

Telegram from BE Caracas to FCO of 9 April 2002

SUBJECT: VENEZUELA: LULL BEFORE THE STORM?

SUMMARY

Chavez's popularity now holding up, even increasing. Oil prices and currency value up. Discontent continues in state oil company (PDVSA).....*Information redacted.*

Opposition now pinning hopes on a freedom of expression campaign and a national strike, possibly in April. Major electricity cuts (in May?) could help them.

Small scale, but worrying, confrontation on the streets. Nonetheless, with Easter holidays approaching, sense of a lull here. But the storm could break any time.

DETAIL

An opinion poll of 22 March shows Chavez would win a Presidential election tomorrow against opposition leaders by 33% to his nearest challengers' 19%. (Chavez support is 9% up on December.) Oil prices are up as well: \$20 for Venezuelan crude; comfortably above \$16 for the government's budget. The bolivar has strengthened, pushed up by oil prices and international companies buying bolivares to pay their end of year taxes. But it also looks as though the bolivar float really is a dirty float. International reserves are falling: down to \$9.34 thousand million on 15 March (lowest since October 1995). Capital flight also continues unabated.

.....*Information redacted*

Within the opposition Fedecamaras (CBI) and CTV (TUC) are continuing to work closely together.*Information redacted.*

The CTV backed off their original intention of holding a strike on 18 March. Ortega (CTV leader) has visited the US and ILO in Geneva. Fedecamaras are now consulting their members about the possibility of them supporting a general strike (one day or indefinite?) in April. There's no doubt the CTV want to go ahead, but they're worried about not receiving full support from others in the opposition.

.....*Information redacted*

The political parties seem, as ever, to be pulled along behind CTV/Fedecamaras and the opposition press. But there are some signs that progress is being made in the National Assembly in looking at ways of improving 28 of the controversial 49 laws passed last November. And one of the laws, relating to public workers, has been put in abeyance for six months. With the political balance in the National Assembly now almost even, some of the radical elements in the government party have had to accept the beginning of a real dialogue. Indeed, there are signs of the atmosphere changing slightly.*Information redacted*

Meanwhile, over the last few days there have been street incidents in three provincial cities and in Caracas. These have involved supporters of the government and opposition, and students. There have been some injuries. This is worrying. The government and local police forces (particularly in Caracas) have worked hard and

successfully to prevent confrontation here during large marches (with hundreds of thousands participating). These incidents have revolved around small demonstrations (tens of people), but with the noticeable lack of a police presence. The Head of the National Guard has spoken out publicly against the violence.*Information redacted*. It's too early to judge whether these are isolated incidents, or the start of a new trend.

Political and economic uncertainty continues. At the same time there is a feeling here (however temporary) of something of a lull (no doubt helped by the forthcoming Easter holidays). It may herald a storm next month which could see a general strike and a bitter confrontation in PDVSA.*Information redacted*

In the opposition there is a growing realisation that Chavez is not down and out in terms of popular support.*Information redacted*
Lurking in the background is the possibility of major power cuts as lack of rain brings hydro-electricity (70% of generator capacity) to its knees. That could be the spark (apologies!) for widespread discontent, which the opposition may wish to push towards ungovernability. And hanging over all this is the possibility of a coup. For what it is worth, the rumours are less insistent than a month ago.

ENDS

Telegram from BE Caracas to FCO of 9 April 2002

SUBJECT: VENEZUELA: STRIKES: HERE WE GO AGAIN!

SUMMARY

Trade unions and employers strike quite successful (claims of 70/80% support). So far small demonstrations, no violence.

Government fighting back more effectively than in the December strike. Overall probably 60/70% support. Pretty good for the organisers, but less effective than a similar strike on 10 December 2001.

DETAIL

The joint strike (in which employers pay employees for not working) has certainly had an effect. In Caracas traffic is light and many offices are closed. But public transport is functioning normally, and state schools are open. Elsewhere the picture is similar, but with marginally less support for the strike than in Caracas. Some demonstrations are expected on the evening of 9 April. One, near the Embassy, is already in full flow. There have been minor scuffles and the Guardia Nacional fired a few shots in the air as confrontation between pro- and anti-Chavez forces seemed in danger of getting out of control. Order was restored.

