exploitation and genocide of our peoples throughout the centuries that they are a debauched totalitarian institution. They have always despised the smallest sprouts of democracy and the light of rationality. They have never been elected representatives of the people. They are the practitioners and preachers of the most brutal form of class warfare. We, in contrast, are speeding towards a full democratization of our society that we have called the Bolivarian revolution or socialism of the 21st century. It has several ideological strands. Its unbending goal is to give full and accountable power to the masses so that they can exercise their sovereign destiny. For us Bolivarians, Marxism is an invaluable tool of analysis that helps us interpret the social universe we live in. Our revolution is a process of permanent creation. Hence it is not a lump of dogma or a pile of spineless scholastic platitudes."

I daresay it would be well nigh impossible to find a more succinct exposition of the motive force of this revolution. I hasten to add that this concise humanist credo is also an obituary of the white man's blood-drenched ruling-class Church as it has evolved since the Conquista and whose overriding role was and remains the reduction of its victims to Christianity, servility and subordination.

You will now understand why Venezuela ranks lowest in the Heritage Foundation's Index of Economic Freedom as well as in the bogus statistical concoctions of the World Economic Forum, and why they merit being dumped into the gutter. No doubt Chavez would have embraced the guiding moral principle of the great liberal, John Stuart Mill, who observed that "when the object is to raise the condition of the people, small means do not merely produce small effects. They produce no effects at all."

What the election of 26 September 2010 dramatized – and this no doubt will apply to its aftermath – has been the sheer viciousness of the demonization of Chavez. The branding of the nation's most illustrious president, his partisans and their political projects as "thuggish politics", is a morsel of yellow journalism deployed by the UK's *Financial Times*. It indicates the depth of the hatred and filth of the non-stop verbal onslaught. This is not an isolated verbal slip. My Oxford dictionary informs me that the word "thug" is of Indian origin and means a swindler, professional murderer and robber. Is it worthwhile asking how many people have been killed by the Bolivarian revolution? The corporate gulag and its yellow press have always jettisoned the quest for truth when their class interests appear to be jeopardized.

What is striking is that this repetitive mendacity emanates from a country that is one of the most abject satellites of the United States. A country, moreover, which in the course of its 500 years of ignominious colonial expansionism exploited and butchered millions. Imperialism and its media have long debased the language and we ought not be astonished by the horrors of its lie machines.

Despicable racial expletives have been hurled against Chavez; I recall a Chamber of Commerce official telling me he was a little nigger-boy (*negrito*). Indubitably, racialism has ebbed in its intensity but it has by no means vanished from the historical stage. Indeed, barring Cuba, in no other country in the Americas has racialism been so vigorously fought, but we must remember that racialism as a phenomenon of class exploitation was generated in over 500 years of its history. Racialism in its diverse institutional forms is a savage instrument of class rule.

Eduardo Galeano has described another facet of sticking the label of "populism" on leaders and revolutionary movements that have moved to break the shackles of imperial rule. In the mouths of the peddlers of the restoration of imperialism and free-market absolutism, he tells us, "patriotism is legitimate in the North but it becomes populism in the South, or even worse terrorism." Demonization is thus an integral part of the armoury of psychological warfare for toppling regimes that have refused to conform to imperial dictates.

The immense killer financial injections such as those seen in Venezuela and elsewhere originate from the private corporate sector (domestically and abroad) and the power centres of global capitalism. It was not fortuitous that in September 2010, billionaire George Soros, through his Open Society Foundations, shovelled \$100 million into the coffers of the mis-named Human Rights Watch. In reality the name is a cover for effectively pursuing goals synonymous with destabilization. Soros'

handout has nothing to do with human rights. He has made a major investment in securing the services of an institution spawned to promote and perpetuate the interests of his class worldwide and which uses the cover of "human rights" to conceal its counter-revolutionary role. In this struggle they became wedded to imperialism. Nevertheless, Soros' bogus philanthropy does have the merits of being above ground. What is infinitely more deceptive and better camouflaged is the activities of the National Endowment for Democracy (NED) and other operatives who go to extremes to conceal their working links with the CIA.

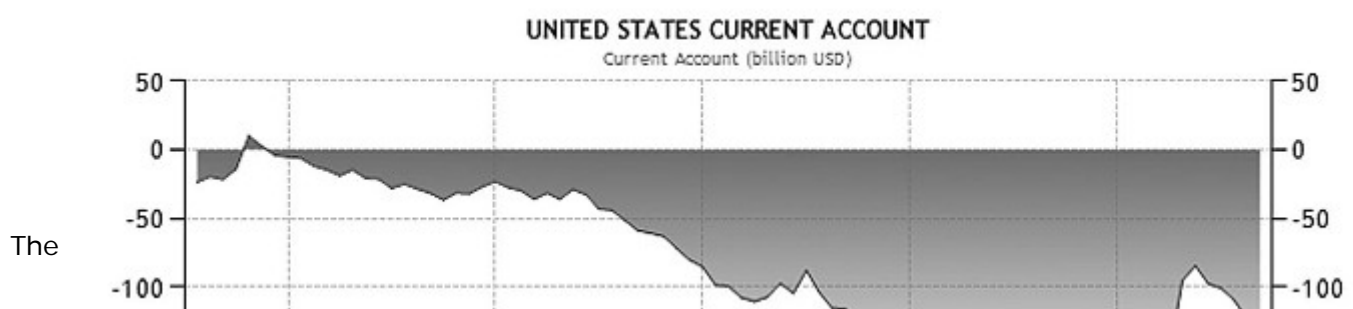
Was it mere coincidence that the avalanche of Soros' 'gift' occurred in the same month as the electoral war in Venezuela? Human Rights Watch has long spearheaded the ideological attack against Venezuela. It has not ceased to do so. It is an instrument of the global counter-revolution with links to the US State Department and the Pentagon. Its onslaught on Venezuela was indicative of its subversive thrusts. Its prolix diatribes that battered the government for its alleged violation of human rights were outrageous, but what it did not dimly suspect was that the government would strike back against their falsehoods line by line before slinging them out of the country.

