ACCION: DEMOCRÁTICA:
THE EVOLUTION OF A DEMOCRATIC REVOLUTIONARY PARTY
IN VENEZUELA

by

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The Acción Democrática party of Venezuela was officially established on September 13, 1941. Its founders, led by Rómulo Betancourt, began their political careers as members of the radical student "Generation of '28" during the dictatorship of Juan Vicente Gómez.

Acción Democrática (AD) was conceived as a democratic revolutionary party dedicated to 1) the establishment of a constitutional government; 2) the eradication of the semi-feudal system of landownership; and 3) the development of a self-sufficient diversified economy, independent of foreign exploitation of Venezuelan resources. Many AD militants envisioned a democratic evolution towards socialism, in particular, government control of basic industries. This goal was reaffirmed at successive AD National Conventions. However, part of the leadership has always been willing to compromise in the name of practical politics.

From October 18, 1945 to November 24, 1948 Acción Democrática held the reins of government in Venezuela and attempted to implement many of its promised reforms. On November 24, 1948 a coup d'état led by Colonel Marcos Pérez Jiménez established a military dictatorship which would last ten years. The senior AD leaders spent this period in exile, while within the country the clandestine party organization was left to a younger generation of university students. The Venezuelan Communist Party (PCV), previously a stiff competitor with AD for control of labor unions, collaborated with the young "adecos" in the struggle against military dictatorship. However, simultaneously Rómulo Betancourt and his colleagues...
in exile supported the United States' anti-communist efforts in the Korean War in an attempt to obtain U.S. support for a return to constitutional government in Venezuela.

The overthrow of the Pérez Jiménez regime on January 23, 1958 marked the culmination of a joint effort by many sectors of Venezuelan society: dissident military officers, businessmen, the Catholic Church, and a large civilian population that still had hopes for an authentic democratic revolution. In particular, the young adecos who had fought Pérez Jiménez were committed to AD democratic revolutionary doctrine. The success of the Cuban Revolution on January 1, 1959 re-enforced their revolutionary fervor.

Although Betancourt still seemed to advocate the realization of AD policy, after his election as president on December 7, 1958 it was evident that he and the "Old Guard" were more concerned with staying in power by maintaining the support of the military, the foreign capitalists, and the latter's allies: the Venezuelan economic elite. The inevitable result of this compromise in ideology by the senior AD leaders was the disintegration of party unity and the defection of those party members who would attempt to maintain the orthodoxy of AD doctrine.

This paper traces the evolution of Acción Democrática, from its ideological inception in the 1930's to its factional division in the 1960's, with particular emphasis on the role played by the senior AD leadership in the transformation of Acción Democrática from a potentially democratic revolutionary party to a moderate—if not right of center—representative of the private-sector economic elite in Venezuela.
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CHAPTER I
HISTORY OF ACCIÓN DEMOCRÁTICA: 1928-1945
From Student Movement to Political Party

The Venezuelan university student activists of 1928 were confronted with a social, political, and economic situation which seemed to offer revolution as the only viable solution to the country's many problems. The year 1928 marked the twentieth anniversary of the dictatorship of General Juan Vicente Gómez. During the Gómez regime the commercial exploitation of petroleum by foreign-owned companies made Venezuela the world's second producer and exporter of oil. However, the majority of the country's population lived off agriculture, barely subsisting in a semi-feudal rural society where a small minority controlled vast landholdings. Indeed, Gómez and his family became the largest landholders of them all. This phenomenon of political and economic domination by a "military" "caudillo" dates back to Venezuela's emergence as an independent nation.

The Independence Movement (1810 to 1821) resulted in the replacement of Spanish political and economic domination by that of the Venezuelan creole oligarchy. The failure of the Movement to establish a democratic tradition and to demilitarize a large segment of the independence army contributed to the political chaos of the nineteenth century. Between 1830 and 1899 Venezuela endured thirty-seven revolutions. Regional caudillism reached its height after the Federal War (1859-1863) when the Federalist "liberals" decentralized the army into a mass of rival partisan armies with a disproportionate number of officers.1
At the turn of the nineteenth century, the Andean State of Táchira provided 23% of the national coffee crop, at the time Venezuela's dominant export crop. The emergence of a class of "nouveaux riches" in Táchira was accompanied by increased political awareness. A declining world coffee market prompted Tachiren demands for government support which went unheeded in Caracas. Consequently, on May 23, 1899 a Tachiren caudillo, Cipriano Castro, declared a "Revolución Restauradora". With a private army that was largely urban-based with educated young officers, Castro marched 500 miles through the Andes to Caracas and succeeded in seizing power, thus establishing a line of Tachiren generals-turned-presidents that would dominate Venezuelan politics for half a century.

On November 24, 1908 Castro went to Germany to cure a kidney ailment. He left in charge Gen. Juan Vicente Gómez, whom he had appointed Governor of the Federal District in 1899 and had promoted to Vice President in 1904. Gómez promptly requested Washington D.C. for United States warships to guard Venezuelan coasts after public protests against Castro began. This U.S.–Gómez alliance later prevented Castro from returning to Venezuelan soil, and thus Gómez initiated his record twenty-seven-year dictatorship.

Gómez's regime, renowned for its corrupt and autocratic longevity, has also gone down in history as the government that brought Venezuela out of debt, due to the exploitation of petroleum. Venezuela's first oil well, discovered in 1876 and
owned by the Compañía Petrolífera del Táchira, only produced fifteen barrels a day. In 1908 Gómez gave fifty-year petroleum concessions to his friends who, a few years later, sold them to foreign oil companies. The most famous of these concessions were those given to Rafael Max Valladares. In July of 1910 he received the exploration and exploitation rights for various zones, which he promptly turned over to the Bermúdez Co., a subsidiary of General Asphalt. The 1910 Mines Law set the maximum for concession lots at 8000 hectares. Nevertheless in January, 1912 Gómez gave Valladares another concession encompassing eleven states, with a total of 27,000,000 hectares (or 68,000,000 acres). Two days later Valladares ceded the contract to another subsidiary of the General Asphalt trust: the Caribbean Petroleum Co.  

The Caribbean Petroleum Co. exploited Venezuela's first commercially successful oil well, Mene Grande (Zulia State) in 1914. Soon afterwards, the company was bought out by Royal-Dutch Shell for $1,500,000 plus 8% royalty. Between 1918 and 1920 the British Controlled Oilfield, Ltd., which was directly controlled by the British Government, acquired several thousands of square miles of concessions, strategically located close to the Venezuelan coast and in the Orinoco Delta. The American oil companies, dominated by Standard Oil of New Jersey, did not establish themselves in Venezuela until the 1920's.  

Gómez did not merely encourage foreign investment. When, in 1920, the foreign oil companies objected to portions of
the first Hydrocarbons Law passed by Congress, Gómez actually allowed the petroleum companies' lawyers to draft a more satisfactory version of the law, which was subsequently passed in 1922.  

In 1925 petroleum exports, equaling Bs. 191,000,000, exceeded those of coffee and cacao for the first time. By 1928 Venezuela was the world's second leading producer and exporter of oil. Thus Gómez was able to pay off Venezuela's foreign debt and most of its internal debt by 1930.  

Little of Venezuela's oil revenues trickled down to benefit the masses. Although some money was spent on public works such as roads and buildings, there was no government housing and negligible health and education aid. Eighty percent of the adult population was illiterate. The country's increased income was paralleled by the increased importation of consumer items. However, the development of local industry was stagnant, and the government did not demonstrate any concern for the fate of the Venezuelan economy when the petroleum deposits would be depleted. 

Nor did the government do anything to alleviate the decline in agriculture production and exports. Indeed, Gómez was more preoccupied with becoming Venezuela's largest landholder. He "nationalized" his opponents' lands in his own name, thus accumulating over 700,000 hectares. Along with monopolies in various other sectors of the Venezuelan economy, Gómez's capital within Venezuela amounted to Bs. 300,000,000.
The students at the Central University in Caracas in 1928 constituted an elite group of potential professionals who could have prospered in spite of the dictatorship. However, they would not condone the social, political, and economical injustices perpetuated by the Gómez regime, and they felt compelled to lead the vanguard in the struggle for a democratic revolution in Venezuela.

The Federación de Estudiantes de Venezuela was formed in 1927. It was not a political party but in practice acted like one. Most of its members were influenced by the Mexican Revolution of 1910 and the Russian Revolution of 1917. José Pío Tamayo was the leading Marxist influence of the organization. Living in exile, he had been an anti-Gómez propagandist, and he became a Communist Party member in New York. He was later expelled from Panama in 1925 for instigating a strike there; a few months later he was expelled from Guatemala; and in 1927 he made his way to Caracas where, at the age of thirty, he made friends with and became the "indoctrinator" of members of the Federación de Estudiantes.

In February, 1928 Tamayo organized the Semana del Estudiante, along with law student Rómulo Betancourt, Jóvito Villalba, and Guillermo Prince Lara. The official goal of the festivities was to raise funds to build the Casa Andrés Bello, a student residence, but in fact it was an anti-Gómez demonstration, with speeches and poetry recitals to that effect. The leaders of the event were consequently arrested and 210 more students
offered themselves for arrest in solidarity. To the students' surprise, the Caracas populace declared a general strike in their support—which succeeded in obtaining their release. Romulo Betancourt related his retrospective impressions of this event in an interview to Colombian journalist Luis Enrique Osorio in 1943:

"I had the first concrete revelation that the popular mass was beginning to intervene in Venezuelan history as a new factor. The student movement had initially been wrapped within its own pride. We students considered ourselves...as chosen to transform the country. Then our people suddenly made known their presence; and without leaders; without labor and political organizations, without action committees or strike funds; the people organized a massive demonstration in Caracas..."14

The freed students then conspired with young officers of the Miraflores Battalion in an unsuccessful attempt to seize the Presidential Palace (unoccupied at the time) and the Cuartel San Carlos on April 7, 1928. As a result Betancourt and other student leaders were sent into exile, while other arrested students were put to work on labor gangs building highways. As Gomez cynically declared in the official newspaper, "El Nuevo Diario": "Como no querian estudiar, los estoy enseñando a trabajar..."15

In 1929 exiled Venezuelan General Ramon Delgado Chalbaud attempted an unsuccessful invasion of Venezuela from Santo Domingo. Among the invading forces was a small boat of twelve Venezuelans, including Romulo Betancourt and Raul Leoni.16 However they were forced to return to the Dominican Republic when their unseaworthy launch sprung a leak.17
After this latest fiasco the revolutionary youths elected to concentrate on ideological problems, studying Venezuela from the frame of reference of Marx’s dialectical materialism. Betancourt settled in Costa Rica where in 1930 he helped organize that country’s Communist Party. Gonzalo Barrios went to Spain;\(^{18}\) and Leoni, Valmore Rodríguez, Ricardo Montilla, Alberto Carnevali, Mariano Picón-Salas, Carlos D’Ascoli, and Simón Betancourt (no relation to Rómulo) went to Colombia where they formed the Agrupación Revolucionaria de la Izquierda (ARDI). Another group of young Venezuelan revolutionaries was based in Trinidad. They followed directives issued from Moscow and the Third International, and included future prominent economists and politicians: Salvador de la Plaza, Gustavo Machado, Miguel Otero Silva, and Jóvito Villalba.\(^{19}\)

The Marxist nationalists of A.R.D.I. believed that there should be two progressive stages towards Marxism: 1) a minimum program in order to win the support of the middle class and bourgeois groups; and 2) a full Marxist program, once political power was obtained. On March 22, 1931 Betancourt, then twenty-three years old, and the members of A.R.D.I. published the Plan de Barranquilla. Its call for revolution beyond constitutional reforms would later be echoed by the Acción Democrática leftists of 1960:

"...Si en la alianza latifundista-caudillista se apoyaron primero las oligarquías y luego la autocracia para explotar al país, minar esa alianza, luchar contra ella hasta destruirla, debe ser la aspiración consciente de los venezolanos con un nuevo y menos gaseoso concepto de la libertad que el profesado por los jacobinos de todos los tiempos de la república,

..."
convencidos ingenuos de que sufragio universal, el juicio por jurados y otras conquistas de orden democrático bastan para asegurar el 'respeto a la ley' y 'la felicidad de los pueblos'.

Nuestra revolución debe ser social y no meramente política..."20

Regarding foreign influence in Venezuela:

"Entre el capitalismo extranjero y la casta latifundista-caudillista criolla ha habido una alianza tácita en toda época...La Standard Oil, la Royal Dutch, el Royal Bank, cuatro o cinco compañías más con capitales integrados en su totalidad en dólares o libras esterlinas, controlan casi toda la economía nacional. En cambio de esa política de puerta abierta para la explotación imperialista...la internacional de los gobiernos capitalistas le ha prestado resuelta ayuda, en todos los terrenos, al despotismo."21

The Minimum Program is summed up in eight demands:

I. Civilian control of government.

II. Guarantee of civil rights: free speech, press, etc.

III. Confiscation of Gómez's wealth.

IV. Creation of a "Tribunal de Salud Pública" to investigate crimes under despotism.

V. Immediate decrees for protection of the exploited labor class.

VI. Intense literacy campaign for worker and peasant masses; technical and agricultural education; university autonomy.

VII. Revision of contracts with national and foreign companies; adoption of an economic policy contrary to the contraction of loans. Nationalization of waterfalls. State or municipal control of public services.

VIII. Convocation within one year of a Constituent Assembly to elect a provisional government, reform the constitution, and revise laws...

The document ends with an oath of solidarity signed by twelve future "adecos":

"Los que suscriben este plan se comprometen a luchar por las reivindicaciones en él sustentadas y a ingresar como militantes activos en el partido político que se organizará dentro del país sobre sus bases."22
During his stay in Colombia, Betancourt, like others of the exiled Generation of '28, supported himself by selling fruit. His Colombian political activities included the founding of the "Alianza Unionista de la Gran Colombia" which resurrected the Bolivarian ideal of Colombia, Ecuador and Venezuela united for democracy and forming the nucleus of a "Hispanoamerican Union". The primary goals of the Alianza were: automatic universal citizenship of the three countries; and a common market. However, some months after its founding the Alianza disintegrated, and Betancourt returned to Costa Rica and his activities with the Communist Party.23

In Costa Rica Betancourt was director and editor of the communist weekly "Trabajo". He also indoctrinated militants in cell meetings and gave lectures on economic and political theory at the "universidad popular".24 Although the Costa Rican Communist Party maintained relations with the Comintern, it did not subject itself to its orders. Nevertheless, Betancourt finally resigned from the party in 1935, urging national rather than international Marxism. As he later explained in a 1944 "apology" for his affiliation with communism: "...I was seeking a truly American doctrine or ideology or set of answers."25

Gómez's natural death, at age seventy-nine, in December of 1935 provoked rioting and looting throughout Venezuela. The ruling clique chose Minister of War, General Eleazar López Contreras to succeed Gómez, and in 1936 they elected him President for another five-year term.
After public order was restored, political prisoners were released, press censorship relaxed, and political opponents and exiles were allowed to resume public life, with the resultant emergence of several political parties. Principal among the new parties was the Unión Nacional Republicana (UNR) which represented all anti-Gomecistas. However, two groups splintered from it, leaving the UNR as a liberal bourgeois party.26

The more militant splinter group was the Partido Republicano Progresista (PRP), led by Miguel Acosta Saigues, which was the new legal name for the clandestine Venezuelan Communist Party originally established in 1931. The second group, Organización Venezolana (ORVE), was formally constituted on March 1, 1936. Led by Mariano Picón-Salas, it attempted to unite all democrats in "looking for what unites us and avoiding what divides us". Other members of ORVE included Betancourt, Leoni, Luis B. Prieto Figueroa, Gonzalo Barrios, and poet Andrés Eloy Blanco.27 ORVE considered itself an electoral front rather than a political party. Its polyclassist approach, attributed by some observers to Peruvian Haya de la Torre's idea of "frentes de clases", replaced the Marxist concept of "luchas de clases" adhered to previously by some of ORVE's members.28

It was in ORVE's Caracas headquarters on October 28, 1936, that the direct precursor to Acción Democrática, the Partido Demócrata Nacional (PDN) was founded. The new party officially united ORVE with the Partido Republicano Progresista, the Federación de Estudiantes de Venezuela (FEV)29 the Bloque Nacional
Democrático (founded by writer Valmore Rodríguez in Maracaibo), the Frente Obrero, and the Frente Nacional de Trabajadores. Also known as the "Partido Único de la Izquierda", the PDNi was led by FEV leader Jovito Villalba as Secretary-General, Rómulo Betancourt as Secretary of Organization, Carlos D'Ascoli as Secretary of Interior Relations, Juan Oropeza as Press Secretary, Mercedes Fermín as Secretary of Feminine Affairs, and Francisco Olive as Secretary of Peasant Affairs.  

The PDNi Program, published October 28, 1936, stressed the implantation of an authentic democracy; raising the standard of living of the masses; and "la libertad nacional de todo yugo imperialista extranjero". Because of the controversial Law of Public Order or "Ley Lara" which punished any written or verbal criticism of the "republican organization" or of the "regime of private property" with four to six years imprisonment, the PDNi had to camouflage its socialist tendencies, for example with nationalism:

"El nacionalismo es para nosotros creación y defensa de la industria nacional, explotación de nuestras cuantiosas riquezas naturales en bien de la totalidad del pueblo venezolano."  

In respect to agrarian reform, the PDNi called for the division of the lands confiscated from the Gómez family and other government embezzlers, and the handing over of these land parcels to poor peasants. Other proposals included the creation of agricultural colonies on suitable land; the creation of cooperatives for agricultural and livestock production and also cooperatives for the purchase and sale of agricultural and livestock products; the abolition of debts and mortgages of the poorer peasants; and long-term, low-interest loans. Discreetly inserted
in the Program was "Legislación que limite los latifundios y
tienda a su parcelación."³²

Regarding natural resources, the PLN called for the creation
of a progressive tax on profits of companies exploiting natural
resources; and the construction of a national oil refinery for
supplying the country's needs of petroleum derivatives.

In the hope of receiving legal recognition from a capital-
ist-oriented government, the PLN proposed the stimulation of
national industry and agricultural production by awakening and
supporting "private initiative" by means of low-interest loans,
tariff protection, and tax reforms. Likewise it encouraged
social and labor reforms in order to augment the consumer com-
pacity of the masses.³³

However, the PLN strategy did not work. In spite of the fact that the PLN was a coalition of six previously legalized
groups, the party was denied legal status by the Governor of the
Federal District on the basis of the "Ley Lara" which also gave
federal authorities the right to withhold approval of a party
if its proposed program were judged "irresponsible". On November
25 the PLN, denying any affiliation with communism, unsuc-
sessfully appealed the Governor's decision to the Corte Federal y de
Casaclón.³⁴

Meanwhile on the labor front, 20,000 petroleum workers
began a strike on December 14, 1936 that continued until January
22, 1937. Consequently, the López Contreras regime dissolved
the Congress of Venezuelan Workers, the country's first national
trade union, with the excuse that it attempted to intervene in politics. Thirty labor "agitators" were arrested and later expelled from the Maracaibo region.³⁵

Immediately following the strike, on January 28, 1937, congressional elections were held. The conservative oligarchy organized to support López Contreras and his colleagues with the Agrupaciones Cívicas Bolivarianas (ACB). Rafael Caldera's social Christian group (now called Acción Nacional after the UNE students graduated university) was allied with the ACB.³⁶

In spite of the indirect elections,³⁷ leftist opposition candidates succeeded in winning thirty seats. Among the more prominent of the "orvistas" were Andrés Eloy Blanco, Gonzalo Barrios, Luis B. Prieto F., Juan Oropeza, and Raúl Leoni. Other successful leftists included Jóvito Villalba, Juan Pablo Pérez Alfonzo, and the renowned novelist and former Minister of Public Instruction, Rómulo Gallegos.

Although the ACB maintained its traditional majority, the government, under pressure from more conservative elements in the army, reacted severely to the opposition's victories. On February 3 several opposition politicians were arrested, and on the following day the activities of the PLN-member organizations were prohibited. The Corte Federal y de Casación nullified the elections in the states but did not dare do so in the Federal District for fear of provoking adverse public reaction.³⁸

Then on March 13, 1937 the government's Gaceta Oficial announced the expulsion from Venezuela of forty-seven opposition
leaders for a one year period because of affiliation with communist doctrine and for being "prejudicial to public order..."
The exiled included Betancourt, Barrios, D'Ascoli, Leoni, Salvador de la Plaza, Communist Party founder Gustavo Machado, future Finance Minister José Antonio Mayobre, Jovito Villalba, and peasant leader Ramón Quijada. Betancourt succeeded in going into hiding and thus undertook the immense task of laying the groundwork for the future party organization of Acción Democrática.

The major issue confronting the PDN during its clandestine period was the internal power struggle with the communist faction. The latter fought to gain control of the PDN's directing "cuadros". In retrospect, AD's early leaders regarded their attempt at collaboration with the communists as a mistake, since it temporarily weakened the forces of the democratic left.39

The communists wanted to focus economic programs almost exclusively on the labor class, whereas the non-communists maintained their polyclassist viewpoint. Betancourt later wrote in his major work Venezuela: Política y Petróleo:

"The thesis advanced by the communists was hardly realistic...urban middle classes, the students and professionals, the varied body of small farmers...would not join in workers' parties, but rather would join those of full and comprehensive national revolutionary plans.... In later years, visible and concrete facts cleared away the doctrinaire dispute, showing who was right."40

Following criticism of the PDN democrats by the communist publication "El Martillo", the PDN published a manifesto on February 14, 1938 in which it reaffirmed its position as "revolutionary, democratic, anti-imperialist, and polyclassist". The definite break between the two factions was when the democrats
demanded that the communists sever relations with the Communist International. 41

The division of the PDN produced intense competition for student and organized labor support throughout the country. The PDN became a "pocket organization" with a cellular structure that spread from Caracas to the state capitals. Betancourt's colleagues, in addition to Prieto and Pérez Alfonzo who had not gone into exile, were such rising student leaders as Luis Lander, Luis Augusto Dubuc, and Leonardo Ruiz Pineda.

