

COMMENT

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Robert Alexander's nonreview of our book, *The Nationalization of Venezuelan Oil* (LARR 15, no. 2 [1980]:241–47) is full of distortions and omissions.

Our study of Venezuela is not written in the "context of state capitalism" as he claims. That is a concept we use to analyze the process of nationalization, which covers the middle third of the book. The first section outlines the historical process of capitalist development, focusing on the relationship between state and social classes, and concludes with an analysis of the hegemony of the commercial, industrial, financial, and real estate bourgeois over the state. This serves as the basis for analyzing the context of nationalization. Moreover, we demonstrated how U.S. interests had shifted toward nonmineral sectors (manufacturing, technology, etc.) and could be accommodated by the new "nationalization" policy. The third section of our study details the consensus and conflicts within the several agencies of the U.S. imperial state (Defense, State, Treasury). Government and the relevant business groups were interviewed to determine the reasons why U.S. policy accommodated the Venezuelan nationalization while destabilizing the Allende government. None of this discussion is mentioned by Alexander. The red herring of Marxism-Leninism is thrown in, apparently to alert those with objections to scholarship drawing from sources outside of State Department approved reading lists. In fact, the analysis draws more on the work of Bukharin, Trotsky, Gramsci, and a host of contemporary Latin American writers than it does on the epigones of Marx and Lenin who refer to themselves as "Marxist-Leninist."

Alexander also objects to our linking the Perez regime with big business and claims that the bulk of financial resources from the oil wealth were made available to "relatively small and medium-sized entrepreneurs." We presented data indicating that in 1974–75, the Fondo de Inversiones provided 13 billion *bolivares* for state and big private firms; the Industrial Credit Funds provided two billion for medium and large firms; but CORPOINDUSTRIA had only 400 million for small and medium firms. The aid to big firms was approximately thirty-to-one. As a fighter for small business, Alexander *should* be disturbed—not with us for pointing out these facts, but with his Venezuelan comrades for carrying out their pro-big-business policies. For months, Venezuelan news-

papers and congressional hearings have provided volumes more of details concerning the massive corruption and handouts to big business during AD's tenure in office. The ensuing electoral debacle was a result that was predictable from our study, but seems to have eluded Alexander. We do not claim that during the Perez period the funds went to particular clans (Mendozas, etc.); Alexander does not provide any evidence to sustain his case.

Alexander uses the same unsubstantiated arguments regarding our discussion of the Venezuelan political system and its impact on the class struggle. He begins by chastizing us for not considering Venezuela's parliamentary system as the most important fact about Venezuela. He then proceeds to argue that our antidemocratic sins are evidenced in our conclusion "that differences between authoritarian and democratic regimes on welfare and redistributive measures are not significant." Citing, among other sources, a detailed study by Michel Chossudovsky, *Pobreza y marginalidad en Venezuela*, we demonstrated that the lowest 50 percent of families received 19 percent of national income in 1957 and 20 percent in 1970. Alexander cites no alternative studies or data. Apparently he objects to the data because they don't square with his ideological preferences. He proceeds to object to our characterizing Venezuelan elections as expensive charades. Again, most Venezuelan social scientists agree—two years of electioneering and the spending of two hundred million dollars is expensive. Almost all of these electoral funds are provided by local and foreign corporations or is taken from the state till and given to the two capitalist parties (AD and COPEI), which dominate the mass media. And through massive spending, government handouts, and media control these two parties limit the areas of debate and the ability of citizens to receive the programs and ideas of the noncapitalist parties.

To object to the political constraints imposed on the parliamentary electoral system by capital is not, as Alexander implies, opposition to democracy, *but to a particular form—capitalist democracy*. Our objection to the political system in Venezuela is that it isn't democratic enough—that the great mass of workers and salaried employees are excluded from the most fundamental economic and social decisions affecting their lives, including the decision on the disposition of the massive funds accruing to the state from the nationalization of petroleum. As one rancho dweller said to us: "The petroleum wealth has not reached us. . . ." The petroleum workers of Maracaibo made a less flattering characterization of the nationalization by the Perez regime: "It's a change of bosses."