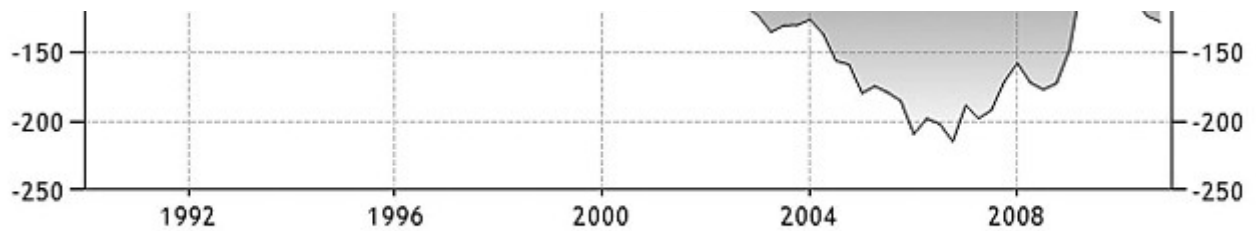
You will agree with me that \$100 million is no trifling sum. Destroying an enemy is part of the exterminist toolbox of the imperial order and is nothing new. What is new is its Himalayan size. The sum of \$100 million, though, is of course a minute fraction of the net worth of Soros, estimated at over \$14 billion. Let's restate what should be obvious to all. His so-called Open Society is in fact a closed totalitarian monstrosity designed to annihilate any democratic measures that dare threaten the rule of a capitalist plutocracy and its imperial masters.

What the foregoing reveals is that there has been no respite in the conspiratorial drives – and these embrace assassinations – to halt the advance of democratic change. Tens of millions of dollars have been pumped to fuel the fires of the counter-revolutionary push. But the United States is not alone. Certain parties of the Mudista political junta have long been linked to the narco-traffickers that have been a lavish source of funding. Their military arm has been and remains the paramilitaries in Colombia and elsewhere.

What we must not lose sight of, however, is that although the imperio has the capacity to maim and kill, it is also bedevilled internally by implosions of an economic and political crisis that is rapidly eroding its power. To consider the United States the mightiest and richest nation in the world is to bestow on it attributes that it no longer possesses. Although this text is concerned with Venezuela, we shall centre our attention now on the US' fragile economic underpinnings.

It is no longer open to dispute that American capitalism has entered an irreversible stage of economic stagnation and moral atrophy. The class war in the United States, although officially castigated as a blasphemous concoction of communists and fellow travellers, is not a myth but a reality omnipresent in the American political and economic order. The official unemployment level, according to the Bureau of Labour Statistics, hovers around 10% but this is an undercount. If we were to include the part-time unemployed (the temps) and those who have given up in their quest for jobs, the number exceeds 30 million. This bleak unemployment scenario of course applies to all leading capitalist countries. In Japan, temporary workers now account for 75% of the labour force. This is an ideal strategy for weakening and breaking the resistance of organized labour and boosting the exploitation of wage labour. US trade union membership in the private sector plunged from 23% of the workforce in 1973 to less than 8% in 2010. It is this and other factors which explain the shift in the world distribution of income, with labour's share falling sharply. The numbers tell the grim story. By the end of 2010 more than 44 million were living in poverty in the US, which is some 15% of the population. More than a quarter of blacks and Hispanics are poor. The tragedy deepens by the day. More than 16 million children are poor, or one out of every five children.





source: TradingEconomics.com; Bureau of Economic Analysis

masters of American capitalism that once peddled the virtues of untrammelled competition and globalization are in headlong retreat on all fronts. On the domestic front American capitalism is in disarray. The impact of the economic depression – there's no need for such euphemisms as “recession” – is brutalizing the world of labour. The capitalists are waging a war – a class war – with the backing of the state, and their pickings are lush. At the same time, millions of working Americans are being shoved out of their foreclosed homes and the sheer horror of these torments shows no signs of abating. When we speak of crisis, therefore, we must ask ourselves where the locus of the crisis is, what are the forces that created it, and who are its gainers and its losers. In concrete terms, the gap between the exploiters and the exploited is huge and getting larger. In the third quarter of 2010 corporate profits soared at an annual rate of \$1.659 trillion, an all-time record since data collection began in 1950.

The mood of this financial oligarchy is ecstatic, as neatly summarized by one journalist: “With a swagger, wallets out, Wall Street dares to celebrate.” It's all too obvious who are the swaggerers of this grand celebration. The deprivation inflicted on tens of millions of workers who make a living by the sale of their labour power and whose savings and homes were foreclosed is the price that “the little people” must pay for the collapse of the system and its malfunctioning. But the social reality that is the defining characteristic of capitalism cannot be so easily brushed aside. Billionaire Warren Buffett was fearless enough to stand up and declare: “There's class warfare, all right, but it's my class, the rich class, that's making war, and we're winning.” An irrefutable truth emanating from a prime mega-capitalist which can no longer be hidden.

It was Abraham Lincoln who observed that democracy can be defined as “government of the people, by the people, for the people”. An admirable generalization that obscures the class realities of an exploitative economic order rooted in the private appropriation of the world's wealth. As it stands, this generalization is nothing more than a mellifluous platitude. At no stage in American history has democracy approached the goal of the Bolivarian revolution, which is to mobilize by mass participation the producers in the creation of wealth for the entire community. What the historical record amply throws into relief is that government, despite its appearance of neutrality and standing above the contending clash of opposed social classes, is socially engineered to mesh with the exigencies of the rich and the super-rich. Substitute Lincoln's word “people” with “rich” and we have an accurate generalization of the objective reality of capitalism. In short, it is government of the rich, by the rich, for the rich. Consider that the total cost of the US elections that catapulted Obama into the White House was \$5 billion. Is this the model that Venezuela and others seeking to liberate themselves from the shackles of imperialism should emulate?

Let us cast a glance at a few numbers to highlight the accelerating pace and impact of economic concentration in the US. According to the Federal Deposit Insurance Corporation (FDIC), the number of commercial banks (1984-2010) fell by 54%. This precipitous fall that boosted concentration was not exclusively due to competitive market forces, but to the deliberate elimination of regulatory legislation by an ultra-elite caste of free-market absolutists or market fundamentalists whose mantra was and is that “All government is bad and government regulation that curbs the power of capital should be axed”. This has always been the central ideological thrust of economic liberalism.[\[vi\]](#)

Further, according to the FDIC, four Wall Street banks, out of a total of 8,242, control 45% of all the insured bank deposits in the US, and 46% of the assets: JPMorgan Chase, Wells Fargo, Citigroup and Bank of America. Numerically, the big four represent a minuscule 0.05% of the total. The sheer size of the market capitalization of the Big Five is indicative of the concentration: JPMorgan Chase (\$149.2 billion); Wells Fargo (\$142.3 billion); Citigroup (\$121.1 billion); Bank of America (\$113.8 billion); Goldman Sachs (\$868 billion).