At the termination of the one-year exile period, Valmore Rodríguez, Luis Troconis Guerrero, and Inocente Falacios returned from Colombia and assumed the leadership posts on the Regional Executive Committees of Zulia, Táchira, and the Federal District, respectively. Jóvito Villalba also returned from Colombia, but soon returned there after resigning from the PDN. 42

The PDN was able to function under moderate government harassment. In 1939 the PDN direction composed an Agrarian Law which was introduced to Congress by the PDN deputies. The proposed law, which was defeated, proposed confiscation of Gómez's lands to be sold to poor farmers (preferably those who already occupied the lands) in ten to fifty hectare parcels, payable in twenty years. 43

On September 30, 1939 the PDN, with an approximate membership between 600 and 800, held its first National Conference in Caracas. Some fifty delegates met to reformulate the party's program, political thesis, and organizational statutes. The
resultant document concisely summarized Venezuela's economic ills which had remained unchanged during the Lopez Contreras regime: 44

"Venezuela es un país semicolonial y semifeudal, un país atado al imperialismo económico fiscal y políticamente, con una economía predominantemente agropecuaria estancada por el latifundismo e incapaz en su forma actual para asegurar por sí nuestra independencia económica; carente de grandes industrias nacionales de transformación y que se halla forzado, por lo tanto, a importar mercaderías extranjeras por cantidades cinco veces mayores a la exportación agrícola y a depender fortuitamente del residuo que nos deja una industria extractiva de duración limitada y controlada en totalidad por el capital financiero internacional. 45

Throughout the PDN's "Tesis Política" there is no mention of revolution, but rather of a more tactful "transformación democrática y antiimperialista de la Nación venezolana". Only in the Programa is the more radical term employed: "un nacionalismo revolucionario" directed towards international imperialism.

Again the PDN described itself a "popular" as opposed to classist like the communist party, stressing that it was impossible for the latter to direct a vast movement of national scope. 46

In order not to antagonize the government and to pave the way for legalization, the party program had to appear vague and non-revolutionary, and also show that it defended private ownership. Following the relatively moderate conference, police restrictions eased up. The PDN leadership softened its attacks on the López Contreras government, although efforts were increased to extend the party organization. Betancourt was preparing to leave the country for a while, voluntarily, when he was arrested and sent into exile. 47
After spending one year of exile in Chile, Betancourt returned to Venezuela in 1940 to direct the opposition campaign of Rómulo Gallegos for president. The prominent novelist, who had also been one of Betancourt's highschool instructors, accepted the PDN's invitation to be the party's symbolic candidate, and he proved to be an effective campaigner, stimulating public debate over the candidates. 48

On his return from Chile Betancourt was interviewed by "Ahora" editor, Luis Peraza, and questioned whether his party would adopt an attitude of "cerrada oposición" if López Contreras' chosen successor, General Isaías Medina Angarita, were elected president. Betancourt responded diplomatically:

"De ninguna manera. Si es electo el Gen. Medina, o cualquier otro candidato de extracción oficial, nosotros no asumiríamos frente al Jefe del Estado, y a su gobierno, una actitud de irreconciliable pugna. Eso revelaría estrecho sectarismo y de tal enfermedad de infancia—the inevitable 'sarampión' de todo movimiento social inmaduro—esta definitivamente curado nuestro sector político."

Betancourt qualified this statement with the basic assumption that opposition political parties enjoy legal status.

Despite the PDN's demands for direct presidential elections, López Contreras ordered the state legislatures to elect the senators, and the municipal councils to elect the deputies for Congress. Then on April 28, 1941 Congress dutifully elected the Tachiren Minister of War, Gen. Isaías Medina Angarita, as president. After Medina was elected by a vote of 130 out of 143, the Secretary of Congress, Francisco Carreño Delgado, cynically announced: "Aquí en la cúpula del Capitolio, el Gen. Isaías
Medina Angarita ha sido elegido por el 150% de los votos del parlamento. 50

As president, Medina continued the trend begun by López Contreras to de-politicize the army, while he also broke his predecessors' tradition by selecting non-Andeans as Ministers of War: Col. Carlos Meyer, and later Gen. Manuel Morán. Medina was also democratically inclined, allowing freedom of speech, press, and opposition political organizations. During his four year term, there were purportedly no political prisoners or exiles.52

The PDN submitted an application for legalization on May 13, 1941, and permission was granted on July 29. By the end of August, PDN "sectionals" were constituted in Caracas; the Federal District, Zulia, Guarico and Falcón; while organizing commissions were set up in other states. On September 13 the party was renamed Acción Democrática, and at a public rally in Caracas a crowd of 10,000 was addressed by AD president Romulo Gallegos and other leaders. Betancourt spoke on "Party and Venezuelan Economics". His speech began with a conciliatory tone:53

"Nos reincorporamos a la actuación pública sin rencores personales contra nadie, menos impulsivos que ayer, compenetrados mejor de la realidad venezolana, más saturados del sentido de nuestra responsabilidad social."54

He then went on to discuss Venezuela's declining economy due to an over-dependence on oil: between 1920 and 1930 average annual exports (excluding oil and gold) equaled Bs. 130,000,000; in 1940 they equaled only Bs. 31,000,000.55
Betancourt again stressed the need for agrarian reform, maintaining it would not be necessary to confiscate anyone's land. Land parcels could be provided from the estates already confiscated from Gómez, from state and municipal uncultivated lands, and from the purchase of abandoned estates whose owners resided in cities.\textsuperscript{56}

Medina's administration coincided with the second World War. As a major supplier of petroleum to the allied nations, Venezuela felt continuously threatened by the Axis powers who would sabotage the oil industry in order to cut allied supplies. Because of this tense situation, AD leaders emphasized the continued spreading of the party organization rather than the fomenting of anti-Medina sentiment. The AD motto was: "not a single district nor single municipality without a party organization." The party's newspaper "El País" was also founded at this time.\textsuperscript{57}

In 1941 the communists were also allowed to form a legal party under the name of Unión Popular (UP). The UP supported Medina because he was anti-Axis.\textsuperscript{58} In 1942 Congress granted Medina "emergency powers" because of the war, and he suspended constitutional guarantees. He also used these powers to stop labor disputes, thus alienating a sector of the Unión Popular. UP leaders Gustavo and Eduardo Machado, Rodolfo Quintero, and other trade union leaders were anti-Medina. In April, 1944 Medina dissolved the communist-controlled Confederación de
Trabajadores Venezolana (CTV) and recognized the AD-controlled unions. Finally, in 1945 Juan Batista Ruenmayor left the UP and formed the pro-Medina Partido Comunista. The UP changed its name to Partido Comunista Unitario, maintaining its anti-Medina stance.

Although AD assumed an attitude of compromise at the beginning of Medina's term, in 1942 the party unleashed "one of the most fierce nationalistic battles in its existence" when the government planned to contract a loan for Bs. 68,000,000. AD protested that the oil companies should be taxed more, citing the fact that in 1941 the government received only Bs. 85,000,000 or 12.3% of the Bs. 690,000,000 oil production of that year. In fact, the price per ton had decreased while the quantity exploited increased to fulfill American needs.

Medina's political allies also supported the AD position; nevertheless, the executive reacted negatively. AD criticized the latter in the official party publication "Acción Democrática":

"...en Venezuela siguen rigiendo los contratos celebrados en los días del general Gómez conforme a leyes redactadas por los abogados y gerentes de las empresas...No planteamos la nacionalización inmediata por decreto de la industria petrolera, sino viables medidas de defensa económica y fiscal de la nación. Pedimos simple y llanamente, el aumento hasta límites de justicia y equidad de la participación nacional en la riqueza petrolera."

On February 14, 1942 German submarines sank seven oil tankers en route to the refineries of Aruba and Curaçao. The result of this tanker shortage was a twenty-five percent drop in Venezuelan crude oil production, with the consequent unemployment and de-
crease in government oil revenues. These problems led to Medina's decision to revise the existing hydrocarbon legislation.

On March 13, 1943 a new Hydrocarbons Law was promulgated. It increased government revenues, and the oil companies, pressured by the United States government to reach a satisfactory agreement with Venezuela in order to insure continued petroleum supplies for the war effort, agreed to change existing contracts to abide by the new law. However, AD criticized the law, which was more like a legal contract, as "la sanatoria absoluta de todo vicio anterior", since it "absolved" the oil companies of any past illegality and thus renounced government litigation to recover past debts. The government also agreed to abide by the terms of this law for the next forty years. In addition, AD estimated that the increase in oil revenues for the government would be Bs. 3,500,000 monthly: enough to cover fiscal deficits but not enough to finance industrialization or social programs.

AD also criticized the law for not forbidding the granting of new concessions and for not alluding to the obligation of lowering oil-derivative product prices within Venezuela. Party leaders suggested that in January, 1944 when the "Valladares concession" expired, it should revert to the government rather than be renewed. The concession produced twelve million barrels of oil per year, and it also included the San Lorenzo refinery which distilled 100,000,000 litres of gasoline annually. However the government ignored the suggestion.

AD decided to abstain during the 1943 congressional elections,
since it was obvious the government would maintain its majority due to the indirect voting system and limited electorate. However, Andrés Eloy Blanco and Betancourt were allowed to run for office in the Federal District and in Miranda, respectively. While Betancourt was defeated by a small margin, Blanco won.

After the elections, Medina formed an official party, originally called Partidarios de la Política del Gobierno and later changed to Partido Democrático Venezolano (PDV). This was a move to cultivate civilian (principally bourgeois) support and thus further detach himself from the traditional military support of the "lopecistas". Medina selected as his political advisor a liberal civilian, Arturo Uslar Pietri, who later became the president's principal apologist after the October 18 coup.

Although the PDV had a majority in Congress, Medina did not want to risk the granting of new petroleum concessions in 1944 and 1945 to congressional debate. Instead, the concessions were transacted privately, amounting to a total of 6,561,769 hectares.

With the end of World War II, Medina had to relinquish his emergency powers. This resulted in the renewed surge of political activity, which was not exclusively limited to the civilian sector.

SUMMARY

During the period 1928-1945 the Venezuelan democratic revolutionary movement went through two main stages of development: the first involved laying the foundations of party ideology,
followed by a second period which emphasized the strengthening and diffusion of the party organization. During the Gómez dictatorship, the student leaders who were to form the nucleus of the Acción Democrática Party were originally Marxist-oriented. After devoting years in exile to the study of Venezuelan problems, they arrived at an ideology of progressive democratic socialism in a polyclassist society, while others of their colleagues in exile continued to profess international Marxism espoused by the Soviet Union.

The death of Gómez initiated a slow transition period from dictatorship to democracy in Venezuela. The repatriated revolutionaries united in a leftist block (PDN) but ideological differences and inter-factional rivalry to dominate the leftist movement brought the alliance to an end.

After the communist defection from the PDN, emphasis was placed on spreading the party organization throughout the country in an attempt to win student and labor union support from the communists; and to consolidate the party’s considerable peasant support. It was the hope of PDN/AD leaders to change the system after attaining power by working within the system. In order to avoid government harassment, public manifestos of party doctrine were watered down to appear reasonably moderate. However, frustration in AD ranks was intensified by unpopular government policies and President Medina’s reluctance to democratize the electoral process. After supporting the "fight for democracy" during World War II, Venezuelans, and particularly adecos, were impatient to implement an authentic democratic regime in their own country.
CHAPTER II
OCTOBER 18, 1945 COUP AND AD "TRIENIO"

According to Rómulo Betancourt, Venezuela participated in a post-World War II trend toward leftist governments: the Labour Party defeated Winston Churchill in Britain; the new governments of France and Italy were leftist oriented; in Peru, Bustamante Rivero triumphed over Ureta, with an "aprista" majority in Congress; in Cuba, Grau San Martín defeated Batista's coalition; a coup expelled Guatemalan dictator Ubico along with his successor, General Ponce, and a university professor, Juan José Arevalo became president; in El Salvador, Hernández Martínez and Osmin Aguirre were also overthrown.¹

Although Medina implemented certain reforms for the military, such as increased fringe benefits for officers (pensions, low interest rates for loans, etc.), many of the junior officers were still discontent with the lack of reform in the military hierarchy. Second lieutenants earned less pay than the average skilled laborer, while senior officers misused public funds and were involved in large-scale graft. Moreover, many of the junior officers had studied at the Superior War College of Chorillos, Peru. They were impressed with its technical advancement and the professional character of the institution. The "logia militar" or secret lodge idea was borrowed indirectly from Argentina via Peru.²

Chorillos "alumni" Lieutenant Martín Márquez Añez, Captain Marcos Pérez Jiménez, Captain Mario Ricardo Vargas and his brother Major Julio César Vargas formed the leadership of dissident cells that by the end of 1944 were established in the barracks of
Caracas, and in the Maracay garrison, air force, and Military School. In mid-1945 the Unión Patriótica Militar (UPM) was officially founded by Captain Vargas, Captain Pérez Jiménez, and Lieutenants Edito J. Ramírez and Marquez Añez.3

The UPM wanted popular support and through a process of elimination selected Acción Democrática as its prospective ally.4 Air Force Lieutenant Horacio López Conde, a member of the UPM central committee, asked a relative, Caracas doctor Edmundo Fernández (who happened to be a friend of Rómulo Betancourt's) to arrange a meeting between UPM leaders and the AD leadership. The meeting was held on July 6, 1945 and was attended by AD Secretary-General Betancourt and Raúl Leoni, and five members of the UPM, including promoted Major Pérez Jiménez.5

The adecos were informed that more than 100 officers were involved in a conspiracy to overthrow Medina. The UPM assured them that their aims were: 1) to abolish corrupt and incompetent government; 2) to introduce universal suffrage and constitutional reforms; and 3) to create a professional, apolitical military institution. The UPM charter maintained they had no personal or class interests to defend, and as proof they endeavored to ally themselves with AD, the polyclassist party.6

Betancourt and Leoni returned from the meeting favorably impressed. However the AD leadership was reluctant to endorse a "golpe de estado", as they had frequently denounced military intervention in politics. As Gonzalo Barrios prophesied: "a cycle of adventurism and of low ambitions might be unleashed and terminate...in a military dictatorship."7
Meanwhile, President Medina chose as his party's presidential candidate Diógenes Escalante, the Venezuelan Ambassador to the United States. The choice of Escalante, a Tachiren civilian and liberal, was a gesture of compromise with the left. Escalante promised electoral reform and AD agreed to support him as a National Unity candidate. However, in early August Escalante suffered a nervous breakdown, and on September 11 Medina announced the candidacy of Angel Biaggini. Biaggini was a Tachiren lawyer who was serving as Minister of Agriculture. Although he had authored the liberal Agrarian Reform Law (which never had time to be put into effect), he was considered by AD to be a puppet candidate. The Communist Party, however, agreed to support him. ⑧

Romulo Gallegos attempted to persuade Medina to select a neutral provisional president for one year until Constitutional reforms could be effected and direct elections held. When Medina refused, the AD leadership then decided to support the UPM insurrection, which was going to occur with or without civilian support.

According to Winfield J Burggraaff's *The Venezuelan Armed Forces in Politics*, the public was prepared psychologically for a revolution because of the hostile atmosphere created by the Agrupaciones Pro-Candidatura Presidencial de López Contreras. The lopecistas, composed of reactionary landholders and generals, repeatedly attacked Medina as "fascist" and "totalitarian" in the Caracas paper *Ahora* after Medina refused to nominate López Contreras as his successor. ⑨

The UPM and AD finally agreed to instigate the coup at the end of November, although the UPM "watchword" was "The movement
begins at the first arrest." On October 16 the UFM learned that Medina had received a list of UFM leaders. However, even after being warned of a possible insurrection, Medina was naively sceptical that junior officers rather than the lopecista senior officers would be the insurgents. (Ironically, Medina did not give the junior officers a planned pay raise before the elections because he did not want to appear to be "buying" their support. The officers interpreted this as disinterest and neglect.)

Finally on the morning of October 18, 1945 Majors Pérez Jiménez and Julio César Vargas were arrested for questioning on the suspected conspiracy. Soon afterwards the insurrection commenced at the Military School, supported by its entire officer staff. (The academic director of the school, Major Carlos Delgado Chalbaud, had just agreed to support the UFM in September.)

By the evening of the 18th, the UFM had taken control of the Maracay armored battalion, air force, and Army central supply depot. Although a former Minister of War, Medina had had no fighting experience and was unable to function in a complex military crisis. In addition, the young officers were better trained and knew more about strategy than their seniors. Medina recognized his inevitable defeat and surrendered in the morning of the 19th. By October 22 the UFM was in control throughout the country, with casualties estimated between 400 and 2500.

On October 19 a provisional government was organized at Miraflores Palace. Betancourt headed a seven-man junta whose other members included adecos Raul Leoni, Gonzalo Barrios, Luis B.
Prieto F.; an independent, Dr. Edmundo Fernández; and from the army, Captain Julio César Vargas and Major Carlos Delgado Chalbaud, the latter having maneuvered his way into the Junta in spite of his relatively recent membership of the UPM.

During the insurrection AD's role was mainly "propagandizing" the confused Venezuelans (who had been expecting a reaction- ary revolt from the lopecistas) into accepting the coup. In retrospect, Betancourt rationalized AD involvement in the coup, adhering to the philosophy that the end justifies the means:

"...si el origen mismo de ese golpe de Estado es materia controvertible, tal debate resultaría escarceo académico, y hasta teológico, ante el hecho complicado de la democratización institucional, del saneamiento inexorable de las prácticas administrativas y de la política petrolera energéticamente nacionalista realizados por el Gobierno que de aquel nació."13

According to Burggraaff, the 1945 Revolution had three immediate effects: it brought to a halt the slow evolution toward democracy initiated by López Contreras and Medina; it marked the end of the "continismo andino"; and most important, it reversed the military depoliticization policy also begun by the two previous presidents.14

AD IN POWER

The first task of the AD government was to convince Venezu-uelans and the world community of the revolution's legitimacy. In a speech on October 30, 1945 Betancourt announced that the new government had received recognition by the United States, Great Britain, France, and other Latin American countries, while nationally "El respaldo fervoroso dado por el pueblo a la revolu- ción, la legítima." Betancourt went on to stress:
"La finalidad básica de nuestro movimiento es la de liquidar, de una vez por todas, los vicios de administración, el peculado y el sistema de impostición personalista y autorocrática, sin libre consulta de la voluntad popular, que fueron características de los gobiernos de López Contreras y Medina Angarita."

The Junta President warned the ACB of López Contreras and the PDV of Medina that the people would not tolerate their reappearance on the political scene. The previous government's liberal programs were also branded as false promises.

Betancourt reassured the foreign sector that their investments were not in jeopardy under the new government, while reaffirming the government's decision to obtain a fair share of the profits through taxation.

In order to convince the military of the revolution's good intentions, the Junta allocated the armed forces a budget of Bs. 75,000,000, in contrast to Medina's planned budget of Bs. 40 million. All officers above the rank of major prior to the revolution were discharged.

The Junta appointed a predominantly AD cabinet to run the Revolutionary Government until elections could be held: Betancourt, President; Prieto F., Secretary of the Junta; Barrios, Governor of Federal District; Leoni, Minister of National Defense and Minister of Labor; V. Rodríguez, Minister of Communications; D'Ascoli, Minister of the Treasury; Pérez Alfonzo, Minister of Development; Mario Vargas, Minister of Interior Relations; Delgado Chalbaud, second Minister of National Defense. Rafael Caldera was appointed Attorney-General. Pérez Jiménez headed the General Staff and directed the reorganization of the Ministry of Defense.
Glen L. Kolb, in his book "Democracy and Dictatorship in Venezuela 1945-1958," compares AD during the trienio with the "New Deal" Brain Trust of the Democrats under Roosevelt in 1933. Blank suggests AD maintained its dominant position in an attempt to simulate the Partido Revolucionario Institucional of Mexico. In any case, for two years Betancourt ruled Venezuela by decree. The first decrees, which succeeded in winning popular support for the AD government, lowered the prices of food staples. Many important matters were decided upon by the AD "Comité Ejecutivo Nacional" (CEN). As Congress was suspended during this period, there was no participation by non-adeconos, who consequently were angered by AD's arbitrary methods and failure to hold council.

However, on November 17, 1945 a major issue—that of electoral reform—was entrusted to a committee of widely-esteemed public figures from various political backgrounds. These included: Lorenzo Fernández (COPEI); Luis Hernández (URD); Andrés Eloy Blanco (AD); and independents Jesús Enrique Losada, Nicomedes Zuloaga, Germán Suárez Flamerich, Ambrosio Oropesa, Eduardo Monsanto, and Martín Pérez Guevara. The fruit of the committee's labors was revealed in Decree #216, which was announced on March 15, 1946. The new electoral law removed voting restrictions on women and illiterates, allowing for universal suffrage from the age of eighteen. All political parties would be free to nominate candidates for the constituent assembly and representation would correspond to the percentage of votes each party received. If a party failed to elect either senators or deputies, provisions were
made to provide it with a minimum representation.22

On the same day, constitutional freedoms were restored, with the resultant legalization of thirteen political groups. Three of these, in addition to AD, attained national stature.

The Comité de Organización Política Electoral Independiente (COPEI) was founded on January 13, 1946, the evolved result of Rafael Caldera's social Christian Acción Nacional. COPEI represented the interests of the middle class and of the Church, and its membership was increased by former lopecistos who were unable to find a more conservative party to fulfill their needs.23

The Unión Republicana Democrática (URD) was founded on March 2, 1946 by Doctors Elias Toro, Isaac Pardo, Reyes Baena, and Inocente Palacios. Jovito Villalba was invited to join the party and became its Secretary-General. By the end of 1947 Villalba was the sole leader, as the others had resigned out of disagreement with him. While the bulk of AD support came from peasants and workers, URD attracted the urban middle class, including former supporters of Medina's defunct PDF.24

The two communist parties held a Unity Congress in November, 1946, resulting in the merger of Fuenmayor's and the Machado brothers' respective factions. However, another dissident group, led by Luis Miquilena and Rodolfo Quintero, emerged and formed the Partido Revolucionario Proletario (PRP).25 The Partido Comunista Venezolano (PCV) critically supported the AD government during the trienio, and PCV labor unions joined the AD-dominated Confederación de Trabajadores de Venezuela. The PRP maintained
unrelenting hostility toward AD and referred to the PGV as the "traitors". 26

On October 27, 1946, Venezuela experienced its first truly democratic elections. Thirty-six percent of the population voted for delegates to the Constituent Assembly. AD polled 1,099,691 votes (78.8%), winning 137 of the 160 seats. COPEI won nineteen seats, with 13.2% of the votes; URD won two seats, and the two communist factions each won one seat. The Constituent Assembly convened on December 17, 1946, led by legislative President Andrés Eloy Blanco, second Vice President Augusto Malave Villalba (a labor organizer), and AD parliamentary leader Luis Lander, a "recently emerged student". 27

Venezuela's twenty-second Constitution was promulgated on July 5, 1947. Largely labor oriented, it guaranteed labor's right to work, organize and strike, in addition to the right to fringe benefits such as pensions, vacation pay, sick pay, severance pay, and profit-sharing. The State would be responsible for providing economic housing for workers, plus sufficient educational and health facilities. Private property was also guaranteed protection. 28

The President would be elected by direct, universal suffrage for a four-year term. Eight years must elapse before a President could be re-elected. The bi-cameral Congress would also be elected by direct vote. However, the new Constitution still provided for state governors to be appointed by the President.
POLICIES AND ACHIEVEMENTS OF THE AD GOVERNMENT

Betancourt considered the main accomplishments of the AD trienio as: universal suffrage, the war against corruption in government, and a nationalistic petroleum policy. Considerable progress was also made in the areas of health and education, and in the development of agriculture and national industries.