The Government has used its right to broadcast to the nation and has been much more prepared and assertive than at the time of the first strike in December. On 7 April Chavez raised the minimum wage by 20%.

The opposition united rather quickly in calling for this strike. It attempted to piggy-back on the continuing dispute within the state

oil company. But it is not clear how far the events of 9 April have advanced their cause.....*Information redacted*

The opposition have again demonstrated that they can mobilise a majority of Venezuelans to stay away from work (with many being paid)*Information redacted*.

END

Telegram from BE Caracas to FCO of 10 April 2002

SUBJECT: VENEZUELA: CRISIS LOOMING

SUMMARY

There's now a potent cocktail of a national strike (albeit less effective than in December), a strike in the state oil company, and large demonstrations in the middle-class areas of Caracas and other cities.

.....*Information redacted*

The CTV (TUC equivalent) decided on the evening of 9 April to extend their national strike for one day. In doing so they had the support of the employers' federation (FEDECAMARAS). We have now had two days of paid strikes. Also on the evening of 9 April there was a large demonstration outside PDVSA offices near the Embassy (cf TUR). And a further large crowd is gathering now. The employers have called for a major march on 11 April and there's a good chance that the CTV will extend their strike for another 24 hours.

Oil production has been affected significantly (down by up to 50%). Exports are being held up by industrial action at ports and the lack of safety staff. Three refineries are now effectively closed. But we know that deliveries were made to petrol stations in Caracas on 10 April. Supplies could last three-five days.

On 9 April there were 17 Government broadcasts. So far there have been none on 10 April. But there are rumours that Chavez will make a major address to the nation.

.....*Information redacted*

END

Telegram from BE Caracas to FCO of 11 April 2002

START:

SUBJECT: VENEZUELA: IN CRISIS

SUMMARY

Indefinite strike and large scale violent demonstrations on the streets. Privately owned television terrestrial transmissions closed down (temporarily?).

Chavez calls for calm and dialogue. Coup rumours persist: ungovernability a risk.

.....*Information redacted*

DETAIL

On the evening of 10 April the CTV (TUC equivalent) declared an indefinite strike supported by Fedecamaras (CBI equivalent). Transport is working and the main Caracas port is functioning albeit slowly. Some small shops have reopened, as have restaurants. And Fedecamaras has agreed that supermarkets should be open between 0800 hrs - 1400 hrs. Overall the strike has become progressively less effective, as even a member of the CTV admitted to us on 11 April.

There are continuing problems in the state owned oil company (PDVSA). I understand that Kamkoff (one of the two Vice Presidents) offered his resignation and that of the whole Board to the President of PDVSA. It was rejected -*Information redacted*.

.....*Information redacted*

On 11 April an anti Chavez march of some 100,000 congregated at a PDVSA building near the Embassy. The march then moved on towards the Presidential Palace (Miraflores). At the same time a large pro Chavez demonstration (tens of thousands) had already congregated outside Miraflores. The Guardia Nacional and the police succeeded in preventing an all out clash between the two sides. But shots were fired, tear gas was used, and there were some nasty confrontations in the narrow streets near the centre of Caracas. Allegedly there are five dead and 40 injured (including the Governor of the State of Miranda, one of the most popular politicians). According to the media the shots were fired by pro Chavez supporters.

In the afternoon of 11 April Chavez spoke to the nation for an hour and a half. He was confident, measured, and called for dialogue. He emphasised the privileged position of the PDVSA strikers, the lack of success of the general strike, and the legitimacy given to him by the Venezuelan electorate. He attacked the press for conspiring to overthrow him, denied recent accusations about support for the FARC, and called on Venezuelans not to be provoked into violence.

We believe that Chavez's national broadcast might well have been jammed intentionally (by whom?). It was difficult to hear him. For a time it seemed that frequencies were changed in order to avoid jamming. Chavez reaffirmed his constitutional right to broadcast to the nation, notwithstanding challenges in recent days from the privately owned television companies (showing his broadcasts on a split screen). But they would pay for that by being closed down for a time. It's happened: their terrestrial, but not their satellite broadcasts have stopped.

Coup rumours persist, to the extent that the head of the armed forces and the heads of the individual forces appeared in a national broadcast to show they had not been imprisoned and were in control (arguably the worst staged broadcast I've ever seen).