The Glass-Steagall Act of 1933, promulgated at the acme of the Great Depression, was part of the armoury of Franklin D Roosevelt's New Deal to halt speculation and prevent bank holding companies from appropriating, through mergers and acquisitions, other financial firms. In other words, its goal was to stop or decelerate financial concentration in fewer and fewer firms.

However, Roosevelt never directed his political firepower at fighting the capitalists, appropriating their assets and nationalizing their banks. He was a defender of the private property system. Like John Maynard Keynes, what the Albany aristocrat said was that he threw his hat into the political ring to save the system, not to bury it. The Glass-Steagall Act was a piece of progressive and reformist legislation to ensure the separation of Wall Street investment banks and depositary banks. The repealing of the Act in November 1999 was a signal triumphant of neoliberal ideology that opened the floodgates to uncontrolled financial deregulation that led to the financial *krach* of autumn 2008. Indeed, it marked the end of the legislative utopia that was the New Deal.

The shifts in economic power as reflected in the extraordinary concentration of assets held by an exiguous number of banks are not aberrations but inherent in the class ownership and the private ownership of the means of production, distribution and exchange that constitute the alpha and omega of capital accumulation. In short, the capitalist mode of production.

Strides in concentration were luminously dissected in Chapter 25 of Marx's *Capital* entitled "The General Law of Capitalist Accumulation". It will forever remain one of the greatest scientific contributions to understanding the motive force of capitalism. The production of surplus value or the manufacture of profits, as Marx teaches, is the absolute law of the capitalist mode of production. Capital accumulation works through competition and technological innovation boosting productivity and contributing to the slashing of commodity prices and reducing the size of the labour force and its costs.

In this competitive war the bigger capitals and their capitalists beat the smaller capitals and their capitalists. Concentration is thus the upshot of this process that ends in the ruin and absorption of the smaller capitalists whose mines, factories and assets pass into the hands of the larger capitalists. In this sense, competition is the destruction of one capitalist by another; it is the begetter of monopoly.

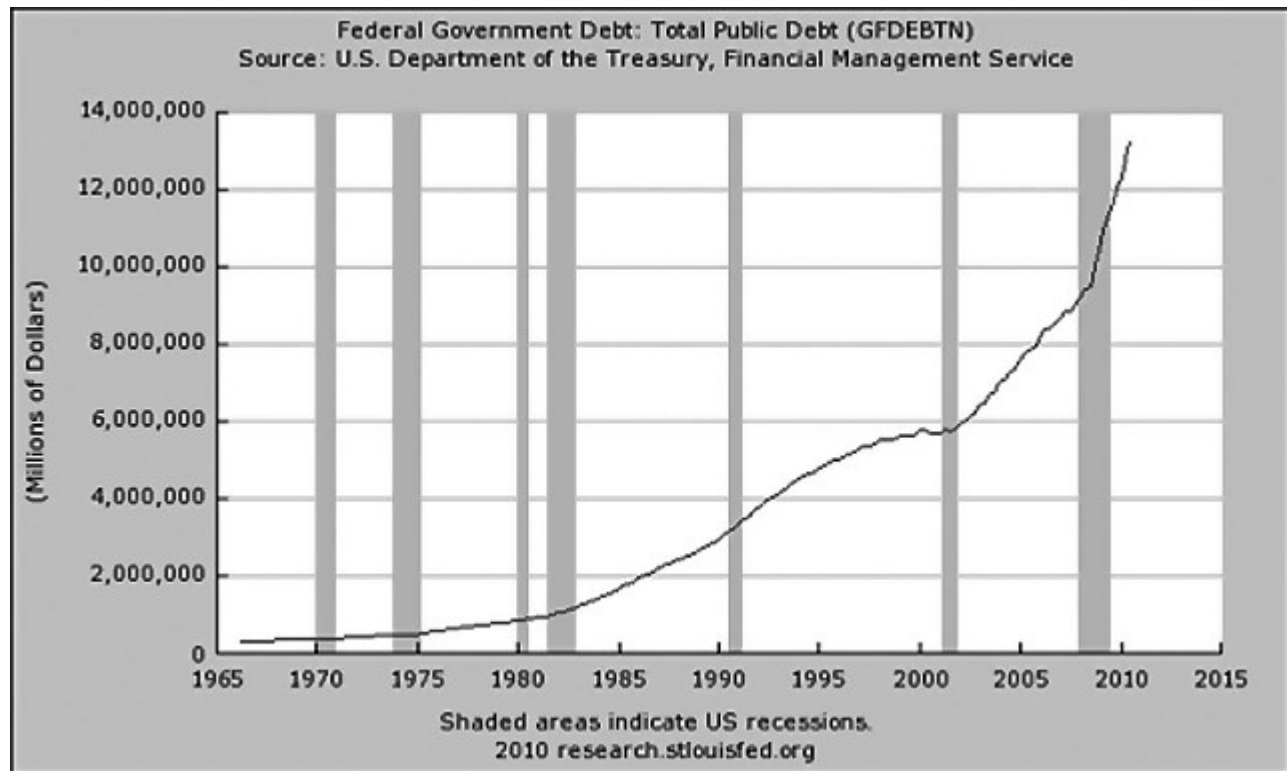
What Marx emphasizes is that the accumulation of capital is abetted by what was then the emergent force of finance capital and credit embodied in the joint-stock company that was still in its embryonic stages when *Capital* was published in 1867. In a masterly phrase he reveals that the credit and finance system "furtively creeps in as the humble assistant of accumulation, drawing into the hands of individual or associated capitalists, by invisible threads, the money resources [i.e., savings] which lie scattered in larger or smaller amounts over the surface of society; but it soon becomes a new and terrible weapon in the battle of competition, and is finally transformed into an enormous social mechanism for the centralization of capital". What is stunning is the striking modernity of that analysis of the processes at work within the entrails of finance capital.

Just as the kitten becomes the cat, the smaller capitalist aspires to become a bigger capitalist. In this process, capital accumulation at national and world levels burgeons to a hitherto unimaginable magnitude, thanks to one of the greatest financial innovations of all times: the joint-stock company. This has metamorphosed into the massive complex globalization of the engines of contemporary finance capitalism. This undoubtedly is one of the greatest scientific contributions of Marx to economic theory as it brings out the relationship between the concentration and centralization of capital. Centralization therefore supplements and gives a giant boost to normal accumulation by enabling the industrial capitalist to extend the scale of his operations and the acquisition of larger and larger market shares. Finance capital working through the joint-stock company becomes the catalyst of this process.