Petroleum Policy

On December 31, 1945 the Junta issued Decree #112 which provided for an extraordinary tax ranging from six to twenty percent on oil companies' profits. This was later to become the policy of "50-50" whereby "In no case will the companies be able to receive annual profits greater than those received by the Venezuelan Government". According to the "50-50" oil policy, if the sum total of government income from royalties, income tax and municipal taxes equalled less than 50% of the gross oil profits, then the oil companies and the Ministry of Mines and Petroleum were to hold year-end consultations to determine how the difference would be made up: either by direct tax payment or by the companies' investment in housing or some other mutually agreed social project.

In addition to the raising of taxes, other points of the AD petroleum policy program included:
1) direct sale of royalties in kind to the international market;
2) non-renewal of concessions to private companies; the establishment of a State oil company;
3) industrialization of most of the oil inside the country;
organization of a national refinery (with State or mixed capital);

4) conservation of oil; utilization of natural gas;

5) re-investment of part of oil companies' profits in Venezuelan agricultural and livestock development;

6) better salaries and working conditions, etc., for Venezuelan oil workers and technicians;

7) use of oil revenues by the government to diversify the economy.31

In June, 1947, for the first time the Venezuelan Government entered the oil business by accepting part of its royalties "in kind" and selling them on the world market. (In March, 1948 the ill-fated Gallegos administration initiated plans to create a State oil company for the exploitation of the National Reserve fields.)32

Nationalization of the oil industry still remained a goal of the distant future. As Betancourt once wrote:

"Carecemos de los elementos técnicos y del respaldo de una economía propia diversificada, que nos permitan adoptar una actitud tan audazmente como la que constituye el mejor timbre de gloria de la Administración mexicana de Lázaro Cárdenas."33

When Cárdenas nationalized the Mexican oil industry, the international oil cartel and allied governments boycotted Mexican oil. Venezuela could not take that risk, for in 1944, of the $326,000,000 entering the country, $300,000,000 were from the oil industry.

Betancourt also points out that in the 1948 National Congress debate over petroleum policy, none of the other parliamentary factions—including the communists—called for the immediate
nationalization of the industry.\textsuperscript{34}

Iron-Ore Policy

The AD iron-ore position was less aggressive than its petroleum policy. It consisted of three basic tenets:

1) Estimular el arraigo en el país de las impresas que encontramos ya trabajando cuando llegamos al poder y orientar sus inversiones de capital fijo de acuerdo con las necesidades generales;

2) Vigilar las utilidades de esas compañías y tomar sobre ellas una participación adecuada y justa; y

3) Proceder sin demora a crear una industria siderúrgica nacional, agenciada directamente por el Estado para que no se repitiera la experiencia negativa del petróleo exportado en bruto del país durante tantos años.\textsuperscript{35}

The first mining concessions of substance, those of El Pao in Guayana, were given to Iron Mines Co., a subsidiary of Bethlehem Steel Corp. (part of the Rockefeller-controlled group of industries) in 1932. Iron Mines was protected by the 1928 Mines Law which exempted it from exploitation tax. According to Betancourt, the inadequate 1928 law was not modified during the AD trienio because "apenas si un Congreso ordinario—el de 1948—pudo funcionar bajo el régimen democrático." In 1938 the company discovered an iron deposit of 60% tenor near San Félix on the banks of the Orinoco. This concession included reserves of 100,000,000 tons.\textsuperscript{36}

The huge, high-quality iron deposits of Cerro Bolívar in Guayana were conceded in 1947 to Oliver Iron Mining, a subsidiary of United States Steel. The company, whose name was later changed to Orinoco Mining Co., was under 1945 law, whereby it paid an
average tax of Bs. .2 per ton of ore exploited.  

Venezuela was hesitant to implement an agressive iron-ore policy out of fear that the companies would abandon the country, for Cerro Bolívar's discovery coincided with the discovery of valuable deposits in Labrador and Liberia, in addition to other sites. However, Venezuelan iron, in addition to being of 60% tenor, had the advantage of being at easy access to U.S. ports and of being mined in open pits rather than in tunnels.

The new tax pact of 1948 included a 50-50 tax on iron profits. The main drawback, as with the petroleum industry, was that the government had to accept the statistics presented by the companies. The companies had to be vigilated to prevent the transfer of profits to a subsidiary company or the "matrix" steel producer. The iron companies were informed that the government retained the authority to modify contracts if necessary for national interests.

The Venezuelan Government maintained that Swedish and Canadian iron prices should serve as an index for Venezuelan prices, but in fact the companies sold Venezuelan iron substantially below world market prices, thus greatly reducing Venezuela's potential income from that industry.

Venezuela had sufficient need for its own steel industry: internal consumption of iron and steel between 1945-1947 was more than 200,000 tons annually; during the first half of 1948 iron and steel imports totaled 212,000 tons. In addition, there was the potential of a large Latin American market. The establish-
ment of a national steel industry was studied at length during the AD trienio and the Gallegos Government would have begun the undertaking in 1949. The major hindrance was the lack of coking coal. During the trienio the extent of the massive reserves of Cerro Bolívar was not completely known. Consequently, rather than obtain coal by trading iron ore, methods were studied for smelting the ore with electricity or natural gas.\(^{41}\)

**Corporación Venezolana de Fomento**

The AD trienio proved, according to Rómulo Betancourt, that Venezuelan production would respond favorably to government impetus:

"Si el Estado se empeñaba en la faena creadora de impulsar, orientar y estimular la producción netamente venezolana, el espíritu industrial y la voluntad de trabajo del hombre de nuestra tierra harían lo demás."\(^{42}\)

To this end, on May 29, 1946, Decree #319 established the Corporación Venezolana de Fomento (CVF). The CVF would receive concessions and contracts to organize, develop and administer any agricultural or industrial enterprise of economic or social interest to the country. To improve means of production and more efficiently exploit Venezuela's natural resources, the CVF offered technical and financial assistance to State and private enterprises. It could also purchase shares of private companies and in collaboration with these, or with State-run organisms, create experimental plants. However, Art. 29 of the Decree explicitly states: "...la Corporación se esforzará por coordinar su acción con las labores de los particulares, a fin de no entorpecer, ni interferir con el desarrollo de la iniciativa privada."\(^{43}\)
The CVF, in coordination with the Ministry of Agriculture and stock-raising, spent Bs. 35,000,000 in 1947-1948 on the "Plan de Fomento Pecuario" in order to overcome the country's 30,000 ton deficit of meat. The funds were spent on supervised credits, the importation of foreign livestock for breeding, the drilling of water wells and construction of lagunas, and veterinary assistance.

The credits (of a Bs. 25,000 maximum) were issued through the Banco Agro-Pecuario (B.A.P.) which until 1936 had granted loans totaling Bs. 1,000,000 a year. Between 1936-1946 loans increased to a sum of Bs. 10,000,000 yearly. However, with the advent of the CVF, the number of credits increased dramatically:

- **1946**: Bs. 57,200,000
- **1947**: Bs. 81,900,000
- **1948**: Bs. 116,000,000

The number of B.A.P. agencies also increased, from forty in 1945 to seventy in 1947. The B.A.P. guaranteed minimum prices for crops, and in order to prevent the yearly loss of 20-25% of grain surpluses, the CVF implemented a Silo Plan in 1947.

In sum, between January, 1946 and December, 1948 the CVF lent out Bs. 58,000,000 for industry and Bs. 99,000,000 for agriculture and stock-raising, in addition to making direct investments amounting to Bs. 28,200,000.

One CVF transaction that became a subject of controversy was the so-called "Plan Rockefeller". In accordance with the AD proposal that oil companies reinvest some of their profits in the Venezuelan economy, the plan entailed an agreement between the CVF and the Corporación Venezolana de Economía Básica (financed by Rockefeller's group of oil companies) to establish enterprises...
for the production of "artículos de primera necesidad".47

The joint venture was financed 50% by the Corporación Venezolana de Economía Básica (which later spread to Brazil, El Salvador, Puerto Rico, and Peru, under the name International Basic Economy Corporation (IBEC)), and 50% by Venezuelan capital (private and public). The major enterprises included a dairy and a fishery, with the varied objectives of selling fresh fish throughout the country, importing motors and refrigerators for boats, and organizing fishermen into cooperatives. When these enterprises began to distribute profits, both partners would be obligated to sell stock to the private sector, and within ten years the total number of shares should be in Venezuelan hands.48

To allay suspicions that the AD Government had become "entreguista" to the head of the oil company that, along with its subsidiaries, controlled 60% of Venezuelan oil production (rendering more than 50% of Standard Oil of New Jersey's world profits),49 Betancourt wrote in a letter to Nelson Rockefeller:

"...Tenemos el concepto claro de que Venezuela necesita el aporte de experiencia administrativa, de instrumental técnico y de capitales que le sean aportados por países con mayor desarrollo económico que el nuestro.

"Pero ese aporte debe realizarse con fines de colaboración para el negocio lícito y no de colonización monopolizadora...."50

Flota Mercante Gran-Colombiana

In order to counteract the high freight charges levied by the American-dominated "Caribbean Conference" shipping cartel, the AD Government negotiated with Colombia and Ecuador in the establishment of a joint merchant fleet, known as the Flota Mer-
cante Gran-Colombiana, commemorating the Bolivarian ideal of a Gran Colombia. In 1947 the eight-ship fleet began operations, financed with $20,000,000: Colombia and Venezuela each contributing 45%, and Ecuador 10%.51

The Gran Colombiana successfully defied United States State Department pressure on behalf of U.S. shipping interests. An amusing anecdote in Betancourt's Venezuela: Política y Petróleo recalls how the State Department attempted to pressure the Colombian Government, reminding it of a treaty between the two nations, whereby Colombia agreed to give preference to American merchant ships. The Colombian press, after a little research of its own, reminded the U.S. that this same treaty recognized Colombian sovereignty over the Isthmus of Panama.52

**AD Advances in Health and Education**

When AD came to power in 1945, 50% of the adult population was illiterate, while only 131,000 or one third of school-age children attended classes. Bs. 38,000,000 were allocated for education. During the AD administration primary school enrolment trebled and secondary and university enrolments doubled. By 1948 the education budget had increased to Bs. 119,000,000 with some 500,000 children attending schools. In 1945 there were only twenty-nine State secondary schools, while 50% of high school-age students attended private schools. In 1948 the number of State
high schools increased to forty-seven, and only 22% of the students were sent to private schools. During the trienio classrooms were constructed to accommodate 100,000 students. Bs. 9,000,000 were spent yearly to feed students at school facilities. The number of children served by school cafeterias increased from a mere 1000 in 1945 to 38,000 in 1948.54

The AD Government also initiated polytechnical instruction in the university.

AD was the first Venezuelan Government to concern itself with the health of the masses. Up until 1945 20% of the population contracted malaria each year. By the end of 1947 the disease-carrying mosquitoes had nearly been exterminated by DDT.55 During the trienio Bs. 100,000,000 were spent in hospital construction. Similarly did the government endeavor to increase sewer and waterworks services.55

1947 Elections

In late 1947 AD held its VII National Convention, in anticipation of the first democratic presidential elections. Andrés Eloy Blanco replaced Rómulo Gallegos as party president when the latter was again nominated as the party's presidential candidate. This was, according to Rodolfo Luzardo, "por sentimentalismo y por exclusión". For sentimental reasons, because he had run symbolically against Medina in a lost cause in 1941; and "por exclusión" because Decree #9 of the Junta Revolucionario forbade any Junta member to run for the presidency.56

Gallegos campaigned for State-sponsored industrial and agricultural development, for more and better health and education
facilities, for more public works, and for increased benefits for labor. He condemned the communists as undemocratic "agents of Russian imperialism", and he warned against the Falangist and Jesuit influences in COPEI. 57

Antagonism between AD and the other parties had been increasing steadily. In 1946 Rafael Caldera resigned as Attorney-General in order to devote himself to opposition activities. On September 19 of the same year COPEI issued a Manifesto of its criticism of AD:

"Apareció COPEI para que las elecciones prometidas al pueblo por la Revolución de octubre no constituyeran una farsa más... para que al régimen seudodemocrático que precedió a la revolución, con monopolio de todas las actividades públicas por un solo partido, el Partido Oficial, no sucediera un simple cambio de nombre y personas sino que hubiera un juego efectivo de fuerzas políticas organizadas en partidos capaces de disentir, de luchar por la defensa de sus ideales y por la intervención en la dirección de los asuntos colectivos.

"...De acuerdo con esta concepción democrática, COPEI ha fustigado las inconsecuencias de un grupo político que al llegar al poder olvidó con increíble triviedad y ligereza lo que prometiera desde la oposición. Cuando exige que el gobierno no sea ejercido en provecho de un grupo, sino pensando en los altos intereses nacionales; cuando ha criticado las violaciones a las garantías ciudadanas; cuando ha censurado el uso de medios del poder para torcer conciencias o violentar actitudes, COPEI ha estado luchando por la democracia." 58

Caldera, as his party's presidential candidate, also promised more labor benefits and social peace, accusing the AD "Marxists" of provoking class struggles. He also proposed the abolition of government control over Church appointments. Gustavo Machado was the communist candidate, while URD presented congressional candidates only. 59
Gallegos won the December 14, 1947 elections by a "landslide", polling 871,752 votes to Caldera's 262,204 and Machado's 36,514. The Congressional elections results were as follows:

<table>
<thead>
<tr>
<th>Senate</th>
<th>Chamber of Deputies</th>
</tr>
</thead>
<tbody>
<tr>
<td>AD</td>
<td>38</td>
</tr>
<tr>
<td>COPEI</td>
<td>4</td>
</tr>
<tr>
<td>URD.</td>
<td>1</td>
</tr>
<tr>
<td>PCV</td>
<td>1</td>
</tr>
</tbody>
</table>

Gallegos' cabinet included Andrés Eloy Blanco-Exterior Relations; Col. Carlos Delgado Chalbaud-Defense; Juan Pablo Pérez Alfonso-Development; Edmundó Fernández-Health and Welfare; Raul Leoni-Labor; Leonardo Ruiz Pineda-Communications; and Luis B. Prieto F.-Education.

Agrarian Reform

The short-lived Gallegos administration is credited with one major piece of legislation: the Agrarian Reform Law, promulgated October 18, 1948. Like its immediate predecessor at the end of Medina's regime, the AD Ley Agraria never had time to be put into effect. The major purpose of the agrarian reform law was to endow the hundreds of thousands of landless Venezuelan peasants with enough land to support themselves and their families, and to supply financial and technical aid in the hope of increasing production and thus eliminate Venezuela's need to import food.

The existing agricultural situation consisted of a small minority of landowners who possessed a disproportionate amount of land, much of which was idle and unproductive. Many of these "latifundistas" had inherited land that was originally usurped
from municipal public lands (ejidales) or that had been obtained by other legally dubious means. 62

In addition to the social inequities of the latifundio system it also proved to be economically unproductive. In data compiled by the Banco Agro-Pecuaria in June, 1939, it was revealed that of 800,870 hectares mortgaged by that bank, 74% were uncultivated. 63

In July, 1949 the Corporación Venezolana de Fomento revealed statistics which illustrated the magnitude of the problems facing Venezuelan land reformers:

<table>
<thead>
<tr>
<th>State</th>
<th>Number of Owners</th>
<th>% of land owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anzoátegui</td>
<td>121</td>
<td>90</td>
</tr>
<tr>
<td>Aragua</td>
<td>151</td>
<td>80</td>
</tr>
<tr>
<td>Barinas</td>
<td>17</td>
<td>90</td>
</tr>
<tr>
<td>Bolívar</td>
<td>34</td>
<td>90</td>
</tr>
<tr>
<td>Carabobo</td>
<td>145</td>
<td>90</td>
</tr>
<tr>
<td>Cojedes</td>
<td>95</td>
<td>90</td>
</tr>
<tr>
<td>Guárico</td>
<td>110</td>
<td>90</td>
</tr>
<tr>
<td>Táchira</td>
<td>69</td>
<td>30</td>
</tr>
<tr>
<td>Miranda</td>
<td>21</td>
<td>57</td>
</tr>
<tr>
<td>Dist. Federal</td>
<td>56</td>
<td>90</td>
</tr>
</tbody>
</table>

The vast majority of rural farmers, who composed two thirds of the nation's population during the trienio, were forced to work as sharecroppers on the latifundios. The "conuquero" would give the latifundista 50% of his crop as rent. If he worked for the owner, in addition, he was paid "starvation wages" in the form of consumer goods, rather than in money. To make ends meet until crops were harvested, he would obtain goods on credit based on his own 50% of the crop. 65

According to the Ministry of Agriculture in 1946, there were only seventy lightweight machines (i.e. tractors) in Venezuela and not one bulldozer or other heavy machinery useful for deforestation. 66
The 1948 Ley Agraria created the Instituto Agrario Nacional (IAN) to implement the proposed reforms. The IAN was endowed with Bs. 100,000,000 initially and would receive two to four percent of future national budgets.

The IAN would organize the following types of land utilization:

1) colony: a group of individual land parcels in the same zone; the farmer owns his land but cannot transfer or mortgage it without the authorization of the IAN.

2) cooperative: members use land, credit, and machinery in common.

3) community: not less than 500 hectares of land used by "a society of workers"; land, credits, etc., are used in common, with each individual having his own garden.

4) individual farm. 67

Depending on the individual case, lands were to be distributed for sale, with long-term, low-interest mortgage rates; for rental, with or without an option to buy; for "usufructo", with the obligation to cultivate the land and pay a fixed fee ("prenstación"); and for "precarious use" with a probation period. 68

Article 80 of the law provided for the expropriation by the IAN of large extensions of idle lands; of lands indirectly exploited by absentee landlords; and of cultivable land unduly used as pasture land for livestock. These lands would be expropriated only after attempts to purchase them had failed. Payment would be partially made in government bonds which would pay annual interests of between three to five percent. 69
Lands not liable for expropriation included farms not exceeding 150 hectares of first-class land (first class = permanent irrigation, humidity) or 300 hectares of second-class land (second class = dry); and livestock ranches not exceeding 5000 hectares first class or 25,000 second class.

The new law was not against productive private enterprises. Article 107 authorized the IAN to grant temporary concessions of inexpriprability to "personas naturales y jurídicas que desean establecer explotaciones racionales y mecanizadas en grandes extensiones de terrenos."^70

OPPOSITION TO AD LEADING TO THE COUP OF NOVEMBER 24, 1948

The Ley Agraria, according to some authors, was a major factor which contributed to the alliance of the reactionary landholding class with the dissident military officers that overthrew the Gallegos Government. However, it is more probable that sectarian party politics, rather than any individual legislative issue, brought about the demise of AD national leadership.

The AD trienio had a history of attempted insurrections: in January, 1946 a plot by high officials of the López Contreras and Medina regimes was uncovered, followed six months later by another lopecista attempt; on December 11, 1946 there was fighting in Maracay and Valencia, which included Chief of Staff Marcos Pérez Jiménez's brother, Col. Juan Pérez Jiménez, as one of the insurgent leaders; and Major Julio César Vargas, resentful and critical ever since his place on the Junta was "usurped" by Delgado Chalbaud, was dismissed from active service and subsequently became involved...
in another unfruitful conspiracy to overthrow the government. Several movements were foreign sponsored, for example the January, 1948 conspiracy which implicated involvement by Dominican Republic dictator Rafael Trujillo and Anastasio Somoza of Nicaragua, along with a Venezuelan civilian, Pedro Estrada, who later became head of the notorious National Security Police under Pérez Jiménez.

AD’s huge electoral successes were due to its superior and more experienced party organization. The party’s platform appealed to the masses, many of whom were illiterates enjoying the franchise for the first time. Nevertheless, public enthusiasm for the democratic process waned when Venezuelans were called to the polls for the third time in eighteen months for the municipal elections of May 9, 1948. At that time the voter turn-out was comparatively small: 693,154 compared to the 1,395,200 voters in October, 1946 and the 1,183,470 who turned out at the December, 1947 presidential elections. However, in spite of the decrease in total votes, both AD and COPEI received approximately the same percentage of votes as in the previous two elections.