The events of 11 April mark a step change here. The opposition decided to march on the Presidential Palace with all four private television stations showing coverage highlighted as "not one step back".*Information redacted*

We don't know for certain who was responsible for the shootings.
But the events of today move Venezuela closer to ungovernability

.....*Information redacted*

END

Telegram from BE Caracas to FCO of 11 April 2002

START:

SUBJECT: VENEZUELA: SUCCESSFUL MILITARY COUP

SUMMARY

The armed forces ((Guardia Nacional, Army, Navy) have successfully forced the resignation of President Chavez who surrendered just after 0100 hrs (local time). Caracas is calm. But there is something of a power vacuum at the moment, with a civilian/military junta likely.

.....*Information redacted.*

DETAIL

The toll of dead and injured from the demonstrations on 11 April has now risen to more than a dozen killed and over 100 injured. This seems to have been the final straw for many in the high command of the Navy, Guardia Nacional and Army.

Admiral Ramirez Perez (number 3 in the navy) broke cover first followed by Guardia Nacional General (ex Deputy Minister of the Interior) Camacho. Ramirez said that he had placed marines around the armed forces headquarters in Fuerte Tiuna. But admitted he did not know where Chavez was. Surrounded by senior members of the National Guard, Camacho called for insurrection and the need to form a provisional civilian/military junta.

The head of the Army (Vasquez Velasco) was more circumspect. The Army had been shocked by the bloodshed on 11 April. He asked Venezuelans to forgive the armed forces for those events. He didn't call for insurrection. But in a later interview claimed all the army commands were with him!.

A senior commander of the secret police (DISIP), surrounded by his colleagues, said publicly that they were not prepared to fight fellow Venezuelans. The Air Force stayed rather quiet, sitting on the fence.

At around 2230 hrs (local) the only government supporting TV channel was taken off the air. At the end there was a short clip (with no picture) that sounded like Chavez thanking the Venezuelan people and asking the military to lay down their arms.

.....*Information redacted*

The streets of Caracas are deserted. Armoured personnel carriers and light tanks are situated at key areas. There appears to be a vacuum, but the best bet is for some sort of civilian/military provisional government.

.....*Information redacted*

I am meeting other EU colleagues at 0900 (local time) on 12 April.*Information redacted*

12. FCO please advance to PS/Deputy Prime Minister.

END

Telegram from BE Caracas to FCO of 12 April 2002

START:

SUBJECT: VENEZUELA:*Information redacted*

SUMMARY

Carmona (Fedecameras) becomes interim President. Name change for the country, National Assembly suspended, legislative elections by December 2002, national elections (President, Governor, Mayor) within one year. Carmona will not stand for election.

President of the Supreme Court, Fiscal General, Auditor General, and members of the National Electoral Commission, all fired. 48 laws (Ley Habilitante) suspended.

Representatives of the Church, NGOs, political parties, business, media, Governors, bankers, and the trade unions, all witness the transitory articles of government. New Ministerial team. No Vice President. Right-wing lawyer as Foreign Minister. Lameda returns as head of the state oil company.

DETAIL

On the afternoon of 12 April the transitional government of Venezuela (no longer Bolivarian) was established. The new government claimed its predecessor had systematically broken down democratic institutions, contravened human rights and the right of private property. The ex-President (Chavez) had resigned and the ex-Vice President had abandoned his position. This left a constitutional vacuum. Using the right of insurrection conferred by Article 350 of the Chavez Constitution and the precepts of the Inter-American Democratic Charter, Carmona had taken power in a transitional government of unity and democracy.

There are some ten Articles under which the government will now work. The most important point is that specific dates have been set for the legislative and Presidential elections. That Carmona has excluded himself from standing for the Presidency is encouraging. The government is committed to drafting a new Constitution through a "constituent assembly". International rights and treaties to which Venezuela is a party will be upheld.

There will be a Consultative Council of 35. Carmona also named some of his Ministerial team including a right-wing lawyer (Opus Dei) as the new Minister of Foreign Affairs. The Cabinet is strong on experience and business. Further names will be announced over the weekend.

The strongest applause was for Carmona's announcement that all

those fired from PDVSA (state oil company) would be rehired, and that (ret'd) General Lameda would return as its head.