Concentration defines the magnitude of ownership and control is not merely an economic emanation of the accumulation of assets but also becomes inextricably related to the political process. Hence the inseparability of economics and politics. This is what Harold Laski meant when he said that since liberty is always a function of power, the fewer the capitalists who own or manipulate that power, the smaller the number of those to whom liberty has any significance. Thus, the sum total of concentrated economic power is anathema to the realization of a democratic economic order whose essence is the active and sustained participation of the direct producers in the creation and

equitable distribution of collective wealth. For the Bolivarians and others, this touches the heart of democracy inasmuch as democracy and capitalism are incompatible and become more so with the non-stop advance of capital concentration and centralization.

The incessant convulsions of economic crises that partner concentration in turn engender class polarization and intolerable levels of destitution. Economic growth and sharply rising levels of productivity over the last decade have not been translated into higher living standards for the world of labour. The income inequalities are a mirror image of the degree of concentration inherent in capitalism's class relations that Marx so trenchantly analyzed.



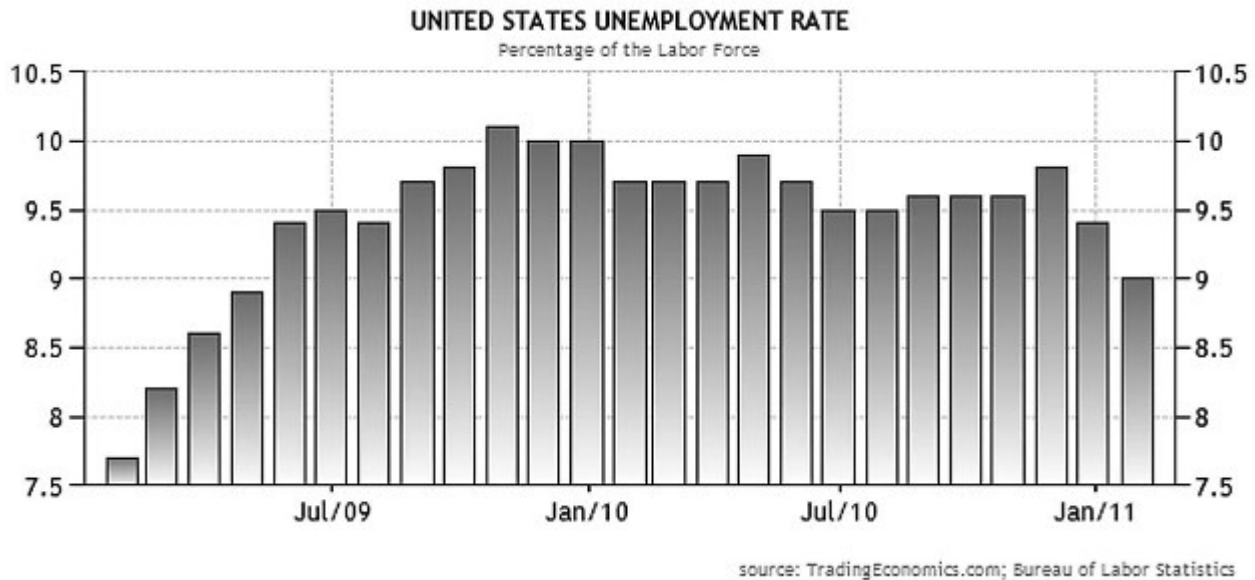
Nothing is more conspicuous than the sharp and unstoppable rise of inequality that makes a mockery of the US oligarchy's claims to "world leadership" and of being a paragon of human rights. At the end of 2010, the US economy was twice the size of what it was in 1980. In that span of three decades, however, the real median wage fell below the level of the mid-1970s. Also, at the start of the 1970s the richest 1% had 9% of the nation's total income. At the onset of the Great Crash in the autumn of 2008 this share had rocketed to 23.5%. This is the general overall picture. Let us zoom in on New York City to illustrate the particular. According to the Fiscal Policy Institute, the share of all income going to the top 1% of New York residents rose from 12% in 1980 to 20% in 1990, 35% in 2000 and 44% in 2007. This is almost double the all-time high US national average of 23.5% quoted above.

Over one-fifth of national income, according to the Congressional Budget Office, is appropriated by 1% of households whose marginal federal tax rate has fallen by seven percentage points between 1995 and 2010. Further, the pre-tax national income of the richest 0.1% more than quadrupled over the last 20 years (1990-2010) but their effective tax rates dropped steeply. This was due not to the uninhibited working of free market forces, but to deliberate government policy decisions formulated and implemented in the interests of the plutocracy by their political agents. Quasi-economic stagnation combined with ever-rising inequality has contributed to the worsening of an already rotting infrastructure and a precipitous fall in educational standards. American capitalism is regressing on these fronts, as a comparison with China and others pinpoints.

The Programme for International Student Assessment, or PISA, highlights the huge gap in educational attainment between China and the United States. These tests are designed to measure the learning performance of 15-year-old students in 65 countries. Shanghai was taken as a test case. The scores of the 15-year-olds in Shanghai were the best in the world. The 15-year-olds in the US ranked 14th in reading skills, 17th in science and 25th in mathematics. This was well below the average. This is symptomatic of the fact that the process of economic disintegration has spilled

into every facet of the cultural field. Although Cuba was not selected, I would surmise that their performance would have outstripped the Americans in much the same way as all of their health indicators have done.

The tsunami of joblessness, where more than 30 million American workers are unemployed or chronically underemployed, is taking place against a backdrop of uncontrolled inequality and soaring debt levels. Chief executive officers (CEOs), the managers of American capitalism, earned 42 times as much as the average worker in 1980. By the end of 2009, the ratio widened to 620, or more than a 14-fold increase. Within the same time span, more than four-fifths of the aggregate rise in US incomes went into the already bloated pockets of the richest 1%.