AD held its VIII National Convention at the end of May, 1948, and in addition to electing new officials, the party attempted to deal with organization defects. Party leadership had deteriorated when the experienced leaders, such as Betancourt and Leoni, became involved with running the national government. Betancourt became party president again, with first vice president - Valmore Rodríguez, second vice president - Luis Lander, Secretary-General
Another organizational problem was that of sheer numbers: the party had undergone a dramatic increase in membership, approaching one half million. Although AD was the country's most experienced political party, the enormous tasks which confronted it—that of running a massive party organization and the administration of a nation—were to prove overwhelming in the face of the opposition fomented by AD's rival factions in society. As John Martz commented, AD was "by no means sufficiently equipped or experienced to operate and institute the far-reaching national revolution envisioned by its leadership." 75

If dialogue between AD and the opposition parties had been less than cordial before Gallegos' election, afterwards it was practically non-existent. Occasionally COPEI and URD rallies were disrupted, and some local opposition leaders were temporarily jailed on dubious charges. 76

URD was scornfully considered by AD as an instrument of Jovito Villalba's caudillismo and personal ambition. Neither would the adecos recognize COPEI as a reformist organization, due to its connections with lopecistas and strong clerical elements. (Indeed, AD's attitude toward these two parties hardened after the November, 1948 coup, accusing them of "intellectually" participating in the counter-revolution and subsequently collaborating with the new military junta.) 77

In a speech made in Caracas on October 18, 1946 Betancourt claimed AD was exercising just and impartial government, citing that out of 7000 public employees in the Federal District, only...
300 were AD members. However the opposition parties later main-
tained AD monopolized the lower strata of the government bureau-
cracy, despite Betancourt's attempts to discourage this.78

One event that alienated a large segment of Venezuelan so-
ciety was the Jurado de Responsabilidad Civil y Administrativa, a nine-month trial that began in 1946, with the purpose of repos-
sessioning the illicitly obtained wealth of previous government
officials. One hundred and fifty persons were tried, almost all
of whom were convicted, and $120,000,000 in property was con-
fiscated by the AD Government.79

The labor movement, along with the peasants, constituted the
main bulwark of AD support. AD encouraged the organization of
unions: in 1946 500 new locals and thirteen national federations
were formed, and the following year the Confederación de Trabaja-
dores de Venezuela (CTV) was established, thus consolidating AD's
labor support. During the course of government arbitration in
labor-management contracts, labor's cause was normally favored.
Thus during the trienio the "real wages" of Venezuelans rose by
65%. On the other hand, the business sector of the society be-
came alienated from AD, due to rising costs resulting from union
demands.80

In 1948 AD leaders expelled Red communist leaders from FEDE-
PETROL, the petroleum workers' union, over a contract dispute.
As a consequence, the communists also condoned the military take-
over in November of that year.81

Even the Catholic Church had its grudge against AD: it re-
sented government interference in parochial schools, with a new
requirement that these obtain government certification.
AD RAPPORT WITH MILITARY

AD tried to maintain UPM goodwill by increasing officer salaries by 30%. In effect, in its first two years the AD Government allocated more money to the military budget than it did for education. Almost the same amount—some Bs. 23,750,000—was spent on the construction of barracks as on the construction of school buildings.82

All the while the AD Government stressed the necessity of a professional non-political army responsible to the civilian government.83 This was frequently reaffirmed by officers in public declarations. (Up until mid-1948 Pérez Jiménez stated publicly that he defended the party in power, and indeed he had helped put down various conspiracies against the government, including the one led by his brother.)84

However, during the trienio there were attempted coups led by individual UPM members. AD was accused of reacting to these by fomenting anti-military sentiment among the public. The military also accused AD—and other civilian groups—of applying pressure on the military to get their support. In protest of civilian interference, Defense Minister Delgado Chalbaud addressed the Constituent Assembly back in January of 1947. Civilian pressure on the army increased after Gallegos' election.85

Burggraaff suggests that the officers were disturbed by the constant political campaigning and propaganda in the civilian sector. Not accustomed to such pre-election fervor and turmoil, they assumed the AD Government was at fault for not maintaining public tranquility.86
Lt. Col. Pérez Jiménez was considered the greatest threat to the AD Government. He maintained a personal following among the UPM officers, along with his assistant, Lt. Col. Luis Felipe Llovera Páez. Delgado Chalbaud was also suspected of having ambitions. He tried to maintain a strong position with civilians and military, and to this end formed an "alliance" with Pérez Jiménez: the latter had the support of the officers while he was unpopular with the adecos; Delgado-Chalbaud, due to his French military training with its emphasis on engineering, and his high-society background, was more readily accepted by civilians. 87

The government wanted to send Pérez Jiménez to the Venezuelan Embassy in Brazil, but Delgado Chalbaud opposed the plan in order not to antagonize the army. Pérez Jiménez was finally sent on a tour of other South American countries, but ended up in Caracas, again Chief of Staff. 88

Meanwhile, back in the barracks, the junior officers' complaints about AD increased. They accused the adecos of persecuting political adversaries and of unwillingness to distinguish between party and government; of attempting to sow discord among the military; of arming a civilian militia (although when the coup did occur, there was no civilian resistance); of causing food shortages and raising the cost of living; of lacking a "nationalistic fervor" in economic affairs (i.e. assuring oil companies that the basic petroleum law would not be changed, and opening new sectors of the economy to foreign investors such as the Plan Rockefeller—however Rockefeller's IBEC did not begin to expand until 1949, after the coup!) 89
The opposition parties endeavored to provoke military action, both covertly and overtly. An example of the latter was an article published in *El Gráfico* (November 1, 1948) by a young COPEI leader, Luis A. Herrera Campins, entitled "El mérito de una revolución traicionada". The article criticized the officers' apparent support of the AD regime and called for its rectification.⁹⁰

The junior officers, impatient with Delgado Chalbaud, Pérez Jiménez and others who appeared to serve as restraining forces, were determined to change the status quo. On November 14, 1948 they commissioned Delgado Chalbaud and Pérez Jiménez to present an ultimatum to Gallegos which included the following demands:

1) AD must stop politicizing army personnel.
2) Independents must substitute some adecos in the Cabinet.
3) The "party militia" must be disarmed.
4) Betancourt must leave the country indefinitely.⁹¹

Gallegos refused to comply to these demands. He also refused the suggestion of Maracay garrison commander Lt. Col. Gámez Arellano to arrest Delgado Chalbaud in order to forestall the coup. Betancourt's suggestion to appeal to organized labor for tactical support, such as paralyzing the economy with a strike by petroleum workers, was also rejected. In an attempt to negotiate, Gallegos brought AD-ally Lt. Col. Mario Vargas back from the New York sanatorium where he was under treatment for tuberculosis.⁹²

On November 20 (the same day censorship was imposed on political news) Vargas began a series of meetings with military and civilian officials in search of a compromise. He was joined on the 22nd by an independent, José A. Giacopini Zarraga, a temporary
Secretary-General of the 1945 Revolutionary Junta who had close contacts with the military. The army proposed a compromise allowing three AD cabinet ministers and the disarming of all citizens, not just adecos. Gallegos refused this compromise and, confronted with intense military pressure and hostility, naively declared the military should apologize and submit to disciplinary action.\(^3\)

A secret meeting was held the night of November 22, attended by Delgado Chalbaud, Llovera Páez, Giacopini, Betancourt, Alberto Carnevali, and Gonzalo Barrios. The military agreed to have six adecos in the Cabinet, with independents composing the balance. Betancourt agreed to go into exile even if the party were against it. (He had voluntarily left the country when Gallegos assumed the presidency, but had returned in September when the political situation became increasingly volatile.)\(^4\)

The AD leadership still objected to the Cabinet change. The party had received an overwhelming majority in the elections which made a minority position on the Cabinet unacceptable. However, AD was willing to change some state governors and lower officials. The entire Cabinet resigned in order to facilitate a compromise, but on November 23 meetings between the President, mediators, and AD and military leaders failed to reach a mutually accepted solution. The government publicly announced that the situation was under control, but negotiations broke off the same day.\(^5\)

It is not publicly known how much influence foreign governments exercised during the events leading up to the November 24 coup. Surely, the Venezuelan military were encouraged by United States recognition of the military regime that overthrew the three-
year old Peruvian democratic government in October, 1948. On the other hand, the failure of the Truman administration to declare its approval and support of the AD Government when the latter was confronted with the threatened coup must also be considered a contributing factor to the coup's success. Manuel Cabieses Donoso purports that a United States Embassy attaché, Col. Adams, was in permanent contact with the military leaders that overthrew Gallegos. Although there is no evidence that the oil companies overtly supported the coup, it is interesting to note that on November 23 the Mene Grande Oil Co., a subsidiary of Standard Oil Co., bought up the entire stock of the Orinoco Oil Co.96

The immediate justification for the coup on November 24 was that the AD-controlled Confederación de Trabajadores de Venezuela had given orders for a general strike. The army maintained that such a strike would bring economic disaster and civil war, and thus intervention was necessary. That day President Gallegos wrote prior to his arrest:

"The military coup culminates an insurrectional process by the forces of the Caracas garrison and of the military high command, initiated ten days ago with the intent of exerting pressure in order to impose a certain line of political conduct on me...Against such pretensions I have energetically fought in defense of the dignity of civil power, against which this blow has been directed in order to establish a military dictatorship."97

There was no armed resistance by students, workers, or peasants, and the coup was complete within a matter of hours.
CHAPTER III
1948-1958 DICTATORSHIP

THE JUNTA GOVERNMENT

On November 24, 1948 a triumphant junta was formed, composed of Delgado Chalbaud, Pérez Jiménez, and Llovera Páez. Delgado Chalbaud was supposedly reluctant at first to participate in the junta, since he had been Minister of Defense of the AD* Government. However, once his decision was made, he then declared himself Junta President, due to his higher rank. Pérez Jiménez was number two, assuming the office of Minister of Defense. Llovera Páez, least ambitious of the three, became Minister of Interior Relations.1

The Junta selected independents and former lopecistas and medinistas for high civilian posts. Civilians (from the upper-middle class) constituted a majority of the Cabinet. Some "urredistas" and copeyanos received appointments to state governorships and lesser posts after Jovito Villalba and Rafael Caldera declared their support for the new government. (The leaders of both communist factions likewise gave the Junta their support.)2

On December 7 the Junta decreed the dissolution of the Acción Democrática Party, accusing its members of having maintained a clandestine militia, of attempting to incite workers' unions and rural leagues to a general strike, and of creating a State within a State. Thus it was

"the ineluctable duty of the Provisional Government, in accordance with one of the fundamental political aims which originated the Provisional Government, to promote the re-establishment of institutional normalcy in the country and to eliminate irregularities born of political opportunism, of the falsification of the legitimate function of political parties within a democratic regime, and of the undue use of partisanship in government functions."3

The Junta continued in power until November, 1950, during
which time it ruled according to the 1945-amended 1936 Constitution, consequently annulling AD's reform decrees and laws. For example, on May 9, 1949 the Junta Minister of Development, Pedro Ignacio Aguerreveri, held a press conference in Caracas which amounted to an open invitation for increased foreign investment in Venezuela. He announced that the Junta would reduce taxes on foreign companies and that it would not insist on 50% of the oil profits. In addition, the Junta had decided to revoke the AD rule of "no more concessions". 4

Another significant reversal in AD policy was Decree #270, issued September 16, 1949. This nullified the 1946 judgments of the Jury of Civil and Administrative Responsibility and authorized the redistribution of Bs. 240,000,000 to dozens of the convicted "reos de peculado". 5

AD UNDERGROUND AND IN EXILE

When the coup occurred, Betancourt took refuge at the Colombian Embassy. The Chilean government petitioned for OAS intervention in order to make the Junta give Betancourt safeconduct out of the country. This action offended the Junta, which subsequently broke off diplomatic relations with Chile. Betancourt finally received safeconduct out of Venezuela on January 23, 1949. The senior AD leader took refuge in Havana where he remained until Fulgencio Batista overthrew Prio Socarras in 1952, after which Betancourt lived mainly in Puerto Rico and Costa Rica. 6

Other centers for "Old Guard" AD leaders in exile included Buenos Aires, Santiago, San José (Costa Rica), Mexico City, and New York City. Committees were established in these cities which
were directed by the Comité Co-ordinador del Exterior (CCE), based principally in Costa Rica. The CCE maintained contact with AD leaders in Venezuela, and eventually convened the Conferencia de Exilados in 1956. The exiled leaders retained supreme authority over the party organization, but for practical purposes the clandestine leaders made the final decisions on matters directly concerning internal affairs.\(^7\)

Within Venezuela the task of maintaining the organization of the clandestine party fell to the party youth and university students. These enjoyed relative "political anonymity" but were inexperienced in the running of a disciplined underground organization. Discipline was hard to maintain, as many adecos were in favor of a counter-coup rather than working at reorganizing the party and establishing an alliance with democratic military men.\(^8\)

All AD conventions, assemblies, and the Comité Directivo Nacional were suspended indefinitely. The Comité Ejecutivo Nacional became the party's supreme authority within the country. Lower party units had to accept CEN directives unconditionally, without debate.\(^9\)

**ELIMINATION OF DELGADO CHALBAUD**

Junta President Delgado Chalbaud promised elections and was reluctant to persecute AD. Pérez Jiménez and Llovera Páez preferred an efficient military dictatorship over a return to the turmoil of heated democratic election campaigns.

On November 13, 1950 Delgado Chalbaud was abducted while on
his way to Miraflores Palace. There were purportedly twenty men involved, led by Rafael Simón Urbina who had once led an unsuccessful expedition against Gómez in 1931. Delgado Chalbaud was taken to a vacant house and shot. Urbina was also accidentally shot in the foot by a cohort. He sought refuge at the Nicaraguan Embassy and sent Pérez Jiménez a note which was later entered in the official record of the assassination inquest:

"As I told you...I want no other President but you. Delgado was mortally wounded, although I did not want them to kill him...I pray that you come to my aid in the Embassy of Nicaragua, where I am badly wounded."¹⁰

Urbina was subsequently captured at the Embassy and was killed "attempting to escape" (although he probably could not even walk!) Pérez Jiménez denied any complicity in the matter, although he withdrew from circulation—the official summary of the trial of those persons indicted for Delgado's assassination:

To further remove himself from suspicion Pérez Jiménez appointed a civilian "puppet" president of the Junta: Caracas lawyer Germán Suárez Flamerich, a former dean of the Central University's Law School who had served as legal advisor to the Junta in 1948 and who was then Ambassador to Peru.¹¹

The assassination of Delgado Chalbaud provoked student riots with the resultant closing of Caracas secondary schools and the Central University. The legal political parties agitated for free elections. Clandestine adecos were subjected to intensified persecution, and the government opened the infamous detention camp for political prisoners on Guasina Island in the Orinoco Delta. (Between 1951-1952 over 4000 adecos were sent to this jungle concentration camp.)¹²
THE 1952 ELECTION FRAUD.

In April, 1951 a new electoral law was effected which made voting compulsory for all citizens between the ages of 21-65 (including illiterates). The law allowed for direct elections, however it was accompanied by another law which restricted political party activities. In addition to having to get government approval to campaign, the parties were required to furnish the government with details regarding public meetings, membership, and finances. Campaigning must be "subdued" and the parties could not have access to broadcasting media. Coverage of COPEI and URD activities was also censored in the press. Criticism of the Junta regime must also be subdued. 13

Several pro-government groups formed the Frente Electoral Independiente (FEI) with Pérez Jiménez as its presidential candidate, and material progress as its platform. URD candidate Jovito Villalba denounced FEI as a front for military dictatorship and demanded drastic social and economical reforms in his platform. He also accused COPEI of being reactionary and clerical. Rafael Caldera of COPEI proposed moderate reforms and honest administration. 14

The exiled AD leaders published a manifesto declaring the elections a farce and urged adecos not to vote. However, during the Constituent Assembly elections held on November 30, 1952 URD received heavy AD support. Betancourt maintained that a few days before the elections the AD leadership decided AD should support URD, but did not declare this publicly for fear of providing the government with an excuse to nullify the elections. However, the
úmerdistas insist this support was spontaneous. Over 30% of the votes were counted when an International News Service bulletin in Caracas announced URD victories in all but two Andean states (which supported COPEI). FEI was trailing URD by 150,000 votes. Thereafter the news was censored.

Meanwhile, Pérez Jiménez was sounding out the support of his army commanders at Maracay and other garrisons. By the evening of December 1 he had decided to follow his chief advisor Laureano Vallenilla Lanz's counsel and nullify the elections. At 3:00 AM on December 2 Pérez Jiménez sent a telegram to the URD leadership accusing URD of conniving with the outlawed PCV and AD. That evening the Suárez Flamerich Junta resigned and the Armed Forces named Pérez Jiménez Provisional President.

During the month of December many army officers suspected of liberalism were "arrested, jailed, transferred, demoted, or deported" in order to prevent any organized military opposition to what was virtually another coup by Pérez Jiménez.

It is possible, but there is no public proof, that Pérez Jiménez had the approval of the United States Ambassador, Fletcher Warren, prior to the election fraud. It is known that Warren was a close friend of Security Chief Pedro Estrada and that he also held Pérez Jiménez in high regard. The foreign press denounced the fact that Pérez Jiménez had broken the electoral law legislated by his own government. However, the United States saw no problem in recognizing the new government, since it was basically the same regime as before, and Washington proceeded to grant its recognition without delay.
On December 16 Jóvito Villalba, accompanied by six other URD leaders, protested to the new Minister of Interior Relations, Laureano Vallenilla Lanz. Villalba offered to compromise with an independent provisional president and Pérez Jiménez as Minister of Defense. His plan was rejected; he and his colleagues were arrested as they left the Ministry and deported that same evening.  

On January 9, 1953 the Constituent Assembly met, boycotted by the majority of URD and COPEI delegates. In March the assembly adopted a military-approved Constitution which gave the executive a disproportionate amount of power. Listed among the duties of citizens (Art. 33) was: "No tomar parte en actividades políticas diferentes de las del ejercicio del sufragio, cuando éste les corresponda."  

On April 16, 1953 the FEI-dominated Congress appointed Pérez Jiménez constitutional President for a term of five years. Internal espionage and political persecution was intensified by the National Security Police (SN) under Pedro Estrada. Rafael Caldera was temporarily imprisoned, and members of URD and COPEI began to join their adeco compatriots on Guasina Island.  

Hundreds of labor leaders were also imprisoned, and equal numbers of teachers linked with AD were dismissed, imprisoned, or exiled. While AD and the PCV were the principal victims of SN persecution, Rodolfo Quintero's "Black" communists supported the Pérez Jiménez regime in exchange for major control over labor unions.
AD PERSECUTION

During the military dictatorship AD leadership endured continuous government persecution in an attempt to completely suppress party activity.

After the 1948 coup, Secretary-General Luis A. Dubuc became the director of clandestine activities but within a few weeks he was captured and imprisoned. Octavio Lepage assumed party leadership temporarily, followed by Leonardo Ruiz Pineda, who had been Minister of Communications under Gá rgelos.24

Ruiz Pineda conflicted with the exiled Betancourt over declaring solidarity with the United States in the Korean War. Betancourt was in favor of the U.S. anti-communist actions, while Ruiz believed supporting the U.S. would be tantamount to "selling oneself" in order to regain power.25

According to Domingo Alberto Rangel, Ruiz's biggest error was involving himself deeply in military conspiracy. Ruiz, an intellectual and poet, with a charismatic personality, was from Táchira, and he was able to gain the confidence of many military officers, including collaborators of Pérez Jiménez.26 The elimination of Leonardo Ruiz Pineda was effected on October 21, 1952 when he was shot down by police on a Caracas street.

Ruiz was succeeded by Alberto Carnevali as AD Secretary-General. Carnevali was a strategist and political scientist who believed in a revolution of the masses. After the December, 1952 election fraud, Carnevali proclaimed AD in a state of permanent rebellion against the dictatorship and he proposed the unification
of all anti-government groups. On January 18, 1953 government agents attacked Carnevali's residence in Caracas, killing several adecos. Carnevali was arrested and eventually succumbed in jail from cancer after the government refused pleas to have him moved to a hospital.  

Former Minister of Interior Relations Eligio Anzola Anzola became acting Secretary-General, but he was also captured on April 24, 1953 and sent into exile after suffering physical abuse in jail.

Antonio Pinto Salinas' tenure as AD Secretary-General was even shorter: in June, 1953 he was ambushed and killed on a highway.

Thus were AD's clandestine leaders systematically persecuted throughout the Pérez Jiménez-regime. Many others were imprisoned and tortured. Meanwhile, in October, 1954, United States President Eisenhower awarded the avowed anti-communist Venezuelan dictator the Legion of Merit medal.

RISE OF THE PCV

Between 1953 and 1957 AD resistance was reduced to a student vanguard and isolated groups of workers. As Rangel put it: the party became "un estado de alma" rather than an organization: The AD youth "no reciben la expresión directa de las masas ni tienen instrumentos para gravitar sobre ellas."  

The Partido Comunista Venezolano (PCV), on the other hand, managed to recuperate its strength that had dissipated during the 1941-1945 period of internal strife. Unlike AD, the PCV did not lose its most important leaders during the clandestine period. The
party was able to maintain the continuous circulation of its paper whereas the AD paper Resistencia appeared sporadically.31

Also during the Resistence, the PCV experienced a "metamorphosis" in philosophy and membership: until 1946 the party followed the dictates of the Soviet Union, relegating Venezuela's national problems to a secondary position of importance. During the Resistence the party, which was previously composed of intellectuals and "conscienious workers", attracted a broader membership of students and members of the labor class. The change in party philosophy was initiated by Pompeyo Marquez while PCV leaders Jesus Farias and the Machado brothers were in jail. Marquez analyzed the Venezuelan economy and proposed strategy to make the PCV an effective political instrument that could deal with the diverse problems (e.g. foreign economic imperialism, agrarian reform, and labor problems) confronting the nation.32

"MATERIAL PROGRESS" UNDER PÉREZ JIMÉNEZ

Like his father before him, Laureano Vallenilla Lanz authored the "apology" of his totalitarian head of State. Vallenilla Lanz, Sr. wrote Cesarismo Democrático for Juan Vicente Gomez; his son chose to title his work Nuevo Ideario Nacional.33

In Nuevo Ideario Nacional the author rationalizes Perez Jimenez's contempt for democracy, maintaining that the underdeveloped Venezuelan masses were not ready for self-government. Instead, the President was determined to "depoliticize" the nation and concentrate on achieving material progress; "the conquest of the physical environment".34
Pérez Jiménez was motivated by the obsession to make Venezuela the "showcase" of Latin America, and thus surpass the material progress realized by other Latin American strongmen—Manuel Odria, Juan Perón, Rafael Trujillo, and Getúlio Vargas.35

To this end Pérez Jiménez embarked on a public works program that would eventually lead Venezuela to bankruptcy. He completed many projects that were initiated by the AD Government: the Caracas-La Guaira freeway; the petrochemical industrial complex near Puerto Cabello, workers' housing in Caracas; hydroelectric and steel plants on the Caroni River, and the Guárico irrigation dam. His own projects included the Centro Bolívar (the Caracas equivalent of Rockefeller Center), many luxury hotels (including one "white elephant" overlooking the slums of Caracas), and the most expensive officers' club in the world.36

More than 50% of public funds were spent in Caracas. However, school construction was ignored, and expenditures for health facilities and social programs were reduced. Agrarian reform and the development of the interior in general were neglected in favor of the nation's capital.37

The public works projects were financed by the oil revenues which greatly increased as crude oil production more than doubled in response to market demands. The increased demand for oil was attributed to post-World War II reconstruction in Europe; rearmament in the United States; and in 1954 to the temporary nationalization of Iranian oil, followed by the Suez Crisis of 1956.38

Pérez Jiménez fully cooperated with the oil companies, permitting a 25% reduction in the labor force inspite of the increased
production. Petroleum taxes remained unaltered, and the government abandoned plans for a competitive national oil company and refinery. The existing oil revenue was not sufficient to finance all the previously-mentioned projects, and consequently the government disregarded AD’s conservation policy and sold the oil companies new concessions, equivalent to their existing holdings. Pérez Jiménez also encouraged expansion of the foreign-owned iron industry.