The most controversial decision is dissolving the National Assembly.*Information redacted.*

.....*Information redacted*

END

Telegram from BE Caracas to FCO of 14 April 2002

START:

SUBJECT: VENEZUELA: TRANSITIONAL GOVERNMENT IN DIFFICULTIES

SUMMARY

1. Pro-Chavez disturbances. Growing outcry against the dissolution of the National Assembly. Unrest in the military. Discontent among the coalition that produced the transitional government. Carmona backs down on the Assembly.*Information redacted*

.....*Information redacted*

END

Telegram from BE Caracas to FCO of 14 April 2002

START:

SUBJECT: VENEZUELA: CHAVEZ TRIUMPHANT

SUMMARY

Splits in the transitional government (military -v- civilian) caused transitional President Carmona's downfall and President Chavez's triumphant return, aided by popular support on the streets. Chavez has called for peace and reconciliation -*Information redacted.*

Information redacted.

The transitional government unravelled quickly. On 13 April the armed forces obliged Carmona to rescind his abolition of the National Assembly. By late in the afternoon hundreds of thousands of the people from the poorer areas of Caracas had reached the presidential Palace claiming that Chavez had not resigned. They received support from the military at the Palace. Soon thereafter the armed forces forced Carmona's resignation.

Rodriguez (Fiscal General) and the President of the National Assembly swore in Vice President Cabello as interim President, pending the return of a triumphant Chavez early in the morning of 14 April.

Chavez gave a measured speech calling for the unity of all Venezuelans: the Christian churches, political parties, the media etc. He promised that he was willing to reconsider his position in the

name of unity. Others should do the same. Round table discussions on the economy, politics and the social situation would begin later this week. All sectors should participate. He had accepted the resignation of the Board of the state oil company (PDVSA) on 11 April. Everyone could learn from the experiences of the last few days. Surely now was the time for all Venezuelans to accept the legitimacy of his government and constitution?.

.....*Information redacted*

All the television stations (including the state's channel) are back on the air. Many of the leading Chavista political figures arrested on 12 April have alleged heavy handed treatment by the police. Looting continues in some of the poorer areas of Caracas: notwithstanding Chavez's call that the people should return to their homes. There are very few police on the streets. But many areas of the city and of the country have returned to normal

.....*Information redacted*

END

Telegram from BE Caracas to FCO 15 April 2002

START:

SUBJECT: VENEZUELA: TIME FOR RECONCILIATION?

SUMMARY

Some signs of situation returning to normal in many areas. High death toll over the last five days. Reconciliation and conspiracy are the two main themes. National Assembly reconvenes on 16 April. State oil company (PDVSA) now working.

DETAIL

Disturbances continued during the night of 14/15 April in some of the poorer areas of Caracas. The centre of the city seems calm and almost normal. There are various reports of the number of people killed and wounded in the recent events. COFAVIC (a local well respected NGO) reports 52 killed, official figures claim 47. The number of wounded is probably over 300. We have asked (again) that our travel advice be updated to advise against "non-essential" travel to Venezuela.

On 15 April a leading broadsheet led with the headline 'reconciliation'. Pena (Mayor of Greater Caracas, a leading opposition figure) has agreed publicly with President Chavez that there is now an opportunity for dialogue.

But it hasn't lasted long. On the evening of 14 April Chavez, talking to his paratroopers, returned to the theme of fighting the "oligarchs", although in his press conference of 15 April he has emphasised both the conspiracy to overthrow him and the need for reconciliation. And on 15 April Pena is on the offensive concerning incidents which occurred at the Mayor's office.

Defence Minister Rangel has spoken of a 'virtual country' created by the media in which no-one supported the President. Chacon (director of CONATEL- national telecommunications regulator)

confirmed that the President's address to the nation on 11 April had been "jammed" (my telno 59). He promised an investigation.

One of the leading opposition parties (Justice First) has reaffirmed its demand of a week ago that Chavez should resign. At the same time they have asked for a "truth commission".

The Vice President of the National Assembly has told me the National Assembly will establish a 25 member commission (representing all political parties), reporting within 30 days. The model is the Truth and Reconciliation commission idea of South Africa. Jimenez also said that he believed the official side would be open to real dialogue on the 49 laws. This is probably true, given that government supporters can barely count on a majority.

.....*Information redacted*

END