Seen from another angle, the top 1% own some 34% of the nation's private net worth, the bottom 90%, 29%. This means that 10% own more than 70% of total net worth. All this is not surprising since the US is "the big money house", to use the metaphor of JP Morgan at the turn of the 20th century. It houses about 30% of the world's millionaires, and 40% of the world's billionaires. The foregoing discussion on concentration and its corollaries confirms the dire warning of Supreme Court Justice Louis Brandeis, in one of the most powerful single sentences ever articulated in the history of jurisprudence and the social sciences: "We can have democracy in this country or we can have great wealth concentrated in a few hands, but we can't have both."



In the nine decades since Brandeis uttered this stunning truth, the tempo of concentrated wealth has scaled Himalayan heights, nationally and globally, and continues to pursue its unstoppable ascendancy. It is an affirmation of the simple truth that the masters of capital will forever and implacably remain the enemy of even the most innocuous manifestations of social control.

The cancerous growth of these inequalities has surfaced in an endemically anaemic economy that is irreversibly riddled with debts that can and will never be repaid. [vii] Aggregate US household, corporate and government debt has already shot past \$60 trillion by the end of 2010. This is the size of world GDP and four times the US GDP. What we must bear in mind is not merely the absolute magnitude of the total debt but its compound growth. Interest payments on the debt will be absorbing larger and larger amounts of government revenues. It is a recipe

for national catastrophe to be ignominiously trailed by default. Household debt, for example, was 92% of disposable income in 1999; by 2010 it had hit 130%. With every passing second, the debt, fuelled by compound growth rates, is getting bigger and bigger. The present wobbly government of Obama is being bludgeoned with a \$1.3 trillion budget deficit.

In addition, the Obama cabal is injecting \$600 billion into the debt machine that bears the quixotic name of "quantitative easing". This is the purchase of bonds with newly minted money to curb long-term interest rates, with the aim of spurring lending and recovery. That is the theory. Quantitative easing is a shabby euphemism for a money-printing machine that is now working at full throttle. Its rationale is simple. The marketing strategy is that slashing interest rates will lift the economy by prodding the capitalist to borrow and invest. But here the crucial contradiction emerges: how can the capitalist seek to maximize his profits – the overriding goal of the profit-driven engine – if all economic sectors are working at chronic under-capacity? What we are seeing is the generalized phenomenon of over-production with limited or non-existent scope for profitable returns on investment. Its striking features are shrinking demand, diminished purchasing power and market meltdown. Poverty, mass joblessness and social destitution are its sequel. The process is ubiquitous not because there is too little capital but because there is too much capital that cannot be invested at what the capitalist considers to be a profitable rate of return.

At the end of 2010, US corporate investors had an estimated \$2.3 trillion on their balance sheets. These phenomenal sums are being hoarded and not job-creatively invested because the profitability on these investments is exiguous or non-existent. Have those who are pursuing these profligate policy chimeras of money creation forgotten that artificially induced low interest rates were the mother of financial bubbles in the autumn of 2008, spawning the greatest financial *krach* since the Great Depression? The upshot was the dis-accumulation of capital, or the destruction of capital, to the tune of \$1.3 trillion in assets.

In addition to the economic and debt convulsions speeding up the crisis are the relentless military expenditures that the US oligarchy has spent on waging its permanent colonial wars since 1945. These now account (2010) for 43% of total world military expenditures. It is part of the sustained drive for global hegemony entailing the presence of 560 foreign military bases. Out of the 15 top national spenders, the US' expenditure is larger than that of the next 14 combined. Its military outlay is seven times that of China, the second largest. This is the military fist of imperialism underpinning the drive to permanent colonial war.

War and preparations for war have, as Martin Luther King said, transformed the United States into "the greatest purveyor of violence in the world". Dr King is correct. The substitution of "imperial state terrorism" for "violence" would of course be even more accurate. Obama has now boosted military expenditure by more than 6% in 2010, outstripping at its peak the record-busting outlays of Bush. In only one year (2010) Obama will have spent in Afghanistan (in dollars adjusted for inflation) more than the total costs of the War of Independence, the War of 1812, the Mexican-American War, the Civil War and the Spanish-American War.

As yet there is no end to that genocidal and unwinnable colonial war. Afghanistan, however, is only one among others. The US is fighting wars on five fronts: in Iraq, in Afghanistan, in Pakistan, in Yemen, in Somalia. To this may be added the undeclared clandestine war in Iran that has involved the assassination of some of its leading scientists, which, as the Pentagon strategists now boast, is but a prelude to full-scale war, with Israel as its leading accomplice.

The psychology of imperialism and its exterminist thrusts is thrown into sharp relief in the Blair-Cheney dialogue. Former British prime minister Tony Blair, who ranks amongst the most odious of war criminals, was exultant over the boast of ex-US vice-president Dick Cheney. In his autobiography, *A Journey*, Blair extols the lurch for conquest (he calls it "reshaping") of the Middle East articulated by Cheney. Blair notes that Cheney had no patience for "namby-pamby peacenikery". "He would have worked through the whole lot, Iraq, Syria, Iran ... Hezbollah, Hamas, etc ... No ifs, no buts, no maybes. We're coming after you, so change or be changed." Nevermind that this bombastic crusading fulmination is a pipe dream because it is being smashed by the resistance of millions. What matters is that it is a process of reasoning that applies no less to the emergent progressive countries of South America that have chosen alternative development paths. In the final section we shall focus our attention on some of the major obstacles that the revolution in Venezuela must face to survive.

In the foregoing section we have analyzed what I consider to be the death throes of American capitalism, which, joined to the struggle of the oppressed in the neoliberal colonies, have contributed to the irreparable weakening of imperialism worldwide. The rebellion of the Egyptian masses against one who was considered the impregnable dictator of the US/Zionist phalanx is one of the most devastating blows against imperialism since the overthrow of the Shah of Iran. This is the background that is not only changing the geopolitical relationships in the Middle East but also giving a boost to revolutionaries elsewhere. What we are seeing – and this is of the greatest relevance to Venezuela – is that electoral victories are not an end in themselves. The fundamental issue is dismantling the vestiges of the neocolonial political structures of a rentier economy rooted in primary commodity production for the world market.

We must not forget that the PSUV lost a million votes in the September 2010 election. What remains to be done is not simply to recuperate these votes for the presidential elections in 2012 but to devise strategies against the US-dominated political right, who are the effective saboteurs within the nation and are operating at full throttle.

Certainly the battle against bureaucracy and corruption is an ongoing struggle. But it is not to be imagined that, even if these two scourges were vanquished by a magic wand overnight, a new and invigorated capitalism would arise from its ashes. This is because the laws and logic of capital accumulation would continue to operate in the interests of its private owners.