Powerful national monopolies emerged during the Pérez Jiménez regime, principal among these being the Mendoza-Vollmer group. Financed by the Chase Manhattan Bank and the First National Bank of New York, the group’s cement companies supplied 60% of the cement for the government’s building spree. It was also involved in the construction of Caracas housing projects, for which it was allowed to import construction equipment and materials. As a "sideline", the Mendoza-Vollmer group dominated the beer industry, in addition to controlling part of the sugar and paper industries.

To fulfill the needs of the construction industry, the government encouraged the immigration of European skilled laborers. Over two hundred thousand Italians, Spaniards, and Portuguese came to Venezuela between 1948 and 1957, the majority settling in Caracas. Many landless peasants also went to the capital looking for work during the construction boom. They were unable to compete with the more skilled Europeans, but they remained in the city, joining the swelling population of slum-dwellers.

The Pérez Jiménez government turned a deaf ear to demands that public funds should be channeled for use as agricultural credits.
and also to foment native industry. Instead, the oil revenues were spent on the import of food, luxury items, and machinery which only aggravated the massive unemployment situation. War materiel also accounted for a substantial proportion of public expenditures as Pérez Jiménez endeavored to retain military support by supplying the Navy with destroyers and other ships, the Air Force with modern bombers and transport planes, and the Army with tanks, artillery, and other weapons. A significant portion of government revenue was lost through graft, particularly by the President and his military cohorts who pocketed millions by means of payoffs for construction contracts and parking meter concessions, embezzlement of the National Lottery, etc.

MOBILIZATION OF THE OPPOSITION

In early 1956 the adecos in exile held a Conferencia de Exiliados in Puerto Rico. The assembled party members reaffirmed AD principles dating back to PDN times, with the recognition that "La Convención Nacional del Partido de 1958 tendrá entre sus más señalados objetivos el de adecuar el programa del Partido a los cambios que se han operado en la estructura económica-social del país." Foreign investment in Venezuela was condoned as long as a responsible government limited foreign activities and insured reasonable profit margins for both the companies and the State. Progressive "Venezolization" of industries derived from the exploitation of natural resources remained the party's ultimate goal.

Regarding agrarian reform, the party continued basically to support the Agrarian Reform Law of 1948 and the eradication of
the latifundio system, with its replacement by one based on the principle that "the land should belong to the one who works on it." 47

The State should promote and finance industrial activity but insure against the creation of "una prepotente oligarquía de los negocios, desvinculada de los intereses del país y multimillonaria a costa del consumidor y del trabajador". Steel plants and petroleum refineries built by the State should be excluded from the free-enterprise system and be managed by State-run organs. In addition, legislation should be passed reserving certain economic activity to national financing. 48

The party favored benefits to labor, but insisted on disciplined and efficient workers who would not resort to political demagoguery, resulting in a permanent "state of war" with management.

Regarding international influence within the country:

"... Si negamos que Venezuela pueda ser un satélite de EE.UU., rechazamos igualmente, con la misma energía, la idea de que un partido político venezolano devenga satélite ideológico de la Unión Soviética..."

And finally, regarding party discipline:

"Las corrientes fraccionalistas no se toleran, y después de haber sido trazado una norma colectiva de conducta política por los organismos estatutariamente capacitadas para hacerlo, esa norma es de obligatorio cumplimiento por toda la militancia." 49

In anticipation of the 1957 election year in Venezuela, AD proposed "La Nueva Táctica", offering a sincere policy of cooperation with all other opposition parties. The Pérez Jiménez regime's lack of international prestige and increasing domestic unpopularity were already evident, and an "inevitable governmental crisis" was expected, especially in the wake of the recently
overthrown dictatorships in Argentina, Colombia, and Peru.\textsuperscript{50}

To further promote reconciliation among exiled Venezuelan politicians, an interparty exile directorate was proposed, to be established in Bogotá. However, before this could be realized, the events leading to Pérez Jiménez's downfall began to escalate.

The university students were the vanguard of organized opposition to Pérez Jiménez. In 1955 a clandestine national University Front was established, with the dictator's overthrow as its aim.

The rural sector of Venezuelan society disliked the Pérez Jiménez regime for its neglect of rural needs. The Caraqueños were resentful of the favoritism shown the foreign investors and new immigrants, who helped to treble the capital's population to 1,100,000.\textsuperscript{51}

Pérez Jiménez even succeeded in alienating sectors of the military establishment, despite his attempts to maintain their favor with large military expenditures. The President and his clique of multi-millionaire embezzlers generated condemnation—and envy—among the junior officers. Key positions were awarded on the basis of loyalty rather than for professional merit. Many younger officers expressed the same complaints as the UPM had done back in 1945. Indeed, even former UPM members were imprisoned for criticizing government actions, such as Lt. Col. Martín Marquez Añez, Pérez Jiménez's classmate at Chorillos. Pérez Jiménez tended to favor the army, considering this branch of the military to be more loyal to him personally, since he was an army man. The
inter-service rivalry this generated ultimately resulted in the
Air Force and Navy playing a decisive role in the 1958 coup.52

The elite status conferred on the secret police, Seguridad
Nacional (SN), incurred the resentment of all branches of the
military. Any military officer had to be searched by SN agents
before having an audience with the President. SN agents were also
planted as spies inside military garrisons.53

The Church had initially favored the military regime, since
the latter supported parochial education, as opposed to State
schools which became centers of political agitation. However, on
May 1, 1957 Caracas Archbishop Rafael Arias Blanco issued a Pas­
toral Letter calling for social justice and criticizing political
corruption. Either the Church had undergone a profound change in
social conscience, or else, like other segments of Venezuelan
society, it was beginning to sense the impending downfall of the
Pérez Jiménez regime. As Vallenilla Lanz put it: "The Church is
eternal and wise. It does not associate itself with lost causes."54

In June, 1957 Fabricio Ojedo, an urredista and journalist
for the newspaper *El Nacional*, united a small number of opposi­
tion activists from various sectors of Venezuelan society, forming
the nucleus of the Junta Patriótica (JP). The Junta's three ob­
jectives were: 1) to restore respect for the Constitution; 2) to
convoke democratic presidential elections; and 3) to insure the
establishment of a government respectful of civil rights.55

On June 29, the start of the "Semana de la Patria," the JP dis­
tributed 200,000 flyers (printed on the PCV's Tribuna Popular press)
urging Venezuelans to put up a united front against the re-election
of Pérez Jiménez. By August the JP was publishing hundreds of
thousands of leaflets each week, denouncing the Pérez Jiménez
government.56

The Junta Patriótica began smuggling arms into the country
for the overthrow of Pérez Jiménez following the arrest of Rafael
Caldera and the announcement on November 4 that the presidential
elections scheduled for December 15 would be replaced by a plebis-
cite.57

By the end of 1957 the JP consisted of two representatives
from URD, AD, COPEI and the FCV, plus lopecistas, medinistas, and
other representatives from industry, commerce, intellectuals, the
Church, students, and women's organizations.

DECEMBER 15, 1957 PLEBISCITE: THE LAST STRAW

Pérez Jiménez was unable to voluntarily relinquish his power,
and he hoped to satisfy the public's desire to participate in
civic affairs by allowing them to vote "sí" or "no" in a plebis-
cite that would legalize his continued tenure in office.

Even Minister of Interior Relations Vallenilla Lanz opposed
this plan as being too "caesarist", and he later wrote that Pérez
Jiménez's greatest error was "underestimating public opinion and
the effectiveness of propaganda".58

After the plebiscite was announced on November 4, Caracas
students promptly rioted and the Junta Patriótica began a campaign
urging abstention at the polls. The citizenry was further angered
with the announcement that foreigners residing in Venezuela for
two years would also be allowed to vote. (The Italian Ambassador,
in violation of diplomatic protocol, urged the substantial Italian
Pérez Jiménez was proclaimed president for another five-year term after the "official" tally was published on December 20:

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<td>2,374,790</td>
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<td>364,182</td>
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The Junta Patriótica accused the Ministry of Interior Relations of inventing the statistics, maintaining that the people had abstained from voting.

The Venezuelan bourgeoisie, increasingly nervous over the government's delinquency in payment of debts, spent July to December, 1957 observing and analysing the strength of the Pérez Jiménez regime. In December they sent representatives to New York to "sound out" Betancourt and Jóvito Villalba. Eugenio Mendoza—the "Nelson Rockefeller of the tropics", worth some Bs. 1,000,000,000—and Dr. Carlos Ramírez MacGregor talked to Betancourt, while New York bank functionary, Mario Díez spoke with Villalba. All came to the conclusion that neither AD nor URDT would threaten the foundation of the Venezuelan economy.

On January 1, 1958 Assistant Chief of Staff, Lt. Col. Hugo Enrique Trejo, led a revolt by Air Force and Army junior officers which was put down the following day by loyalist forces. Although victorious, Pérez Jiménez lost confidence and became emotionally unstable. Senior military officers pressured him to reorganize the Cabinet and on January 10 the unpopular Vallenilla Lanz and Pedro Estrado were forced to go into exile.

With the elimination of the SN chief, and consequent decrease of SN surveillance, military conspirators were able to meet with
Junta Patriótica liason men Elas Lamberti, Oscar Centeno Sucinchi, and Fabricio Ojeda. The JP intensified its activities, and there were daily confrontations between students and police. Between January 10 and January 23 manifestos against the regime were issued by groups of intellectuals, professionals, and businessmen.

Several military conspiratorial groups competed to be the first to overthrow the dictator. Even some of Pérez Jiménez's friends participated in insurgent groups in order to absolve their "guilt by association" with the unpopular president.

On January 21 a general strike was called in Caracas, which was accompanied by intensive street fighting. To quote Glen L. Kolb:

"It was a true popular revolution of Venezuelan citizens of all ages and social classes, armed with rocks, clubs, home-made grenades, and 'Molotov cocktails', against a ferocious and well-trained police force equipped with armored vehicles, sub-machine guns, rifles, revolvers, machetes, and tear gas." At 6:00 P.M. on the 22nd, a coordinated rebellion was initiated by the army and naval forces, and by 2:00 A.M. in the morning of the 23rd, Pérez Jiménez was en route to exile in the Dominican Republic.

Rear Admiral Wolfgang Larrazábal was made President of the Provisional Junta. Other members of the all-military Junta included Army Cols. Roberto Casanova and Pedro José Quevedo; Air Force Col. Abel Romero Villate; and FAC Col. Carlos Luis Araque.

Neither the junior officers nor the Junta Patriótica had been consulted about the formation of this Provisional Junta, which was not in accordance with the original civil-military plan. The
masses of the Resistance were rejoicing in the streets, celebrating the dictator's downfall. However, protest demonstrations were organized when it was learned that two of the Junta's members were Casanova and Romero Villate, both of whom had been staunch Pérez Jiménez supporters during the January 1 revolt. Street violence continued until the two men were out of the country. They were replaced by Junta Patriótica leader Elías Lambert and industrialist Eugenio Mendoza, both chosen by the bourgeoisie.

In retrospect, Domingo Alberto Rangel realizes AD's mistake in allowing the bourgeoisie to dominate the formation of the new government. However, at the time both AD and the PCV supported Mendoza. The Cabinet was composed entirely of representatives of the capitalist bourgeoisie, including Minister of Finance, Dr. Arturo Sosa (employed ten years by Mendoza-Vollmer); Exterior Relations, Dr. García Velutini, another member of the financial oligarchy; Agriculture, Dr. Eduardo Galavis, a member of the agrarian bourgeoisie; and Mines, Dr. Pérez de la Cova, a veteran of the Venezuelan Embassy in Washington, D.C.
CHAPTER IV
RETURN OF THE "GUARDIA VIEJA"

The Larrazábal Junta effected a purge of Pérez Jiménez supporters from the army, police, and executive branch of government. All legislative bodies were dissolved in preparation for democratic elections. Press censorship was lifted, political prisoners freed, and exiles were welcomed to return.¹

In addition to a number of unsuccessful attempts by dissident military officers to effect a counter-coup, the Larrazábal Government was confronted with severe economic problems. The recession initiated by the United States' restrictions on Venezuelan oil imports was aggravated by the continuous exit of foreign capital after January 23. Construction company stockholders and land speculators, in particular, were responsible for a substantial reduction of the nation's foreign currency reserves. The lack of confidence in Venezuela's economy was contagious, and Venezuelan capitalists began to deposit their money in United States banks, further draining the national foreign reserves of an estimated $300,000,000 between 1958 and 1960.²

Early in 1958 leftist leaders proposed abolishing the free exchange of Bolívares into dollars in order to curb this disastrous trend. However, the provisional government's Ministers of Finance, Sosa and later Mayobre, dismissed the leftists' plan as being unnecessary. (Three years later, after $1,000,000,000 had been removed from the country, Mayobre, now Minister of Finance under Betancourt, finally imposed these controls--too late to have any effect.)³
Mayobre also opposed the leftist proposition to convert Pérez Jiménez's Public Works debt of some Bs. 5,000,000,000 to a long-term loan, such as England and France had done after World War II. Since Gómez's days, Venezuela had enjoyed the reputation of being the quintessence of punctuality on debt payments, and the Junta Government refused to risk the country's international prestige. Consequently, the Junta undertook to pay off Venezuela's debts in one year, and thus left the country's treasury devoid of funds essential for the financing of a much-needed national industrialization program.  

1958 was also the year of the "Plan de Emergencia", in which the government spent Bs. 400,000,000 in an attempt to alleviate the massive unemployment produced by the slump in construction. However, rather than paying the unemployed to work on permanent projects such as roads, buildings, and bridges, the workers were sent to do "make-up" jobs on parks, highways, etc. Furthermore, this unemployment subsidization attracted thousands of unskilled landless peasants to the cities, thus aggravating the slum situation and resultant increase in crime.  

Meanwhile, Rómulo Betancourt and other AD leaders in exile returned to Venezuela to resume their roles in national politics. According to D.A. Rangel, Betancourt's dominant theme during his ten years in exile was no longer Venezuela's need for liberation from economic imperialism, but the necessity of a government to insure respect for human rights. During the McCarthy period,
Betancourt was duly anti-communist. He sought support against Pérez Jiménez from conservative groups, rather than the leftist groups which were in official disfavor. He cultivated relations with AFL-CIO President George Meany, and other "conservative" labor leaders; and he also maintained several U.S. State Department contacts, such as Alan Steward, a high functionary at the U.S. Embassy in Costa Rica.

Betancourt and the other "Old Guard" adecos returned to Venezuela as moderates with constitutional goals: civil liberties, universal suffrage, and "alternabilidad en el Poder". They now believed it imperative to regain the confidence of international and native investors in order to avoid a repeat of the 1948 experience. Thus it was necessary to play down the nationalistic themes of the past, and to refrain from criticizing the creole oligarchy.

Soon after his return to Venezuela Betancourt held meetings with creole business magnates. He then gave a series of talks to various Chambers of Commerce. In Valencia, he even proposed the sale to private capital of sugar refineries created by the Corporación de Fomento, a proposal which shocked the AD National Direction since it contradicted party doctrine.

Still faced with substantial military resistance, Betancourt undertook the task of patiently visiting all those in the military hierarchy who were opposed to him or to AD. He also endeavored to establish rapport with younger officers, via old officer friends from October 18 times who were now restored to command positions.
On July 4, 1958 AD held its first mass gathering since the 1948 coup, at the Nuevo Circo in Caracas. According to John Martz, Betancourt delivered an "eloquent history of the party antagonism to international communism." Nevertheless, Betancourt, in public, always emphatically presented himself as non-sectarian and non-vindictive:

"Nosotros sostenemos el legítimo derecho del Partido Comunista a actuar en Venezuela como organización legalizada. Cuando gobernamos respetamos ese derecho. Creemos que las 'cacerías de brujas' en el siglo XX son contrarias a la esencia misma del régimen democrático..."

When Betancourt spoke with party "comrades", in the absence of journalists, he revived AD"sectarianism, referring to Acción Democrática as "the Party of the Resistance, of the martyrs, of the 10,000 prisoners throughout ten years"; the party whose "manifest destiny" it was to transform Venezuela through agrarian reform and a nationalistic economic policy.

The first major confrontation between the Old Guard leadership and the leftist faction of AD occurred at the party's IX National Convention held in Caracas on August 10, 1958. The leftists, referred to as the "muchachos", were a conglomeration of progressive liberals, anarcho-syndicalists, Marxists, and "revolucionarios medio sentimentales". These included leaders from the "generation of 1945", some union representatives, and the party's youth movement--most notable being Domingo Alberto Rangel, Simón Sáez Mérida, Simón Alberto Consalvi, Gumersindo Rodríguez, and América Martín. They called for public control of the economy, including the na-
tionalization of the petroleum industry. And because they had suffered the rigors of clandestine life and imprisonment during the Pérez Jiménez regime, they felt they were worthy of increased representation on the Comité Ejecutivo Nacional.¹³

In addition to the leftists, there was another group of adecos vying for party leadership with the Old Guard. They had risen to prominence while Betancourt and his generation were ruling the country during the trienio. Now led by Raul Ramos Giménez, Jesús Angel Paz Galarraga, José Manzo González, José Angel Cilberto, and César Rondón Llovera, they formed the ARS faction, adopting the initials of a Venezuelan advertising agency whose slogan was "let us think for you".¹⁴

In retrospect Rangel regrets that these two factions committed the error of competing against each other at conventions and assemblies, thus enabling the Old Guard to maintain control over the party and assuring the candidacy of Betancourt for the December, 1958 presidential elections.¹⁵

In fact, both the "arsistas" and the leftists had favored a united front candidate with URD and COPEI in order to undermine Betancourt's power. However, beginning in April, 1958 Jovito Villalba awakened AD sectarianism with anti-AD rhetoric to the effect that AD did not even have the right to present candidates, and that if an AD candidate were successful, it would provoke another military coup. In response to this challenge, Betancourt became the inevitable AD candidate.¹⁶

In Comité Ejecutivo Nacional (CEN) elections, Rómulo Gallegos
was made Honorary President with Betancourt as active President of the party. Leoni and Barrios became first and second Vice Presidents, respectively. The powerful position of Secretary-General was contested by Prieto F., Ramos Giménez, Dubuc, and Rangel. Ramos Giménez and Dubuc withdrew in favor of Prieto, who consequently defeated Rangel 210-140. Indeed ARS allied itself with the Old Guard in every key election. Thus arsista José Manzo González was able to defeat Saez Mérida for Secretary of Organization. Only two leftists succeeded in getting elected: Rangel as a Political Secretary, and Consalvi as Press Secretary. Of a total of nineteen positions on the CEN, arsistas acquired five, with the Old Guard maintaining its dominance with the balance. 17

The party’s program and theses were also revised at the National Convention. In general, the same goals were expressed as in the previous party programs regarding administration, education, health and social welfare, and international relations.

The “Tesis Petrolera” was referred to as “un programa para un periodo de transición”, with the hope that, in time, it could be transformed into an authentic revolutionary program. Heading the list of propositions was that calling for the creation of a State-owned Petroleum Company, integrating all aspects of the industry: production, refining, transportation (including a fleet of oil tankers), and sales. Other major points included: revision of the tax system to increase State revenue; no more concessions to private companies; State participation in decisions regarding markets, production and importation quotas; more colla-
boration by the petroleum companies in the country's plans for economic development; and the "Venezolization" of 75% of the staff of the oil companies (including technicians and administrators.)

The "Tesis Agraria" opposed the theory of "reforma agrícola" which would convert the feudal latifundio system to a capitalist one in which the 500,000 Venezuelan landless peasants would become a rural proletariat, while the landholding class became an agricultural bourgeoisie. Instead, as representative of the peasant class, AD had to insist on the expropriation (with compensation) of the lands on which these peasants labored, and on the division of these lands among the peasants, especially to those 330,000 peasants who were heads of families. This constituted the only means to dismember the latifundio and democratize the landholding system.

However, the agrarian reform would not affect those capitalist agriculturalists using modern techniques and employing fairly salaried workers, but only the unproductive latifundio.

State-owned lands should be used to establish Agrarian Colonies and collective Communities geared toward the re-establishment of displaced peasants living in city slums, or of those living in abject poverty in isolated rural areas. The Agrarian Communities should be strategically set up in different regions of the country, and they should be used to experiment collective methods of production.

And finally, the "tesis" stipulated that the sugar refineries belonging to the Corporación Venezolana de Fomento should remain in the latter's possession, but that the surrounding land belong-
ing to the CVF ought to be parcelled out to peasants in the establishment of a cooperative for the cultivation of sugar cane. The party's guideline should be: "Las plantas industriales en poder del Estado, las tierras y el cultivo en manos de los agricultores."²⁰

In the "Tesis Sindical" AD's union representatives emphatically declared their conception of the democratic revolution as "una marcha hacia el socialismo". They maintained that the workers were against the "revolución democrático-burguesa" as envisioned by many political leaders in the democratic movement. Such a bourgeois revolution would favor private industrial development and agricultural capitalism which "colocaría a Acción Democrática como instrumento político de la burguesía nacional y perdería la adhesión de la clase obrera."²¹

Key industries, such as steel, electrical, petrochemical, and other heavy industries should be State monopolies. And if the State should build factories for such light industries as textiles or food, these should also remain in State hands.²²

In prophesy of AD's future factionalistic problems, the "tesis" demanded adherence to party orthodoxy:

"Cuando decimos que Acción Democrática es el Partido del Pueblo es porque es el partido de la clase obrera, del campesinado y de la clase media...Por eso no pueden militar en nuestras filas las oligarquías financieras ni los monopolistas criollos o sus afines. Una desviación respecto a este postulado podría traducirse en oportunismo, en su sentido revolucionario, y aun en agotamiento histórico del Partido que incurra en tal desviación."²³

DECEMBER 7, 1958 ELECTIONS

After Pérez Jiménez's downfall, it was decided to hold general
elections for all offices—from municipal councilman to President—only once every five years in order to prevent the partisan agitation that could provoke a coup d'etat. 24

Throughout 1958 representatives from AD, URD, and COPEI held "round table" discussions in an apparent attempt to reach an agreement on a united front presidential candidate. Unable to overcome the obstacle of party sectarianism, an alternative solution was chosen and documented in the "Pacto de Punto Fijo". 25

The Pacto de Punto Fijo, signed on October 31, 1958, outlined the following principles:

1) All parties adhering to the Pact must above all defend constitutional government if the latter is threatened by a coup d'etat or other subversive activity.

2) The party receiving the majority of votes in legitimate elections shall form a coalition "National Unity" government, in order to avoid the systematic opposition that would weaken the democratic movement. Therefore, the Executive Cabinet shall be composed of representatives from national political parties, in addition to those from independent sectors of the country.

3) In order to facilitate interparty cooperation during the election campaign period and later during the exercise of Constitutional Government, the parties have agreed on a Minimum Program that shall serve as basis for each party's individual program, with public discussions of the latter remaining within the limits of tolerance and mutual respect. 26

A "Comisión Interpartidista de Unidad" was consequently created to supervise the maintenance of this political pact, thus
acting as a safeguard against individual deviations or excessive sectarianism which could compromise the democratic front.

Signing the document were Jóvito Villalba, Ignacio Luis Arcaya, and Manuel López Rivas for URD; Rafael Caldera, Pedro del Corral, and Lorenzo Fernández for COPEI; Rómulo Betancourt, Raúl Leoni, and Gonzalo Barrios for AD.27

Betancourt was elected AD's presidential candidate, opposed only by Rangel, Paz Galarraga, Ramos Giménez, and some other delegates who were mainly youth leaders. As befitting AD tradition, the party surpassed its competitors in the organization of the election campaign. Although the AD campaign center was in Caracas, Betancourt concentrated his energies in the interior where in the period of forty-five days he made 132 speeches and held two dozen press conferences.28 In his speech closing the AD election campaign, on December 5, 1958 in Caracas, Betancourt reaffirmed AD's nationalistic economic doctrine:

"Y no nos limitamos a obtener que las Compañías Petroleras aporten al Estado mayores ingresos, sino que también será creada la Flota Petrolera Nacional, sino que también serán atribuidas a una Empresa Nacional de Petróleos las reservas nacionales, y ni un solo centímetro de territorio nacional será otorgado en concesión. Y una refinería del Estado...refinará, para ser distribuidos por la Empresa Nacional del Petróleo todos los derivados, todos los carburantes líquidos...

"Y junto con esto...defenderemos la Petroquímica como empresa del Estado...poniendo su comando en manos serias y responsables; y esa Petroquímica junto con la Siderúrgica, ni hoy, ni mañana, ni nunca, deben salir de las manos del Estado Venezolano."29

In May, 1958 Jóvito Villalba spoke in Barquisimeto declaring his opposition to the presidential candidacy of Larrazábal or any military officer. However, after Larrazábal's steadfast defense of constitutional government when confronted by the
threat of a military coup in July, and the consequent surge in popularity of the Junta President, Villalba permitted Larrazábal to be selected as URD's presidential candidate (with the opportunistic hope of becoming the president succeeding Larrazábal.)

Larrazábal accepted the candidacy only one month before the elections. He also received the support of the PCV, and for this reason COPEI felt obligated to nominate its own "middle of the road" candidate, Rafael Caldera.

On December 6, 1958 the three presidential candidates met to sign a Declaration of Principles, renewing their parties' pledge to support the election victor and subsequent coalition government.

The election results conformed to AD expectations ("Salga sapo o salga rana, Betancourt es el que gana"—slogan of the "muchachos"):  

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Votes</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Betancourt</td>
<td>1,284,092</td>
<td>49%</td>
</tr>
<tr>
<td>Larrazábal</td>
<td>903,479</td>
<td>35%</td>
</tr>
<tr>
<td>Caldera</td>
<td>423,262</td>
<td>16%</td>
</tr>
</tbody>
</table>

The congressional election results were:

<table>
<thead>
<tr>
<th>Party</th>
<th>Senate</th>
<th>Chamber of Deputies</th>
</tr>
</thead>
<tbody>
<tr>
<td>AD</td>
<td>32</td>
<td>73</td>
</tr>
<tr>
<td>URD</td>
<td>11</td>
<td>33</td>
</tr>
<tr>
<td>COPEI</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>PCV</td>
<td>2</td>
<td>7</td>
</tr>
</tbody>
</table>

In Caracas, Betancourt's victory provoked two days of rioting by supporters of Larrazábal. According to Rangel, the Federation of Chambers of Commerce (FEDECAMARAS) panicked at the prospect of another insurrection and arranged for various leaders to appear on television in order to calm down the masses. (URD leaders
did not participate.) The military was also persuaded not to intervene in favor of Larrazábal.33

THE BETANCOURT ADMINISTRATION:

President Betancourt made his inaugural address before the National Congress on February 13, 1959. During the course of the speech he lauded the university students' role in the democratic revolution:

"El estudiantado de las Universidades de la República ocupó siempre los lugares de mayor riesgo, con alardos y hermosa decisión juvenil, cuando se vislumbraron, o se concretaron, peligros de retroceso en la evolución del país hacia la constitucionalidad."34

Although the PCV had requested participation in the "National Unity" cabinet, Betancourt was determined to exclude the communists from participation in his administration. His announcement to this effect in the inaugural speech provoked overt communist opposition to the AD-coalition government, which was declared on the same day of Betancourt's inauguration, and later published in "El Nacional" on February 14, 1959:

"With regard to the anti-Communist aggression contained in the Message directed by President Betancourt to the nation today, the Communist Party declares the following:

"...The enemies of democracy are not to be found in our ranks...The source which nourishes 'coup d'etatism' is the great foreign monopolies which have always generated dictatorships for the benefit of their own shady interests and privileges, both economic and political.

"...Our Party has fought loyally and with firmness for the victory of a constitutional regime. It is grossly ironic that the first act of the constitutional president is an aggression against those of us who have fought for the constitutional regime."
"...This anti-unity, opportunist position...does not conform to any Venezuelan motive, but has as its objective the courting of favor in ruling circles and those of North American monopolistic consortiums, which have no place in our internal affairs and our sovereignty as an independent country.

"...Nor are we sure either that President Betancourt is authorized to attack us in the name of the URD, Copei parties or even of his own AD party. We say this because until today we have not been attacked--since January 23 (1958)--by the leaders of those parties.

"...Finally, the Political Bureau of the Communist Party points out the misfortune which might result from a government that begins by breaking the unity achieved in the long struggles of our people, weakening the front of resistance against coup d'etatism. The anti-Communist aggression has been and will be dangerous for the stability of a constitutional government." 35

Betancourt's cabinet included two adecos (Minister of Interior Relations, Luis Augusto Dubuc, and Minister of Mines and Hydrocarbons, Juan Pablo Pérez Alfonzo); three copeyanos, three urredistas, and six independents. 36

The commencement of Betancourt's tenure in office coincided with the dramatic triumph of the Cuban Revolution. Indeed, on January 23, 1959, only twenty-two days after Fidel Castro's successful overthrow of the Batista regime, the charismatic Cuban hero was in Caracas commemorating the Venezuelan revolution of the previous year. Castro spoke to a crowd of 100,000 in Caracas, promising Venezuela Cuban aid in the struggle against reactionary forces. Promoting Latin American solidarity, he declared: "Basta ya de levantarle estatuas a Bolívar sin cumplir sus ideas...La consigna ha de ser la unidad de las Naciones." 37

The Cuban Revolution became the symbol of Latin American defiance to the pressures of United States economic domination,
while at the same time it undermined the empirical rationale supporting Betancourt's rapprochement with military, oligarchy, and foreign interests. The avoidance of a Castro-type revolution served as an impetus for the installation of a "democratic" or "indicative planning system" in Venezuela. According to Blank, the basis of the indicative planning system (referred to by its leftist opponents as oligarchic or elitist planning) is the belief that:

"...public policy should result from a technically based, institutionalized negotiation or dialogue between the national executive and the representatives of the various concrete economic interest associations."\(^{38}\)

Furthermore,

"In return for supporting the elected governments since 1958, the private-sector economic elite has insisted that government administration be separated from partisan politics."\(^{39}\)

The resultant discrepancy between party doctrine and government actions gave rise to the inner-party factionalism that manifested itself in 1960.

In fact, Betancourt has been accused of "de-industrializing" Venezuela, at least from the nationalistic point of view. Pérez-Jiménez's petrochemical project began in 1957 with a small oil distillation plant in Morón. The second stage of the project was to be a larger refinery processing 60,000 barrels of oil a day, accompanied by a plant producing petroleum derivatives such as plastics and synthetic rubber. The Betancourt Government abandoned Stage 2 of the project, letting the distilling plant continue processing its insignificant 1800 barrels a day.\(^{40}\)
Subsequently, Mobil Oil Co. built a large refinery near the petrochemical site, and another company (of the Standard Oil group) installed a petrochemical plant on Trinidad where its oil refineries were located. The Venezuelan Government then made a deal to purchase petrochemical products from the Trinidad-established plant.41

As Minister of Mines and Hydrocarbons Pérez Alfonzo said in a speech to the College of Engineers at the end of 1959:

"no veía la necesidad de que el Estado construyera refinerías dado que el país estaba convenientemente abastecido de derivados del petróleo por las compañías extranjeras."42

In February and April of 1959 the oil trusts unilaterally lowered the price of crude oil from Venezuela and the Middle East, while the subsidiaries of the trusts raised the prices of gasoline and other derivatives. To counteract such arbitrary policy-making, Pérez Alfonzo participated in the founding of the Organization of Petroleum Exporting Countries (OPEC) in September, 1960. The member-nations (including Iraq, Iran, Kuwait, and Saudi Arabia) agreed to defend their right to assign fair and stable prices to their petroleum, and they also resolved not to cooperate with any oil company that might try to effect a reprisal against one or more of the OPEC members.43

Positive measures were also effected regarding social welfare: as during the trienio, the Betancourt Government made immense strides in improving the education and health facilities of the Venezuelans. To this end, the budgets of both programs were doubled.44
FOUR-YEAR PLAN

On April 29, 1960 Betancourt presented his Four-Year Plan ("Plan Cuatrienal") before the Venezuelan Legislature. The AD pledge of no more oil concessions was reaffirmed, along with the promise to establish a State-run oil company. Similarly, Betancourt promised no new concessions to private iron companies.

While on the one hand he guaranteed the continuation of the Instituto Venezolano de Siderurgia as an exclusively National company which should grow unlimitedly "en medida de sus éxitos", he later provided a rationale for encouraging foreign expansion in that industry:

"Por otra parte, la explotación y proceso del mineral, exclusivamente por el Estado, lo llevaría a desatender a otros sectores de inversión pública, o a reducir el ritmo de explotación de esos recursos. Por esto la Nación adoptará fórmulas que tiendan a incrementar el procesamiento del mineral de hierro en Venezuela.

"Tales fórmulas implican la aportación por el Estado de minerales provenientes de sus reservas y de energía eléctrica, bajo su directo control, mediante arreglos especiales que signifiquen una participación adecuada para la Nación."^46

For similar financial reasons:

"...el Gobierno considera que el desarrollo de la química del petróleo venezolano debe extenderse del ámbito del Instituto Venezolano de Petroquímica, mediante el establecimiento de nuevas Plantas por la iniciativa privada, con o sin la participación del Estado..."^47

The Four-Year Plan provided a budget of Bs. 440,000,000 per year for credits to be issued by the Banco Agrícola y Pecuario in accordance with the new Agrarian Reform Law promulgated on March 5, 1960.48
The 1960 Agrarian Reform Law was similar to those of the Gallegos and Medina administrations. Its purpose, as before, would be to provide land to the 80% of the Venezuelan peasants who work on an average of three hectares of land without owning it. By breaking up the unproductive latifundio system, the Government hoped to overcome the 1.25 million metric tons food deficit facing the country annually (in addition to the one half million metric ton deficit of livestock feed.)

AD peasant leader Ramón Quijada characterized the new law as:

"...una Ley moderada, producto de las circunstanías especiales que caracterizan el momento político que atraviese el país. Es el producto de un esfuerzo plausible, de buena voluntad, realizado por diversos y disímiles sectores sociales, empeñados en transformar la situación del campo y de mejorar las condiciones de vida de las masas rurales, sin afectar sensiblemente determinados intereses creados."

Indeed, the law was drawn up by representatives of all political parties, including the PCV. The law was such that it could be oriented in one or all of three directions: 1) colonization of new areas; 2) "reforma agrícola" in favor of the creation of a capitalist agricultural bourgeoisie; and 3) a true agrarian reform entailing the break-up of latifundios, giving the peasants ownership of the land on which they work. Peasant leaders agreed it was up to the peasant organizations to exert influence in government in order to insure the realization of number (3).
In January, 1947 Domingo Alberto Rangel wrote an article entitled "Explicación Histórica de la Revolución Venezolana" in which he stated:

"Para Venezuela, y en general para la América Latina, no ha llegado la hora del socialismo porque todavía no se han agotado las posibilidades de la democracia."^1

For Venezuela, the lifting of the yoke of caudillism and the effecting of universal suffrage were revolutionary in themselves. However, "...toda obra política que no se complemente con innovaciones económicas será estéril como ensayo de progreso." Rangel went on to illustrate the economic innovations introduced during the AD trienio, concluding with the conviction that:

"...los hombres que comandan la revolución venezolana han querido instaurar una etapa democrática, pero sin copiar los patrones europeos...Ahora la revolución democrática...ha de realizarse por el proletariado y las clases medias conforme a normas materialistas...De la democracia iremos al socialismo que habrá de realizarse también de acuerdo con nuestra vocación nacional y con elementos extraídos de nuestra intransferible realidad económica."^2

THE MOVIMIENTO DE IZQUIERDA REVOLUCIONARIA (MIR)

At the tenth AD National Convention in August, 1959, the ARS faction of the party was able to acquire a majority position on the Comité Ejecutivo Nacional (CEN), since many Old Guard adecos were now occupied in the national coalition government. The leftists did not object to the election of arista Paz Galárraga as Secretary-General. However, they were strongly opposed to Raúl Leoni's promotion to AD President (thus making him the most likely
candidate for the 1963 national presidential elections.\textsuperscript{3}

Even before the Convention the AD leftists maintained they were the victims of slanderous defamation by party leaders on both the regional and national level, who accused them of being "communists" and undemocratic.\textsuperscript{4}

After the Convention, this anti-leftist campaign intensified as leftist leaders Domingo Alberto Rangel, Héctor Pérez Marciano, Rafael José Muñoz, and Américo Martín began to publicly voice their criticisms of "official" AD and government policies. In a public speech on January 21, 1960 Betancourt referred to the leftists as "cabezas calientes" who were creating difficulties for democratic stability. And during the Comité Directivo Nacional meeting held a few days later, Betancourt unsuccessfully proposed that Rangel should appear before the Tribunal Disciplinario Nacional, and that other leftists, especially those on the Buró Juvenil Nacional, should be suspended from the party.\textsuperscript{5}

In January, 1960 Rangel was assigned to be an advisor during contract negotiations between FEDEPETRO (the oil workers' union) and the oil companies. According to Martz, Rangel had agreed with the terms of the contract during the AD Buró Político meeting, but later in February wrote a newspaper article criticizing the companies and stating: "non-party" views. This action was construed as a breach of party discipline and the CEN ordered Rangel to appear before the Tribunal Disciplinario.\textsuperscript{6}

In March, Américo Martín also incurred the wrath of the CEN when he published articles criticizing AD allies APRA of Peru, José
Figueres of Costa Rica, and Luis Muñoz Marín of Puerto Rico. On March 29, the GEN suspended the eleven leaders of AD's Buro Juvénil Nacional with the objective of impeding the convocation of the "Pleno Nacional de la Juventud de AD" which was scheduled for April 8 in Maracaibo. The rationale for the suspension was the public protest the youth leaders made regarding GEN disciplinary sanctions against Rangel and América Martín.7

The leftists accused the ARS-dominated CEN of applying disciplinary sanctions in an attempt to have the AD leftists expelled from the party, and thus consolidate ARS power. They also accused the CEN of violating Article 10 of the party statutes by refusing to take the matter before a National Convention.8

The leftists insisted that the problem was not one of discipline but of ideology. They maintained they did not instigate the division in the party, but rather were being persecuted because they upheld the orthodoxy of AD doctrine. The Old Guard leaders collaborated in the expulsion of the radical wing of the party because the presence of the latter was an obstacle to conserving big business leaders' and senior military officers' confidence in the coalition government.9

The CEN was also accused of using a double standard: in an article concerning the layoff of petroleum workers, AD Secretary-General Jesús Paz Galárraga affirmed that the State was an associate of the oil companies, insinuating that future salary increases for petroleum workers would be detrimental to the oil revenue received by the State. This anti-labor position was accepted as
though it were in accordance with AD doctrine, and rationalized as a "paso táctico". Meanwhile the leftists were sent to the Disciplinary Tribunal and labelled as communists.\(^\text{10}\)

Denying the label of communist, the leftists defended their ideology as "enraizada en la doctrina nacional-revolucionaria que dio razón de ser a Acción Democrática..." They condemned the wave of "professional anti-communism" that has saturated the political atmosphere of all Latin America and which was being utilized as an "ignoble instrument" in the internal struggles of AD;\(^\text{11}\)

"En Venezuela esa campaña ha impedido el acceso de grandes sectores de la juventud a las filas del Partido, pues nuestro pueblo, sin ser afecto al comunismo, siente respeto no sólo por la conducta digna de los dirigentes comunistas durante el decenio dictatorial, sino también porque el anticommunismo fue el lenguaje cotidiano de la Dictadura cuando pretendía justificar cualquier atropello contra las libertades públicas y contra los intereses del país, y es el idioma favorito de todas las demás dictaduras americanas y de los gobiernos y monopolios que controlan nuestra riqueza y desarrollo y se oponen a nuestra liberación nacional."\(^\text{12}\)

The Pleno Juvenil was held as scheduled, despite prohibition by the CEN. The emotional public meeting was highlighted by speeches by Américo Martín, Gumersindo Rodríguez, Simón Sáez Mérida, and climaxed by the impassioned oratory of Domingo Alberto Rangel. The creation of a separate national revolutionary party was proposed, which was later ratified on April 12 following the official expulsion of sixteen leftist AD leaders. (Rangel and Américo Martín had refused to even appear before the Disciplinary Tribunal.)\(^\text{13}\)

On the evening of the 12th, Domingo Alberto Rangel became Secretary-General of the AD de Izquierda which was to change its
name the following month to Movimiento de Izquierda Revolucionaria (MIR). Subsequently AD was to lose 80% of its youth movement to the new party.\textsuperscript{14}

On April 9, 1960, before the official founding of MIR, the leftist adecos published an extensive "Documento de los Jóvenes de AD" in the Caracas paper "La Esfera" in which they explained their position in the current crisis confronting AD. The document was signed by over 100 leftist and youth leaders.

The Betancourt Government was criticized for its attitude towards the popular masses. Indeed, "El compañero Betancourt está revelando una alergia casi incurable hacia las masas, y la sola palabra pronunciada por un acciondemocratista lo enferma." The leftists felt the masses should be called on to support the government, providing solidarity in the face of attempted reactionary coups. They criticized Betancourt for dealing severely against peasants who attempted to take possession of land not officially theirs (although some attempted to occupy land originally granted them during the trienio), while on the other hand the government tolerated the "economic blackmail" exerted by certain business sectors. Likewise, potential "golpistas" were merely sent out of the country on official missions.\textsuperscript{15}

Regarding international relations, the future MIR called for closer and more cordial contact with Cuba:

"No hemos solicitado la copia al carbón del proceso cubano, sino la asimilación de algunas de sus enseñanzas y la decidida actitud de defenderlo, porque constituye hoy por hoy la mejor esperanza de la liberación nacional latinoamericana."\textsuperscript{16}

In addition, the leftists defended the establishment of diplomatic
and commercial relations with the Soviet Union, China, and other nations of the "Socialist World".

Again, emphasizing the necessity of serving the masses and consolidating their support, the leftists accused the National Direction of AD of employing the party tenet of polyclassism as a means of effecting "capitulación ideológica". The government was accused of imprudently postponing social reforms while currying the favor of the financial oligarchy.\(^{17}\)

Regarding economic policy: it was the duty of AD, as the axis of the coalition government, to defend the Venezuelan economy from the offensives of international trusts. At the end of 1959 the government Oficina de Coordinación y Planificación (CORDIPLAN) submitted to the AD Buro Político a document proposing the denationalization of the steel and petrochemical industries and requesting the support of the party. The leftist adecos responded: "Frente a ese documento reaccionamos casi con violencia y expresamos nuestra irreductible oposición." The party rejected the CORDIPLAN project, but its fate was still unknown at the time of the article's publication.\(^{18}\)

The leftists were equally adament concerning the government's controversial plan of granting an aluminum concession to Reynold International:

"Sobre este caso tenemos una posición muy clara. Y no por puro afán patriótico, sino por correcto espíritu acciondemocratista. Nuestro Partido en su tesis sindical ha defendido la idea de que las industrias básicas pertenezcan al Estado, porque la propiedad estatal es clave para pasar a una forma de sociedad en que vayan desapareciendo gradualmente las contradicciones sociales del sistema capitalista. Entregar el aluminio sería tanto como..."
repetir lo ocurrido con el petróleo y el hierro, cuyo saldo histórico conocemos de sobra. 19

The leftists went on to criticize the government's handling of the fiscal crisis resulting from the exodus of foreign and domestic capital. They also criticized various organs of the party's direction for disdaining a plan submitted by a leftist AD economist, which could have prevented the lopsided balance of payments, aggravated by the Betancourt Government's deficit spending, that eventually led to the government's need to contract a loan from a New York bank.

The Four-Year Plan was criticized for allocating an insufficient Bs. 100,000,000 for industrialization, thus making it mandatory to either solicit foreign capital or effect a decline in development due to lack of financial backing. 20

The recently promulgated Agrarian Reform Law was deemed adequate providing the government was prepared to energetically confront those interests opposing the transformation of the rural sector of society. However, the leftists expressed their doubts by criticizing the government for using eviction to solve certain peasant-landholder disputes when other means were available for arriving at a solution. 21

The "Documento..." concludes with a reaffirmation of Acción Democrática's democratic revolutionary doctrine and an entreaty for its vigilance:

"...No podíamos guardar silencio más tiempo. En el país y en el Partido se impone proceder de este modo para contribuir a despertar las conciencias y a enderezar los rumbos...el país camina hacia nuevas formas de sojuzgamiento exterior y el Gobierno estimula la creación de
una poderosa oligarquía que terminará señorando nuestra economía... "Por decir y sostener todas estas cosas se nos ha perseguido, se nos ha acusado falsamente y ahora se nos pretende expulsar del Partido. Allí está la razón de nuestras discrepancias. Allí está la razón de las medidas disciplinarias que repudiamos energicamente..."22

MIR's defection from AD, and, as a consequence, from the coalition government, resulted in increased harassment for its leaders. In June, 1960 police raided Deputy D.A. Rangel’s house and in the same month arrested Deputy Jesús María Casal, also of MIR.23

On September 7, 1960 URD announced that in November it would also withdraw from the coalition government, claiming it was not fairly represented in the coalition, and urging less cooperation with the United States and stronger support for Cuba. Minister of Exterior Relations Ignacio Luis Arcaya was the first urredista to resign, after he refused to sign the "Declaración de San José" which condemned Cuba at the VII Foreign Ministers' Conference in Costa Rica.24

In October, 1960 the headquarters of several opposition newspapers, including those of URD and the PCV were ransacked. In November, Gustavo Machado accused Betancourt before the Supreme Court of unconstitutionally ordering the temporary occupation of the PCV newspaper "Tribuna Popular". However the charges were thrown out due to lack of documentary proof.25

Press censorship was voluntarily accepted by the Asociación Venezolana de Periodistas in May, 1959, on behalf of defending the Betancourt regime against Pérez Jiménez reactionaries who
would discredit the democratic government. However, after the Cuban expropriation of United States property, an anti-Cuban campaign was initiated in Washington, D.C., and pro-Cuban periodicals were banned in Venezuela. The Venezuelan press was instructed to print no favorable news concerning Cuba and they were urged to join the anti-Communist propagandists. (Only 'El Nacional' refused to succumb to government pressure.) This formal censorship initially applied to news articles only, but was later extended to editorials and paid advertisements. News coverage of street violence, labor strikes, guerrilla activities, and criticisms by opposition politicians, union and student leaders were also eventually prohibited. Radio broadcasts were also subjected to similar censorship.