The essential direction that must be taken is to define the model of socialism and continually innovate with new forms of democratized socialist relations of property. And that requires sustained debates which must become permanent features of the political and social order. This is not and can never be a one-shot show. It must go hand in hand with the extensive socialization of the finance, credit and insurance sectors. This in turn is inseparable from economic control by the public sector of foreign trade – exports and imports. This would entail nationalization of the foreign trade sector to appropriate the profits and foreign exchange earnings – which are considerable – from the marketing chain. In Venezuela, the import trade and marketing are now controlled by the bourgeoisie. Not only does such control have immense political implications, it is also a source of unrestrained speculation that contributes massively to inflation. Speculation serves not only to enrich the speculators but also to impoverish the mass of consumers, as well as being a brutal instrument of political destabilization. Implementation of these institutional changes cannot be delayed. These are important stages in the democratization of people's power.

It wasn't too long ago that there were progressives in Venezuela and their foreign well-wishers who peddled the delusion that the imperio and the adherents of the Bolivarian revolution would ultimately find a common ground that would lead, by some undisclosed magic, to an enduring and fruitful coexistence. Such muddled thinking was never rooted in a rigorous study of the state and revolution. We owe much to Joseph Schumpeter for highlighting the role of the state in economic theory and policy and, in so doing, illustrating once again the signal contribution of Marx: "Policy is politics; and politics is a very realistic matter. There is no scientific sense whatever in creating for one's self some metaphysical entity to be called 'The Common Good' and a not less metaphysical 'State' that, sailing high in the clouds and exempt from and above human struggles and group interests, worships at the shrine of that Common Good. But the economists of all times have done precisely this ... It was, therefore, a major scientific merit of Marx that he hauled down this state from the clouds into the sphere of realistic analysis."[\[viii\]](#)

The Venezuelan government and the Bolivarian socialist project openly face the proclaimed threat of extermination. The electoral returns of September 2010 were a reminder of the immensity of the hostile class challenges facing the embattled Bolivarian revolution. The life-and-death lessons to be drawn from it are all too apparent. The PSUV gained 98 out of 165 seats, which gives them the majority in the National Assembly. These are winning numbers, to be sure, but they failed to obtain the 110 seats, or two-thirds majority, that would assure them freedom to pursue their legislative agenda unimpeded. Prior to September 2010, the Chavistas had absolute control of the Assembly because the Mudistas, acting on the orders of their foreign masters, boycotted the elections. From the latter's perspective it was a major strategic miscalculation which has now been rectified. Chavez has chosen to play by the rules of bourgeois politics. But bourgeois politics, as we have seen, in practice repudiates democracy and the rule of law.

In sum, the US-dominated pseudo-democrats represented by MUD have staged an electoral comeback and, as post-September events reveal, they and their foreign backers intend to exploit their presence to the hilt. The election was a close call. The opposition obtained 5.3 million votes, the PSUV 5.4 million. The blood-curdling imagery of the opposition propagandists that this is a war whose outcome will be decided by fire, blood and the sword cannot be jettisoned as fatuous electoral rhetoric concocted by their State Department mentors. The metaphors are appropriate. Here is one manifesto for the re-conquest of class power as brandished by one of its more articulate firebrands: "We shall proceed by stages: the first stage is that of containment. It is a war of attrition and we shall wear Chavez down; our second stage is that of pushback for, by the end of the first stage, his forces will be wilted; and the third and final stage is the liquidation of Chavez and all his works." The word "liquidation", you'll agree, thus acquires a sinister connotation.

If this is not a full-blooded exhortation to political exterminism, then what is? Whether and in what format this blueprint will be realized will depend not only on the yearnings of its criminal architects but also on the bold, swift, reactive counter-blitzkrieg of the democratic forces to bring to a standstill and destroy a force whose anti-democratic goals are now blatantly publicized. This counter-force is now gathering strength, as we shall see. What the historical record so clearly reveals is that while the last five years was a quiescent period for the Chavistas in the absence of a political opposition in the National Assembly, it does not mean that the attempts to bleed the Bolivarian revolution had ceased.

One of the major shortfalls of the government was due to its misplaced tolerance, having not set in motion revolutionary radical policies that would have stymied the class power of the oligarchy and their foreign paymasters. Money thundered down like an avalanche into the coffers of these political scum from all quarters and not exclusively the United States, which nevertheless remains the organizational hub of the exterminist conspiracy. One feels the anguish of Chavez when he recognizes that the constitutional freedoms accorded to his lethal enemies were being directed to the destruction of the fragile democracy, the first of its kind that Venezuela had ever experienced.

"It is beyond belief," he lugubriously laments, "even though we have our constitution, that we allow political parties, non-governmental organizations and counter-revolutionary individuals to continue to be financed with millions of dollars from the imperio, and who make use of it with full freedom to usurp and violate our sovereignty and destabilize our country."

The nature of these counter-revolutionary elements battling for the annihilation of the Bolivarian revolution was brazenly exhibited in a 7 November 2010 meeting held at the US Congressional Visitors Center in Washington parading under the sanctimonious title "Danger in the Andes: Threats to Democracy, Human Rights and Inter-American Security". The countries targeted were Venezuela, Ecuador, Bolivia, Nicaragua and Cuba. It's irrelevant that neither Nicaragua nor Cuba is an Andean country. What surfaced from this meeting of the imperio's most notorious official and non-official political mob was a report that was nothing short of a declaration of war. Its sponsors were such run-of-the-mill Cold War warriors as Connie Mack (R-Fl.), who had earlier called for the assassination of Chavez. The Cuban émigré Ileana Ros-Lehtinen (R-Fl.) has now been vaulted into the influential Chair on Foreign Relations of the US House of Representatives. This was precisely the same Cuban émigré who clamoured for Cuba to be turned into another Iraq and that Fidel Castro should be hanged as a political criminal.

To be sure, this is a prime case of double standards, for one could easily imagine the howling reaction of the US government if any Cuban or Venezuelan statesman or citizen of any country had made such appeals to bump off its politicians. Coincidentally, in January 2011 both the Venezuelan rightists and their Republican backers in the US Congress acquired the trappings of bourgeois political legitimacy with their entry into the citadels of legislative power. Understandably, in the conspiratorial Washington conclave, Chavez was depicted as "the deadly kingpin of a criminal regime." The pressure to "demolish" the nation's infrastructure, to use the increasingly familiar designation of the Mudistas, will be speeded up. Here the death squads and the paramilitary will come into play.