DEFECTION OF ARS

In December, 1961 the ARS faction of AD fulfilled the leftists' prophesy by attempting to take over complete control of the party. In violation of party statutes, the ARS-dominated CEN intervened in the Sectional Conventions which selected the state delegates to the party's XII National Convention.

The Old Guard convoked the Comité Directivo Nacional (CDN) whose authority was superior to that of the CEN. They still maintained a majority on the CDN and succeeded in blocking ARS intervention in the last two Sectional Conventions to be held, by a vote of 63 to 56. ARS maintained that only their 56 votes were legitimate, and consequently, on January 12, 1962 two National Conventions were held, marking the definitive destruction of AD's
The regular convention, with 567 delegates, was headed by Raúl Leoni and it officially expelled the arsistas; while arsista Raúl Ramos Giménez led the AD-Opposition Convention, with 373 delegates, which in turn "officially expelled" the non-arsista adecos. 28

The Old Guard adecos maintained the split was motivated by personal ambitions and was not ideological at all. However, ARS accused the Old Guard of failing to live up to AD revolutionary doctrine. Ramos Giménez is quoted as saying:

"Sólo sabemos que el señor Presidente quiere terminar su período constitucional y entregar los símbolos del mando a otro venezolano electo por el pueblo. Es una legítima aspiración que toda Venezuela respalda, pero no puede constituir la única ni la máxima aspiración de un país que en sus sectores obreros y campesinos espera realizaciones mucho más concretas y profundas." 29

In addition to Federación Campesina de Venezuela president Ramón Quijada, the ARS defectors included key union leaders, thus undermining much of AD's labor support. ARS joined the opposition coalition in the Chamber of Deputies, leaving the AD-COPEI coalition with only fifty-five seats out of 133, while AD barely maintained a majority in the Senate with 27 out of 51 seats. 30

A major "bone of contention" between the two factions in Congress was the repeated suspension of Constitutional guarantees during the Betancourt regime. Indeed, from February 13, 1959 to January 3, 1963 the Constitutional guarantees were suspended a total of 761 out of 1421 days. 31

The causes for the suspensions included PCV-inspired street demonstrations by unemployed workers, high school and university
student bus burnings and police confrontations in pro-Cuba manifestations, and an attempt to assassinate Betancourt on June 24, 1960 by agents of Dominican Republic dictator Rafael Trujillo. Besides the latter event, the most dramatic event prompting the renewal of Constitutional suspensions was the Naval and Marine Corps rebellion at Carúpano on May 4, 1962. PCV Deputy Eloy Torres was caught with a group of sailors while attempting to escape from the Carúpano garrison in the wake of the insurrection's failure. In a subsequent congressional debate, both PCV and MIR deputies acknowledged their parties' participation in the unsuccessful revolt.32

On May 9, 1962 Betancourt issued Decree No. 752, countersigned by his cabinet members, which suspended the PCV and MIR, prohibited all their activities, and ordered the seizure of their headquarters, archives, and other property. One month later another Naval and Marine Corps uprising took place at Puerto Cabello. This relatively violent revolt was also suppressed, and mirista Simón Sáez Mérida was among the captured prisoners.33

There followed an intensification of guerrilla activity, which had begun on a small scale in the west Andean states in April, 1962. The "Fuerzas Armadas de Liberación Nacional" (FALN) were officially formed at the end of 1962, with its political organ, the "Frente de Liberación Nacional" (FLN). In addition to the PCV and MIR, more than 100 military officers belonged to the FALN. URD deputy Fabricio Ojeda (ex-President of the Junta Patriótica which fought Pérez Jiménez) resigned from Congress in July, 1962 and assumed
command of the guerrilla group "José Leonardo Chirinos." In the cities, Unidades Tácticas de Combate (UTC) were formed to lead the offensive against United States businesses, government police, and other representatives of the foreign economic-Betancourt alliance.34

According to FALN apologist Manuel Cabieses Donoso, FALN fought "violence with violence". He accuses Betancourt of falsely attributing bank robberies and similar gangster violence to FALN activists. Likewise, he maintains that the government's discovery in November, 1963 of a three-ton cache of "Cuban-supplied arms" was a fabrication of the foreign press. According to Cabieses, most of the guerrillas' arms were captured from government forces, including many during the Carupano and Puerto Cabello uprisings.35

Betancourt diplomatically played the military against the FALN, and in September, 1963, under military influence, he had hundreds of leftist extremists arrested, while the army fought the FALN in the streets. MIR and PCV senators and deputies lost their congressional immunity and were also arrested.36

1963 ELECTIONS

On July 2, 1963 AD held its XIII National Convention to select the party's candidate for the December 1 presidential elections. Betancourt wanted the Convention to choose a slate of five or six names, from which the CEN would choose one candidate in conference with COPEI leaders. For the first time, the supreme AD leader's wishes were contradicted, and the Convention opted to choose one candidate. Without even consulting COPEI, Raúl Leoni (whom COPEI
considered unacceptable as a coalition candidate) was elected.\(^{37}\)

In effect, COPEI felt it deserved to have Rafael Caldera chosen as the coalition candidate, in reward for five years' cooperation with AD in the coalition government. However, AD was determined to prove it could still win an election in spite of the debilitating divisions it had endured. Thus, on August 23, COPEI unanimously proclaimed Caldera the party's presidential candidate, and the AD-COPEI coalition was dissolved.\(^{38}\)

The opposition was unable to come up with a united front candidate. Consequently, Jóvito Villalba was chosen to represent URD; AD-ARS nominated Raúl Ramos Giménez; Ramón Quijada withdrew from ARS and he and his supporters backed Senator Arturo Uslar Pietri (formerly President Medina's principal advisor) who ran as the candidate of the Independientes por un Frente Nacional (IPFN); and the "one-man" Frente Democrático Popular (FDP) of ex-mirista Jorge Dager nominated Wolfgang Larrazábal.\(^{39}\)

AD's campaign platform relied heavily on the party's past achievements, such as universal suffrage, educational advances, and the eradication of malaria. It emphasized the continued consolidation of the democratic system, opposing the "totalitarianism imposed upon the Cuban people". AD was committed to State capitalism and the creation of jobs. The agrarian reform would continue and be extended. Reliance on foreign industry would be reduced. The party also promised to construct 375,000 homes to alleviate the estimated deficit of 700,000.\(^{40}\)

COPEI's platform was similar to that of AD. Just as AD had begun a swing to the right, so did COPEI begin a leftward trend,
influenced by Pope John XXIII in the late 1950's and by the experience of young COPEI leaders who observed Christian Democratic parties in West Germany, Italy, and France. In addition, the party's coalition with AD enabled COPEI to make large inroads into the rural electorate (which now constituted less than one third of the total population). Copeyano Giménez Landínez was Minister of Agriculture and by the end of 1963 COPEI had the support of one third of the Federación Campesina de Venezuela.41 The party took credit for the popular accomplishments by the coalition government, while disassociating itself from the less popular deeds.

URD promised an expanded social security system, more and improved education and health facilities, increased industrialization with more employment, an improved agrarian reform, and amnesty with the FLN. AD-ARS pledged to work for Venezuelan food for everyone, free books for students, and 750,000 new jobs for workers.42

Although the FALN called for a curfew on the election day, 91.3% of the registered voters turned out at the polls. Significantly, AD only received 16.3% of the Caracas vote, but due to its continued support in the interior, the party succeeded in staying in power by obtaining 957,699 of the total votes (33%). The other candidates received the following:

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Votes</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caldera (COPEI)</td>
<td>589,372</td>
<td>20%</td>
</tr>
<tr>
<td>Uslar Pietri (IPFN)</td>
<td>551,120</td>
<td>19%</td>
</tr>
<tr>
<td>Villalba (URD)</td>
<td>469,240</td>
<td>16%</td>
</tr>
<tr>
<td>Larrazábal (FDE)</td>
<td>275,304</td>
<td>10%</td>
</tr>
<tr>
<td>Ramos Giménez (ARS)</td>
<td>66,837</td>
<td>2%</td>
</tr>
</tbody>
</table>

The distribution in Congress was as follows:

<table>
<thead>
<tr>
<th>Party</th>
<th>Senate</th>
<th>Chamber of Deputies</th>
</tr>
</thead>
<tbody>
<tr>
<td>AD</td>
<td>21</td>
<td>64</td>
</tr>
<tr>
<td>COPEI</td>
<td>9</td>
<td>40</td>
</tr>
<tr>
<td>URD</td>
<td>6</td>
<td>27</td>
</tr>
</tbody>
</table>
Thus on March 11, 1964 Rómulo Betancourt finally fulfilled his ambition to be Venezuela's first democratically elected president to transfer power to a legitimate successor.* By the fall of 1964, URD (minus its recently expelled left wing) and Uslar Pietri's new formal party, Frente Nacional Democrático, joined AD to form a three-party coalition government.44

MOVIMIENTO ELECTORAL DEL PUEBLO (MEP)

In 1966 former political adversaries Domingo Alberto Rangel and Raúl Ramos Giménez and their respective followings united to form the Partido Revolucionario de Integración Nacional (PRIN). The party aspired to become the nucleus of a broad-based leftist coalition, but by 1968 it had become incorporated as a left-wing faction within the latest AD dissident faction-turned party: the Movimiento Electoral del Pueblo (MEP).45

According to Blank, Venezuela was apparently warned by the World Bank in the mid-1960's not to raise petroleum taxes, due to the country's "unfavorable competitive position in the world market". Instead, the Alliance for Progress Committee of Nine encouraged the Venezuelan Government to propose legislation raising domestic taxes.46

This coincided in part with a reform of the income tax system

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* See Appendix II for a discussion of the repercussions of the December 1 elections on the revolutionary movement.
envisioned by AD liberals, headed by party President Luis B. Prieto F. and Secretary-General Jesús Paz Galarraga. While President Leoni continued Betancourt's policy of cultivating the support of the growing urban sector, especially the private business community, Prieto F. and Paz Galarraga strove to reenforce AD rapport with popular sectors of society and thus reverse the decline in party popularity demonstrated in the 1963 elections.47

In 1966 the AD liberals drafted several reform measures effecting education, the regulation of prices, control of land speculation, and the income tax system. The opposition parties boycotted the special session of Congress scheduled for July, 1966 to consider the proposed tax reform. The business community, represented by FEDECAMARAS, spent $500,000 on a publicity campaign against any tax reform whatsoever. To calm the situation, the 1966 AD National Convention replaced Paz Galarraga with Minister of Interior Relations Gonzalo Barrios as Secretary-General, and in late 1966 a moderate version of the tax legislation was passed by Congress.48

In 1967 the internal party conflict over reform measures developed into a crisis over the party's presidential nomination for the 1968 national elections. In July, 1967 for the first time in AD history, the party labor bureau divided. José González Navarro, President of the Confederación de Trabajadores de Venezuela (CTV) announced his support for Prieto F. CTV Secretary-General Augusto Malavé Villalba then proclaimed his support for Barrios. From his self-imposed Swiss exile Betancourt adamantly opposed Prieto's candidacy. However, an inner-party primary on September 24, 1967 gave Prieto a majority of the votes. In late October the
party officially split, and in December the Paz Galárraga-Prieto F. faction formed the Movimiento Electoral del Pueblo (MEP). 49

During the 1968 campaign AD harassed MEP leaders and rallies in an attempt to stifle the breakaway faction. However, MEP was able to attract 19% of the total votes, thus contributing to AD's first electoral defeat. The elections results were:

Rafael Caldera (COPEI) 1,083,712 29%
Gonzalo Barrios (AD) 1,050,806 28%
Miguel Angel Burelli Rivas 50 826,758 22%
Luis B. Prieto F. (MEP) 51 719,461 19%

The Congressional results were:

<table>
<thead>
<tr>
<th>Party</th>
<th>Senate</th>
<th>Chamber of Deputies</th>
</tr>
</thead>
<tbody>
<tr>
<td>AD</td>
<td>19</td>
<td>63</td>
</tr>
<tr>
<td>COPEI</td>
<td>16</td>
<td>59</td>
</tr>
<tr>
<td>MEP</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>CCN</td>
<td>4</td>
<td>21</td>
</tr>
<tr>
<td>URD</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>FDP</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>FND</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>PRIN</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>PCV (UPA)</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

Thus for the first time in Venezuelan history a constitutionally-elected president relinquished his power to the successful candidate of an opposition party. AD was not to be consoled by this momentous event, and to "add insult to injury", the perez-jimenista Cruzada Cívica Nacionalista (CCN) obtained 26% of the Metropolitan Caracas legislative votes, thus electing former dictator Pérez Jiménez as Senator from the Federal District. 53
In 1968 President Leoni had most of the imprisoned PCV leaders released and allowed them to form a front party, the Unión para Avanzar (UPA), which participated in the 1968 elections, receiving 100,000 legislative votes.¹

Simón Sáez Mérida and other imprisoned MIR leaders were also released during the 1968 amnesty.² MIR was still the fidelista party, but after his release Sáez Mérida called for the end of violence. In January, 1968 MIR formed a coalition with the PCV to win the Central University student elections with nearly 60% of the vote. However they received less than 5% of the votes in the December, 1968 general elections.³

By 1970, Paz Galárraga had replaced the aging Prieto F. as MEP leader, and MEP formed a "new force" coalition with URD and the PCV. This leftist trend provoked the defection of some of the party's conservative leaders, such as former CTV president José González Navarro.⁴

The PCV underwent an internal division also. In December, 1970 an anti-soviet faction led by Teodoro Petkoff and Pompeyo Márquez established the Movimiento al Socialismo (MAS). Supported by 80% of the Juventud Comunista, by 1972 MAS had replaced the PCV as the dominant political force among the Central University students.⁵

1973 ELECTIONS

According to D.A. Rangel, "En Acción Democrática las derrotas han sido el forceps de la degeneración ideológica." Rangel, in his book analysing the 1973 presidential elections, purports that AD's
defeat in 1968 accelerated the party's evolution to the right. In its attempt to cultivate the financial oligarchy's support, AD displaced COPEI as the conservative party. From Rangel's viewpoint: "AD ya no es el partido utilizado por la clase dirigente. Es la clase dirigente en función pública." 6

When AD lost power, many former administrators went to work as advisors for large companies, or they founded their own businesses. Among those who worked for "big business" were former revolutionaries Gumersindo Rodríguez ("el arrepentido profeta de la insurrección popular") and Juan Manuel Sucre Trías. Rodríguez and Sucre Trías were also on AD's Comisión Nacional Electoral during the presidential campaign of former Betancourt protegé Carlos Andrés Pérez for the 1973 elections. In effect, Rodríguez and other rehabilitated revolutionaries Fernando Báez and Rafael José Muñoz were among Carlos Andrés Pérez's ghostwriters. 7

The 1973 election campaign holds the record for being the longest, costliest and most orderly in the country's history. Both AD and COPEI employed United States public relations firms. Rangel estimates AD's campaign expenses between 1972-1973 at Bs. 160,700,000. 8

Among the several banking groups that contributed to Carlos Andrés Pérez's campaign was the Banco de Occidente, whose principal director, Luis Jugo Amador, had been a close friend of the AD candidate's for fifteen years. Other AD supporters from the financial oligarchy included the Vollmer family (CVTV television station, plus industry), Diego Cisneros (Pepsi Cola, Venevision television
station), in addition to various construction firms that had received government contracts since 1958. Financial support also came from foreign enterprises: Exxon Corp. (petroleum), Indulac (milk), General Motors, and Bayer Chemical. 9

The results of the December 9, 1973 elections were as follows: 10

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Votes</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlos Andrés Pérez (AD)</td>
<td>2,006,214</td>
<td>48.61%</td>
</tr>
<tr>
<td>Lorenzo Fernández (COPEI)</td>
<td>1,518,385</td>
<td>36.79%</td>
</tr>
<tr>
<td>Jesús Paz Galárraga (MEP)</td>
<td>210,513</td>
<td>5.10%</td>
</tr>
<tr>
<td>José Vicente Rangel (MAS)</td>
<td>174,954</td>
<td>4.21%</td>
</tr>
<tr>
<td>Jovito Villalba (URD)</td>
<td>126,401</td>
<td>3.06%</td>
</tr>
</tbody>
</table>

Legislative:

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>AD</td>
<td>1,833,730</td>
<td>44.32%</td>
</tr>
<tr>
<td>COPEI</td>
<td>1,252,761</td>
<td>30.28%</td>
</tr>
<tr>
<td>MAS</td>
<td>216,473</td>
<td>5.23%</td>
</tr>
<tr>
<td>MEP</td>
<td>207,785</td>
<td>5.02%</td>
</tr>
<tr>
<td>CCN</td>
<td>178,089</td>
<td>4.30%</td>
</tr>
<tr>
<td>URD</td>
<td>132,780</td>
<td>3.20%</td>
</tr>
<tr>
<td>FDP</td>
<td>51,347</td>
<td>1.24%</td>
</tr>
<tr>
<td>FCV</td>
<td>49,455</td>
<td>1.19%</td>
</tr>
<tr>
<td>MIR</td>
<td>42,186</td>
<td>1.01%</td>
</tr>
</tbody>
</table>

José Vicente Rangel of the Movimiento al Socialismo (MAS), the most prominent of the leftist parties in the campaign, suffered a blow at the polls which reflected the discouragement resulting from the recent overthrow of Salvador Allende in Chile. As Rangel remarked in a newspaper interview:

"Many people here sympathized with Allende, but they saw that Allende's way was not able to build a socialist society. They were angry, of course, but the poor Venezuelans are very realistic. They understood that an Allende in Venezuela would mean a military regime here too." 11

Since AD's return to power, the government has embarked on the nationalization of its iron and petroleum industries. In an interview for the "Washington Post", government spokesmen (and former miristas) Planning Minister Gumersindo Rodríguez and Acting Minister of Mines and Hydrocarbons Fernando Báez "made it clear
that Venezuela was not seeking a confrontation with the United States or American companies over nationalization.  

In December, 1974 an amicable nationalization agreement was signed with the American-owned Orinoco Mining (U.S. Steel) and Iron Mines Co. (Bethlehem Steel Co.), whereby the companies were to be paid their net book value in bonds at 7% interest over ten years. The agreement included renewable one-year management contracts with U.S. Steel and Bethlehem Steel Co., plus a guarantee that the nationalized mines would continue to supply the two steel companies with iron ore for seven years. This agreement served as the model for the nationalization of the petroleum industry, which was effected in August, 1975.
Acción Democrática, since the days of its inception, has overcome many obstacles in its attempt to achieve and subsequently maintain its status as the principal political party in Venezuela. In the name of the "party of the people" AD has collaborated with communists, the armed forces, foreign industrialists, peasant and labor confederations, and with the Venezuelan economic elite. Like all political parties that have attained power through constitutional means, AD has had to make compromises.

Until 1958 Acción Democrática considered itself a democratic revolutionary party. In its endeavor to compromise and thereby guarantee its tenure in office, the party has ceased to be "revolutionary". Its apologists would remind AD critics of the fate of Salvador Allende's leftist government, not to mention the ill-fated AD trienio.

Those adecos who would limit the extent of AD accommodation have been forced to leave AD and establish new parties to serve as vehicles for expounding principles once considered "acciondemocratistas". However, as the 1973 election results indicate, the small leftist parties can not compete realistically with the well-financed political machines of AD and COPEI. As Domingo Alberto Rangel remarked in a letter to the author:

"...Aquí como en toda Latinoamérica o actuan los partidos burgueses o se imponen las fuerzas genuinamente revolucionarias. Si de algo estoy convencido es que las izquierdas nada tienen que hacer en los parlamentos y en las elecciones."
NOTES TO CHAPTER I

1. For example, in Carabobo in 1873, out of a population of 22,952 adult males, 3,450 were officers, including 449 generals and 627 colonels.


2. By 1898 coffee exports totaled Bs. 61,847,500 out of total exports worth Bs. 74,489,000.

Rafael Gallegos Ortiz, La Historia Política de Venezuela (de Cipriano Castro a Pérez Jiménez) (Caracas, 1960) p. 57.


Castro's refusal to pay foreign debts had made him extremely unpopular with foreign companies and their governments.


8. Petroleum Exports: 1926 = Bs. 259,000,000
1927 = 359,000,000
1928 = 545,000,000
1929 = 619,000,000

Gallegos Ortiz, "La Historia..." p. 130.

9. Consumer item imports: 1916 = Bs. 90,000,000
1926 = 358,000,000
1935 = 225,000,000

Gallegos Ortiz, p. 132.


11. All came from middle and upper-middle class families, including the Machado brothers who were to found the Venezuelan Communist Party.

13. Tamayo recited a poem to the Student Queen: "...Como me acuerdo, Reina!/ Temblando bajo sombras la amaba con angustias/ En mis venas corrieron los miedos por su vida./ ...Y un día me la raptaron./—y un día me la llevaron./ ...y el nombre de esa novia se me parece a vos:/ Llamose: Libertad!"

Luzardo, p. 20.


15. Tamayo was released after Gómez's death but he never recovered from the trauma of his prison experience.

16. Leoni was a fellow student of the "Generation of '28" who would later succeed Betancourt as President of Venezuela in 1964.


18. Barrios was AD's unsuccessful presidential candidate in 1968.


20. Luzardo, p. 231.


22. Luzardo, p. 234.

23. Escritores de Venezuela y de América (Luis Peraza), Rómulo Betancourt, Semblanza de un Político Popular (Caracas, 1948) p. 156.


27. Magallanes, p. 83.


29. On May 8, 1936 a group led by Rafael Caldera and Pedro José Lara Peña left the FEV and formed the Unión Nacional Estudiantil (UNE). The future founders of the Social Christian Democratic party COPEI dissented when the FEV proposed the
expulsion of the Jesuits from Venezuela.

Magallanes, "Partidos....", p. 97.

30. Martz, "Acción Democrática....", p. 34.


32. Presidencia de la República, p. 245.

33. Presidencia de la República, p. 240.


37. From 1858 to 1936 all males over twenty-one could vote for municipal councilmen and members of state legislative assemblies. These two, in turn, elected the national deputies and senators, respectively. The National Congress then chose the president.

In 1936 suffrage was limited to literate males over twenty-one, thus reducing the electorate to 1% of the population.

Betancourt, p. 123.


40. Martz, p. 129.


42. Martz, "Acción Democrática....", p. 130.

43. Betancourt, "Venezuela....", p. 150.

44. In spite of the government's slogan, "sembrar el petróleo", agriculture remained static and government support of school and hospital construction was the same as under Gómez. The government received only 13% on the dollar per barrel of petroleum. This sum included all royalties and taxes. (The Panama Canal Co. received 10% on the dollar from the tankers that went to the Pacific via the canal.)
The Hydrocarbons Law of 1938 increased government revenue and allowed municipalities to apply additional taxes. However, the oil companies' existing contracts were exempt from this law, and the companies refrained from requesting new concessions that would be subject to the recent legislation.

Luzardo, "Notas...", p. 83.

47. Martz, "Acción Democrática...", p. 132.
49. Escritores de Venezuela y de América (Luis Peraza), "Romulo Betancourt...", p. 113.
51. He was later criticized by National Guard Commandant, Oscar Tamayo Suárez: "The President had practically severed his connection with the Armed Forces...He attempted to relegate the Armed Institution to the function of a simple praetorian guard."

Burggraaff, "The Venezuelan Armed...", p. 55.
52. Burggraaff, p. 49.
55. Presidencia de la República, p. 308.
56. Presidencia de la República, p. 313.
57. Betancourt, "Venezuela...", p. 165.
58. Before Hitler attacked Russia, Latin American communist parties considered England and France to be fighting an imperialist war. However, with the invasion of Russia, the communist parties were instructed by Moscow to support the Latin American governments that had severed relations with Germany, even if these governments were reactionary themselves. Thus did the communists give their support to Prado Ugarteche in Peru, Getulio Vargas in Brazil, Fulgencio Batista in Cuba, and Calderón Guardia in Costa Rica. In Venezuela, their slogan was: "Con Medina contra la reacción."

Betancourt, p. 178.

60. Nevertheless, the Partido Comunista Unitario fought with Medina's army against the October 18 coup. Though anti-Medina, it was even more anti-AD.


63. Betancourt, p. 191.

In addition to the extremely high illiteracy rate in Venezuela, deplorable health conditions existed, such as those documented by a joint study of the Rockefeller Foundation and the Departamento Sanitario Nacional in 1940 which found that 90% of the Venezuelan population suffered from intestinal parasites.

The Boletín de la Oficina Sanitaria Panamericana (September, 1941) reported that out of 75,993 examinations in sixteen different locales: 51% of 5 to 14 year olds had tuberculosis; and 83.2% of the population over 14 years old had TB.

Betancourt, p. 205.

64. Betancourt, p. 192.

65. For example, in the January, 1942 elections for the Cara­cas Municipal Council, there were only 9000 voters out of a total population of 400,000.

Martz, "*Acción Democrática...*" p. 51.


67. Betancourt, "*Venezuela...*" p. 211.

NOTES TO CHAPTER II

1. Betancourt, p. 221.

2. Burggraaff, "*The Venezuelan Armed...*" p. 56.


4. As an alternative to the medinistas, the UFM rejected the lopecistas who represented the semi-illiterate corrupt generals and the landed aristocracy. The communists were considered too radical; thus AD was the only remaining major party.

Burggraaff, p. 60.
8. David E. Blank suggests that AD really opposed Biaggini's nomination because it feared that the implementation of the latter's agrarian reform might weaken peasant support for AD. Blank, "Politics...", p. 21.
15. Presidencia de la República, "Documentos...", p. 344.
17. Burggraaff, "The Venezuelan Armed...", p. 82.
22. Martz, p. 65.
24. Villalba, himself, had supported Medina in 1941 and had been elected to the Senate as a member of the PDV. Kolb, "Democracy...", p. 22.
25. The PRP was known as the Black Communists because of the color used to represent it for illiterates at election time. The Partido Comunista Venezolano (PCV) was known as the Red Communists for the same reason. Alexander, "The Communist...", p. 15.
29. Lieuwen, p. 77.

Communist economist Salvador de la Plaza criticized the "convenio secreto 50-50" for considering royalties as taxes, maintaining they should not be included in the calculation of government oil revenue or "participación de beneficios".

Salvador de la Plaza, Desarrollo Económico e Industrias Básicas (Caracas, 1962) p. 100.

32. Lieuwen, Venezuela, p. 78.
34. Betancourt, p. 282.
40. Cabieses, Venezuela, Okey!, p. 92.
41. Betancourt, "Venezuela...", p. 481.
42. Betancourt, p. 485.
43. Presidencia de la Republica, "Documentos...", p. 370.
44. Betancourt, "Venezuela...", p. 387.
45. Betancourt, p. 293.
46. Betancourt, p. 484.
47. Romulo Betancourt, Trayectoria Democrática de una Revolución (Caracas, 1948) p. 95.
After the 1948 coup, the IBEC expanded its activities inside Venezuela: the Compañía Anónima Distribuidora de Alimentos (CADA) established the first of a chain of supermarkets in Maracaibo in 1949; also in 1949 IBEC bought Industrias Lácteas de Carabobo (INLACA) which dominated the dairy market and also controlled Industrias Lácteas de Perijá (ILAPEC) which markets several brands of powdered milk.

Later on, in 1960 IBEC and another Rockefeller company, Arbor Acres, and a "symbolic participation of Venezuelan capitalists" founded Desarrollo Avícola C.A. (DEACA) which produces fertile eggs. The Rockefeller group also exercises control over poultry farms and poultry feed factories; a fish cannery and fishmeal factory.

In 1959 IBEC, in association with the American firm Rollins, Burdick and Hunter, formed the insurance company Rolibeck Consultores de Seguros C.A., whose business included management of the insurance that the Venezuelan Government was obliged to provide to guarantee American private investments.

Rockefeller also owned Industrias Integradas S.A. (INSA), an assembly plant for domestic appliances and manufacturer of auto parts.

To complete the picture, the Chase Manhattan Bank (directed by David Rockefeller) was the most powerful in Venezuela, and in November, 1961 it acquired controlling interest of the Banco Mercantil y Agrícola.

All in all, the Rockefeller group of companies in Venezuela reaped more than $600,000,000 in profits yearly (as compared to the $400,000,000 rendered by the other foreign companies combined.)
57. Lieuwen, *Venezuela*, p. 75.
60. Lieuwen, p. 76.
63. Quijada, p. 37.
64. Betancourt, "Venezuela...", p. 419.
65. Quijada, "Reforma...", p. 38.
68. Betancourt, p. 433.
70. Betancourt, p. 433.
72. Burggraaff, p. 93.
73. Martz, "Acción Democrática...", p. 77.
74. Of note are future leftist leaders Domingo Alberto Rangel (Cultural Secretary) and Jorge Dager (Youth Secretary).
75. Martz, p. 78.
76. Martz, p. 80.
77. Martz, p. 78.
78. Betancourt, "Trayectoria...", p. 82.
79. Lieuwen, "Venezuela", p. 86.
80. Lieuwen, p. 86.
NOTES TO CHAPTER III

2. Burggraaff, p. 117.
3. Burggraaff, p. 211.
5. Kolb, p. 72.
Some authors attribute the large AD voter turnout to the "adejos" determination to register their disapproval of the military regime following the assassination of Leonardo Ruiz Pineda, AD Secretary-General, on October 21, 1952.

The "final results" were published on December 13:

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEI</td>
<td>788,086</td>
</tr>
<tr>
<td>URD</td>
<td>638,336</td>
</tr>
<tr>
<td>COPEI</td>
<td>300,309</td>
</tr>
<tr>
<td>Others</td>
<td>41,259</td>
</tr>
</tbody>
</table>

Burggraaff, "The Venezuelan Armed..." p. 128.

The PCV had been outlawed since May, 1950.

Kolb, "Democracy..." p. 65.

Domingo Alberto Rangel, La Revolución de las Fantasías (Caracas, 1966) p. 16.
In late 1952 Captain Wilfredo Omana, commander of the Boca de Río Air Base in Aragua State, joined the AD underground after he and some of his colleagues failed in an attempt to take over the air base.

Kolb, "Democracy..." p. 106.

Martz, "Acción Democrática..." p. 142.

Martz, p. 142.

Luzardo, "Notas..." p. 172.

Rangel, "La Revolución..." p. 21.

Rangel, p. 22.

Rangel, p. 24.

Lieuwen, Venezuela, p. 95.

Lieuwen, p. 95.

Burggraaff, "The Venezuelan Armed..." p. 131.

Lieuwen, Venezuela, p. 95.

Lieuwen, p. 97.

Rangel, "La Revolución..." p. 29.

In 1947 61,000 oil workers produced 1,400,000 barrels a day. By 1955 the work force was reduced to 36,000, but production increased to 2,225,300 barrels a day. Production per worker increased 340%, while salaries only increased by 20%.

Machado maintains the increased production was not merely due to technical advance, but also to working the men harder, at a faster pace. In addition, he claims the Pérez Jiménez regime allowed the oil companies a total of $1,366,000,000 in "extraordinary profits" in payment for their support of the government.

Eduardo Machado, Petróleo en Venezuela (Caracas; 1958) p. 53.
The dictator hastily went into exile following the January 23, 1958 revolution, leaving behind a suitcase containing over $1,000,000 in cash, plus deposit slips totalling $13,513,576. Another $200,000,000 is purportedly deposited in Pérez Jiménez's name in secret Swiss bank accounts. Kolb, "Democracy...," p. 187.

By this time, high-level leaders Andrés Eloy Blanco, Valmore Rodríguez, and Luis Troconis Guerrero had died of natural causes.

Martz, "Acción Democrática...", p. 144.

Acción Democrática, "Ratificación de Principios Teóricos y de Orientación Programática Normativos de Acción Democrática" (Caracas, 1958) p. 1.

Martz, "Acción Democrática...", p. 144.

Accion Democratica, p. 12.


Accion Democratica, p. 23.

Martz, "Acción Democrática...", p. 144.

Lieuwen, Venezuela, p. 99.


Burggraaff, p. 153.

Kolb, "Democracy...," p. 168.

Burggraaff, "The Venezuelan Armed...", p. 147.

Kolb, "Democracy...," p. 165.


Burggraaff, "The Venezuelan Armed...", p. 149.

Burggraaff, p. 149.

Burggraaff, p. 149.

Burggraaff, p. 149.

Rangel, "La Revolución...," p. 46.

Burggraaff, "The Venezuelan Armed...", p. 159.

Burggraaff, p. 158.

Rangel, "La Revolución...," p. 88.
65. Kolb, "Democracy..." p. 175.


67. Final casualties of the revolution were 300 dead, 1000 wounded. Lieuwen, Venezuela, p. 102.


NOTES TO CHAPTER IV

1. Lieuwen, Venezuela, p. 102.

2. José Rivas Rivas, El Gobierno de Rómulo Betancourt (Caracas, 1965) p. 9 (Appendix).

3. Rangel, "La Revolución..." p. 185.

4. Rangel, p. 189.

The Venezuelan public debt in millions of Bs. (Statistics of the Banco Central de Venezuela):

- 1951 = - 27.77
- 1952 = + 24.11
- 1953 = + 129.06
- 1954 = + 39.75
- 1955 = + 8.93
- 1956 = + 1040.75 (new)
- 1957 = + 1029.17 (concessions)
- 1958 = - 1553.66

Luzardo, "Notas..." p. 177.

5. Rangel, "La Revolución..." p. 191.

6. Rangel, p. 129.

7. Rangel, p. 126.

8. Rangel, p. 133.


14. It is interesting to note that the moderate weekly "Momento" referred to AD's "five key men" as Betancourt, Ramos Jiménez, Paz Galárraga, Rangel, and Sáez Mérida.

Martz, "Accion Democrática..." p. 102.
15. Rangel, "La Revolución..." p. 141.
16. Rangel, p. 139.
25. "Punto Fijo" was the name of Rafael Caldera's home in Caracas where the party leaders met on September 30, 1958. Luzardo, "Notas..." p. 188.
26. Among the propositions of the Minimum Platform were: "Una política nacionalista del petróleo y del hierro, descartada de ella la idea de nacionalización por Ley o Decreto de esas industrias;...el mantenimiento del control estatal sobre la siderúrgica y la petroquímica..." Betancourt, "Posición..." p. 264.
27. Presidencia de la República, "Documentos..." p. 449.
30. Rangel, "La Revolución..." p. 245.
32. Lieuwen, p. 104.
33. Rangel, "La Revolución..." p. 250.
34. Presidencia de la República, "Documentos..." p. 461.

Later during the Betancourt Administration the President was quoted as calling the university "nido de terroristas" and "guarida de malhechores". Cabieses, Venezuela, Okey!, p. 218.
Such foreign agencies as the petroleum companies, the World Bank, and the Alliance for Progress influence Venezuelan domestic policy-making through representation in the indicative planning system.

Some of the resultant mixed commissions include: the National Boards of Agricultural Production, the National Committee of Agricultural Planning, the Programming Group for the Automotive Industry, the Coordinating Committee on Housing Programs, Programming Group for the Petro-chemical Industry, and the Programming Group for the Metallurgical Industry.

Labor unions were excluded from formal participation in the mixed industrial programming groups in order to avoid partisan political controversies.

Between 1952 and 1960 Venezuela imported more than 1,000,000 tons of oil-derivative combustibles and lubricants, at a cost of Bs. 412,300,000.

In 1957-1958 there were 600,000 children attending official schools which employed 21,000 teachers. In 1959-1960 more than 1,000,000 school children were being taught by 33,000 teachers.

Until 1964 the Venezuelan Petroleum Corporation lacked the capital necessary to compete with the foreign companies.
The "no more concessions" pledge was compromised in October, 1961 when Pérez Alfonzo eliminated the restriction calling for a 1200 meter buffer zone between an exploited concession and the borders of National Reserve lands. Such a zone was to avoid the private oil companies' draining the oil deposits of these lands. (Article 18 of the Hydrocarbons Law required one half of all explored concessions to remain National Reserves.)

Plaza, "Desarrollo..." p. 121.


In 1961 iron ore production equalled 14,565,000 tons, of which 14,564,000 were exported. When the Siderúrgica Nacional opened two electric smelts in Matanza State (Guayana) in July, 1962, the State-owned Corporación Venezolana de Guayana had to buy iron ore from the United States iron companies! (In March, 1961, the U.S.-owned Koppers Co., Inc. was given a contract to take over the administration and planning of the Corporación Venezolana de Guayana, receiving $11,854,000 for six years.)

In 1962 the iron companies made profits equaling 32.2% of their invested capital, while the Venezuelan Government received only Bs. 85,000,000 in taxes on the production of 13,266,000 tons of iron ore. (Taxes on cigarettes were more profitable for the government.)

Up until December 31, 1962, of the 26,893 hectares in concession for the exploitation of iron ore, only 4000 were exploited by Venezuelan capitalists. According to Cableses, Betancourt then secretly gave a concession of 10,000 hectares in Apure State to the Venezuela Atlantic Refining Co. (of the Rockefeller group) which previously had only dealt in the oil industry.

When the Venezuelan Government eliminated its coking coal plant connected with the Siderúrgica Nacional, the Phillips Petroleum Co. then installed itself in Guayana to produce metalurgical coal.

Cableses, "Venezuela, Okey!" p. 103

47. Betancourt, "Tres Años..." p. 286.


It is interesting to compare that in 1955 agriculture rendered Bs. 647,000,000 in earnings to 700,000, while the petroleum industry paid Bs. 743,000,000 in wages to 37,000 persons.

Quijada, p. 67.
A United Communist Party was formed in 1959, under the leadership of the Machado brothers, Cruz Villegas, and Rodolfo Quintero.


According to the official joint survey made by the Ministry of Agriculture and Breeding, the Banco Agrícola y Pecuaria, the Instituto Agrario Nacional, and the government Oficina de Coordinación y Planificación (CORPLAN), by September 31, 1961 371 landholdings, including 167 public lands, were acquired by the Instituto Agrario Nacional. These amounted to 1,445,569 hectares, of which 569,107 were sold to 35,622 peasants at a nominal price.

Salvador De la Plaza, Reforma Agraria en Venezuela (Caracas, 1964) p. 49.

By 1970 30% of the estimated 100,000 families settled (mostly on public lands) had abandoned their allotted parcels. Blank offers as a reason that this 30% misspent their initial government credit and were ineligible for renewed credit.

Blank, "Politics..." p. 66.

NOTES TO CHAPTER V


2. Rangel, p. 20.


4. Rivas, "El Gobierno..." p. 6 (Appendix).

5. Rivas, p. 6 (Appendix).


8. Even before the Buró Juvenil leaders were expelled from the party, the CEN had appointed a commission to take over the reins of AD youth leadership. This commission consisted of César Rondón Llovera, José María Machín, Manuel Alfredo Rodríguez, Juan Pablo Peñaloza, and Raúl Ramos Giménez.

Rivas, p. 15.
The government was to continue its unnationalistic policies regarding these industries, as explained in the previous chapter.

Government Decrees 217 and 218 of February 5, 1960 declared "todo el territorio nacional zona reservada para el niquel, el aluminio y el manganeso."

However, a concession to exploit aluminum in Guayana was given to Reynolds International which founded Aluminio del Caroni S.A. (ALCAS) in February, 1961. The company was co-financed by the Venezuelan Government, which provided half of the Bs. 120,000,000 initial capital. Reynolds had the right to choose the company's president, in addition to three of its six directors.

Ironically, the government had used the lack of bauxite as an excuse for not establishing a national aluminum company previously, but soon after the agreement with Reynolds was made, deposits of the needed mineral were "discovered".
However, the AD Government ultimately succeeded in undermining the ARS party's strength by refusing to grant important government subsidies to the unions and organizations under ARS control.
50. Burelli Rivas, an independent, was supported by URD, Fuerzas Democráticas Populares (FDP), and Frente Nacional Democrática (FND).
   Blank, p. 149.

51. PRIN contributed 68,417 votes.
   Blank, p. 179.

52. Blank, p. 155.

53. Because of a constitutional technicality which requires all candidates to vote in the elections (Pérez Jiménez was in Spain at the time), the election was consequently nullified.
   Blank, p. 123.

NOTES TO EPILOGUE

   After Caldera's inauguration, the PCV was legalized.

2. Pérez Jiménez also benefitted from this political amnesty. He was released from prison after serving four years for embezzlement, following lengthy extradition procedures in the United States.

3. In early 1970, following the kidnapping of West Germany's ambassador to Venezuela by leftist students at the University of the Andes, the National Congress voted to end university autonomy and student participation in university governing bodies.
   Blank, p. 51.


7. Rangel, p. 91.

8. Rangel, p. 91.


12. Vancouver Sun, December 27, 1974, p. 27.

13. Vancouver Sun, p. 27.
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ARTICLES


NEWSPAPERS


Vancouver Sun: June 11, 1974.
   December 7, 1974.
   December 27, 1974.

MISC.

The results of the December 1, 1963 elections had repercussions in the direction of the revolutionary movement. Soon after the elections, Domingo Alberto Rangel, the imprisoned Secretary-General of MIR, wrote letters to leaders of the "democratic opposition" expressing views to the effect that since the masses had voted for peace, the revolutionary movement should rectify its orientation accordingly.

Later, at the end of January, 1964 the National Secretariat of MIR met to discuss the ratification of the party doctrine which espoused armed struggle as the superior form of "lucha de masas". The latter was essential if Venezuela were to attain National Liberation, given the political-economic reality of the country. The National Secretariat also discussed a document submitted by Rangel which expressed his divergent views, emphasizing the need for MIR to "recuperate its legality".

The strategic line of the party was ratified, stipulating that the armed struggle in Venezuela would henceforth take the form of a prolonged war. The pacifico "lucha de masas" to achieve legality must complement the armed struggle, but it could not replace the latter as the highest priority in the revolutionary movement:

"Convertir la lucha por la legalidad, que es importante sin duda, en un objetivo primario, colocándolo por encima de la liberación nacional, es caer en el oportunismo."
"...al identificar la lucha de masas con la lucha pacífica,...se aterriza en el pacifismo. La posibilidad de una "vía pacífica" en Venezuela es absurda...Es desconocer todo lo que ha ocurrido en nuestro país en los últimos años; es ilusionarse desconociendo el carácter agresivo del Imperialismo; es olvidar la represión gubernamental, etc."

According to the National Directorate of MIR, Rangel's opinions did not receive the least support during the meeting of the National Secretariat. However, a short time later some of the party members who had attended the meeting and had approved the party strategy suddenly began to involve themselves in fractional activities.

These new dissidents joined forces with Rafael José Muñoz and Juan Páez Avila, who already had been censured for breach of discipline. They began to correspond with Rangel, voicing "complaints and gossip" concerning the party Directorate.

Meanwhile, acting Secretary-General of MIR, Simón Sáez Mérida, was arrested by the police. This served as an impetus for the dissident miristas to intensify their activities. Rangel discontinued writing to the National Directorate in spite of their attempts to maintain correspondence with him.

The National Directorate attempted to maintain party unity through persuasive means, rather than proceed against the fractionalists with disciplinary sanctions. However, while Rangel and other miristas dialogued with Sáez Mérida, who was in the same prison, they secretly circulated a letter giving orders to divide the party organization, creating a separate "Comando Nacional", separate "Comandos Regionales", etc. Thus, while mirista dissi-
In the negotiations, although the MIR Directorate maintained the party suffered a limited loss of revolutionary militants to the "democratic camp", the division of MIR in May, 1964 marked the beginning of the disintegration of the armed revolutionary movement.*

* Between 1965-1969 the FALN, backed by Cuba, made several attempts to revive guerrilla activities. The PCV, meanwhile, began to attempt to regain legalization by renouncing violent tactics, and on March 15, 1967 the PCV publicly denounced the Castro Government for intervening in Venezuelan internal affairs.