With the Republicans now in the driver's seat in the US Congress, the Mudistas have an incomparable ally. In the electoral battle they gained political power in the mineral- and oil-rich states of Zulia and Tachira that border Colombia. These states, even prior to their September victory, were the feeder base for evading taxes and foreign exchange controls, and for money

laundering and narco-trafficking. These were also the major sources of funding for the two earlier political formations, the resurrected Christian Democrats and the Accion Democracia, now fused into the Mudista ranks.

However, the strategy of wholesale exterminism already deployed with full force will not be met with folded hands and bended knees by the world of labour and their allies inspired by the Bolivarian revolution. A new and more vicious phase in the class struggle has been opened up whose reverberations will be felt throughout South America and beyond. I say "beyond" because the core of the counter-revolution is international.

The PSUV and Chavez have risen to the challenge, as seen in the temporary decree powers granted to the president under an Enabling Law passed by the National Assembly in December 2010. The timing is important. It extends presidential powers into the domain of public security, public works, finance, housing and, not least, telecommunications. These decree powers are mandatory but what is important is that state power of the organized masses becomes embedded in all states and sectors. The belief of the new "opposition lawmakers", as they now dub themselves, that they would be able to paralyze the government will be countered by a resurgent political democratic phalanx. Chavez is boldly facing the embattled future and has riposted in language that is unequivocally clear. In words redolent of Fidel Castro, he vowed that "there is no possible agreement with the bourgeoisie. It is them or us. We are polar opposites. Let the bourgeoisie pursue its goals. We shall do, however, what we must do to build a socialist society. That is our goal and we shall attain that goal." In the next two years these words will have acquired a resounding force that will echo throughout the world.

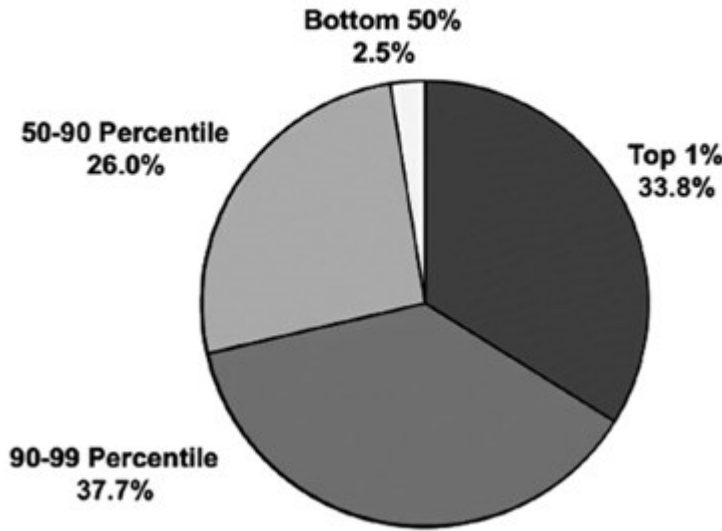
As in Cuba, the criminal strategies for ousting Chavez began at the very inception of his movement for national rebirth. The goal of the movement is to break with the entrenched social and economic structures of a moribund capitalism organically tethered to imperialism and the vestiges of the Spanish conquest. The struggle to liquidate the man, his ideas and his political movement knows no respite. In the wake of their comeback in September 2010, the architects of the counter-revolution believed that the changed electoral configuration would offer them the golden moment to strike a decisive blow.

The central goal of demolishing the socialist society in the making would be to deploy the judicial apparatus, the powerful bourgeois domestic and foreign media, the unreformed caste of officialdom and an endless torrent of money. On the external front the revolution is pitted against the combined strength of the Organization of American States (OAS), the Colonial Office of US imperialism, the entire Latin American bourgeoisie, the United States and the European Union.

The rupture with the United States coincides with the Enabling Law, one of the boldest legislative measures of the revolution, inseparable from the earlier raft of progressive legislation that straddles all sectors of the national economy. It is not surprising that this law immediately received the brickbats of the OAS and the government's enemies. Although it was expedited to face up to one of the greatest natural calamities the nation has ever experienced – namely, the incessant rainstorms that killed many and rendered homeless more than 130,000 – its ramifications were prompted as a counterweight to the sabotage of the newly empowered Mudistas and their foreign paymasters.

Certainly the drive to topple the Chavista forces will continue. This is the central dynamic of imperialism. But there are many positive forces that are visibly giving an enormous thrust to the Bolivarian revolution. The first is the rise in price of Venezuela's major export, petroleum, the continued buildup of the nation's productive forces (with agricultural modernization and national self-sufficiency playing a crucial role) and, not least, the deep feelings of revolutionary fervour and patriotism that have seized the nation stemming from the successful organizational drives and structural reforms taking place within the party and the administration. The second and no less important factor is the continuous political and military debacles of American imperialism on all fronts, most recently in the Middle East. It is impotent to reverse these defeats which will continue to bleed the nation's resources, thereby weakening its drive for global hegemony.

Distribution of U.S. Wealth, 2007



Appendix: THE CRUMBLING EMPIRE

The USA is ranked as the worst country among the International Monetary Fund's classification of "Advanced economy" countries. This table uses various measures to compare the rating of the "Advanced economy" countries. The countries in the table are ranked from worst to best. The numbers in the table show the ranking from worst to best in each measure. The bracketed numbers show the actual data.

	Income inequality (Gini Index) Higher numbers represent more income inequality	Unemployment rate Most recent estimates	Gallup Global Wellbeing Index Percentage thriving, 2010	Food Insecurity "Have there been times in the past 12 months when you did not have enough money to buy food that you or your family needed?" Percentage answering yes.	Life Expectancy At Birth	Prison Population per 100,000 citizens	Student Performance Math Scale Score Science Scale Score
RANKING FROM WORST TO BEST							
1. United States	3 (45.0)	8 (9.0)	20 (57)	1 (16)	6 (78.24)	1 (743)	5 (487) 15 (502)
2. Portugal	5 (38.5)	4 (10.7)	4 (22)	7 (10)	7 (78.38)	16 (110)	5 (487) 7 (493)
3. Greece	10 (33.0)	3 (12.0)	8 (31)	9 (9)	17 (79.8)	19 (102)	2 (466) 2 (470)
4. Spain	13 (32.0)	1 (20.0)	10 (36)	5 (14)	27 (81.07)	9 (159)	3 (483) 4 (488)
5. Israel	4 (39.2)	20 (6.4)	22 (62)	3 (15)	24 (80.86)	2 (325)	1 (447) 1 (455)
6. Slovakia	26 (26.0)	2 (12.5)	3 (21)	—	1 (75.62)	8 (185)	13 (497) 6 (490)
7. Taiwan	—	24 (5.2)	4 (22)	—	5 (78.15)	3 (282)	—
8. Slovenia	22 (28.4)	5 (10.6)	6 (27)	6 (11)	3 (77.12)	30 (67)	16 (501) 18 (512)
9. Czech Republic	26 (26.0)	7 (9.3)	11 (39)	—	2 (77.01)	5 (211)	10 (493) 13 (500)
10. France	11 (32.7)	6 (9.5)	9 (35)	9 (9)	28 (81.09)	23 (96)	13 (497) 11 (498)
11. Italy	13 (32.0)	11 (8.4)	11 (39)	3 (15)	21 (80.33)	15 (113)	3 (483) 5 (489)
12. Korea	15 (31.4)	31 (3.7)	7 (28)	1 (16)	9 (78.81)	21 (98)	28 (546) 26 (538)
13. Cyprus	20 (29.0)	21 (6.0)	15 (45)	7 (10)	4 (77.66)	17 (105)	—
14. Singapore	2 (48.1)	33 (2.3)	1 (19)	20 (2)	32 (82.06)	4 (273)	30 (562) 28 (542)
15. Ireland	17 (30.7)	9 (8.6)	18 (49)	13 (7)	19 (80.07)	20 (99)	5 (487) 17 (508)
16. United Kingdom	8 (34.0)	15 (7.9)	—	9 (9)	18 (79.92)	6 (206)	9 (492) 19 (514)
17. Luxembourg	26 (26.0)	22 (5.5)	15 (45)	—	13 (79.48)	12 (139)	8 (480) 3 (484)
18. New Zealand	7 (36.2)	19 (6.5)	—	—	22 (80.48)	7 (203)	22 (519) 25 (532)
19. Iceland	23 (28.0)	9 (8.6)	17 (47)	—	23 (80.79)	31 (60)	18 (507) 9 (496)
20. Hong Kong	1 (53.3)	27 (4.6)	26 (65)	15 (6)	31 (81.96)	10 (141)	29 (555) 29 (549)
21. Sweden	32 (23.0)	12 (8.3)	27 (68)	17 (5)	25 (80.97)	27 (78)	11 (494) 8 (495)
22. Japan	6 (38.1)	24 (5.2)	1 (19)	13 (7)	33 (82.17)	33 (59)	25 (529) 27 (530)
23. Malta	26 (26.0)	18 (7.0)	13 (40)	—	15 (79.59)	11 (140)	—
24. Belgium	23 (28.0)	13 (8.1)	19 (56)	—	11 (79.37)	22 (97)	21 (515) 16 (507)
25. Finland	19 (29.5)	15 (7.9)	30 (75)	—	10 (79.13)	31 (60)	27 (541) 30 (554)
26. Denmark	20 (29.0)	29 (4.2)	31 (82)	19 (3)	8 (78.47)	28 (71)	17 (503) 12 (499)
27. Switzerland	9 (33.7)	30 (3.9)	22 (62)	18 (4)	25 (80.97)	26 (79)	26 (534) 20 (517)
28. Austria	26 (26.0)	27 (4.6)	20 (57)	—	16 (79.65)	18 (103)	12 (496) 10 (497)
29. Germany	25 (27.0)	17 (7.1)	14 (43)	15 (6)	12 (79.41)	25 (85)	19 (513) 21 (520)
30. Netherlands	16 (30.9)	22 (5.5)	27 (68)	—	14 (79.55)	24 (94)	23 (526) 22 (522)
31. Norway	31 (25.0)	31 (3.7)	29 (69)	—	20 (80.08)	28 (71)	15 (498) 13 (500)
32. Canada	12 (32.1)	14 (8.0)	22 (62)	12 (8)	29 (81.29)	14 (117)	24 (527) 24 (529)
33. Australia	18 (30.5)	26 (5.1)	22 (62)	—	30 (81.72)	13 (133)	20 (514) 23 (527)

Source: This table is reordered from data in the New York Times.

[i] Howard Zinn, *A People's History of the United States, 1492-Present*, New York, 1996. Zinn demystified the notion of "American democracy" popularized by such writers as de Tocqueville and Harold Laski.

[ii] Toussaint Louverture's slave armies in Saint Domingue defeated the combined colonial expeditionary forces of France and Britain. He was the first great internationalist not only in the Americas but in the world, and a pioneer in the colonial liberation struggles. He was duped by Napoleon (whose wife Josephine came from one of the wealthiest slave-owning plantation families in the Caribbean island of Martinique) into a false negotiation with the French. He was captured, tortured and, together with his wife, transported in chains from Saint Domingue to France, where he was incarcerated in the concentration camp of Fort de Joux in the Departement de Doubs. Both he and his wife quickly succumbed to repeated beatings, malnutrition and the severe cold. In France (and no less so in Britain and the slaveowner-dominated republic of the United States) the sentiment had been that, in the words of Napoleon, "we must get rid of that nigger."

[iii] *Cuba and Venezuela: The Nemeses of Imperialism*, Citizens International, Penang, Malaysia, 2007.

[iv] For a highly evocative and analytical description of that abortive coup and its mechanisms, see the interview of President Correa with Ignacio Ramonet, "Pedi una pistola para defenderme", in *Le Monde Diplomatique* (Spanish edition), January 2011.

[v] Quoted in *Time*, 21 September 1952.

[vi] For the historical development of this idea, see my work, *The Rise and Fall of Economic Liberalism: The Making of the Economic Gulag*, Southbound and Third World Network, Penang, Malaysia, 1996.

[vii] The current foreign trade deficit illustrates the debt gap; US exports are merely 67 per cent of its imports and there is no possibility in the near and medium term of equalizing the difference and then moving on to build up a trade surplus. This unfavourable trade balance (which is debt) has persisted for more than a quarter of a century.

[viii] Joseph Schumpeter, "The Communist Manifesto in sociology and economics", *Journal of Political Economy*, June 1949. See also his *History of Economic Analysis*, New York, 1954.

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