

SHOW DOWN IN VENEZUELA

And the Genetical Disorders of its History

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“When Justice is absent, what is sovereignty except organized robbery?”-Saint Agustin

*“At best, man is the noblest of all animals; separated from law and justice he is the worst”
Aristotle*



INTRODUCTION: Venezuela is now in the eye of an international hurricane for political, economic, energy, institutional and even artistic reasons. There are two large workloads to do. 1) Free the people of Venezuela from this unimaginably inept, criminal, corrupt and unprincipled despotic regime that has for 2 decades impoverished its citizens and threatened the national security of all its neighbors and commercial partners. 2) Re-establish a government that guarantees on a permanent basis: order, peace, social inclusion, juridical security, law abiding institutions, investor confidence, oil production, economic prosperity and political freedom.

Can Venezuela do either of these two tasks by themselves? Unfortunately, the answer is **Absolutely NOT**. It is a failed country. The first task is impossible without the aid of military assistance from 4 fronts given the widespread geography of the country. The second task is equally impossible given two unresolved genetical disorders of Venezuela's historical makeup-genetical disorders that are counterposed in a Zero-Sum Game. This started during its turbulent colonial era and aggravated during its independence and federal wars of the 19th Century. According one historian, there were 39 revolutions between 1830, when the country was founded, and 1903, when the Andean dictators gained control of the country and completely cured it from these two historical genetical disorders spearheading a golden era of prosperity that lasted over 67 years through most

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of the 20th century, but only for them to be revived again in the middle of the 1970's due to the nationalization of its oil industry that placed its politicians far too close to massive amounts of money; the true definition of Rentism².

It is our firm belief of EnergyNomics that Venezuela can one day in the not too distant future regain the control of its own destiny with real progress, but not before a long period of rehab that effectively detoxicates it from the addictive strangles of Rentism, which quelled its prosperity in the last 2 decades of the last century producing Chavism/Maduro in the 21st Century that effectively buried Venezuela into the abominable self-inflicted calamity that it finds itself today.

THE CONTEXT OF GENETICAL DISORDERS IN VENEZUELA'S HISTORICAL MAKEUP:

This Feb 22, a hugely attended concert organized by British mogul Sir Richard Branson was held in the Colombian border city Cucuta on the side of the Tienditas bridge that connects it with the Venezuelan Andean Borders which included scores of the best known Latin American music stars, many Venezuelans, while on the other side of the same bridge, inside Venezuelan turf just 300 meters apart, there was another concert, scarcely attended and sponsored by the Maduro regime that included much lesser know singers, all Venezuelans and all paid by his government (predictably, Nicolas Maduro stopped the TV airing of the Branson concert). The issue at stake is for Maduro to allow much needed humanitarian aid from scores of World nations to enter the country and ease the plight of millions of suffering Venezuelans who lack basic medicine and food. That was to happened the next day, Saturday 23rd , and the result was predicable in its end but not were near in its harrowing means-even by Maduro standards, as he ordered to stop the 4 trucks coming through the bridge by setting fire to 3 of them while the other one passed through a barricade in another bridge some 15Km away, as the soldiers guarding it crossed over to Colombia to surrender (560 of them and counting), but the truck was captured and turned back to Colombia shortly afterwards without delivering anything. Some 1,200 miles away, on the Venezuelan-Brazilian jungle border city Santa Elena de Uairen (now destroyed) , fighting broke out that involved the Venezuelan Pemon Indians and the Maduro's shock-troops, plus the Brazilian army, that resulted in tens of Indians dead, wounded, and scores of Venezuelan soldiers arrested by the Pemons when the troop bosses refused to shoot the indians.

Humanitarian aid is something the democratically elected national assembly has been asking for many months now, and the government here has in principle consented with the condition that they distribute the aid themselves. Since the international community is way too smart to let Maduro's cronies steal and sell it, the international community of

² Fort the record, Venezuela is not the only country in the World with genetical disorders in its historical makeup; I suspect that many countries have them, particularly the autocratic nations that prevents them from being true democracies; and even in those that have democracies may harbor them too.

60+ countries, including United States and Canada, all the governments of Latin America (except a handful like Cuba, Bolivia, Uruguay and, inexplicably, Mexico)-the so-called Lima Group, the European Union (save Turkey), and as far away as Japan, South Korea, Australia and New Zealand, have all demanded that an NGO like The Red Cross distribute the aid. But, since Maduro and Cuba will not hear of it without considering it a pretext for an invasion to topple his government, we have this standoff. Lets keep in mind that refusing needed humanitarian aid is considered a crime under international law as stated here. <https://www.icrc.org/en/doc/resources/documents/article/other/57jq32.htm>

The only thing that everyone agrees on whichever side of the bridge supporting Sir Branson's musicians you happen to be, is the notion that whatever good comes to Venezuela starts-but by no means ends-with the permanent exit of Nicolas Maduro and Chavism. The scores of economic and social statistics supporting this assertion are far too vast to be numbered here, but it suffices to say that the gross national product of the economy and of crude oil production have both collapsed over 57% since Maduro was first elected in 2013, that hyperinflation last year was 1,700,000% and its expected to be at least 10 times that this year, that poverty rate has hovered well over 90%, that the harrowing Venezuelan exodus over the last 3 years is over 3million or 10% of its population, plus a traumatic long etc in the social, medical, child malnourishment figures. According to a recent poll, 97% of Venezuelans recognize that the economic situation is "bad"; 90% of Venezuelans do not earn enough to cover one half of their basic necessities; and if elections are held today Juan Guaido would earn 70% of all the votes. The question is not if but when Nicolas Maduro will exit power, and in what terms? The number of countries, super-powers and international organizations attentive and veining the Venezuelan conflict humbles the skill of the most adroit diplomat³.

These are statistics that baffle any economist and have them scratching their heads because they know that Venezuela is a geography/geologically blessed tropical country surrounded by friends, that is not over-populated, it is free from endemic diseases, from religious or border conflicts, it is too far south to be in the hurricane corridor of the Caribbean, it hasn't had a civil or foreign war since 1903, and it harbors the largest oil reserves in the planet; still the most efficient energy resource known to mankind and will be for the foreseeable future; notwithstanding the fantastic and herculean efforts being made now by the entire planet to curve its 150 year addiction to it.

³ Henry Kissinger, wrote near the end of the 20th Century: " *The Competition over hydrocarbon resources will be the most probable cause of international conflicts in the years to come*" . *Some 10.8 million barrels of Venezuelan oil are stranded in tankers in the sea without clients because of the sanctions on Venezuela.*

THE QUESTION IS WHY?

So what is the problem? What could possibly be the reason that quells the outstanding potential of this country like booze that weights down the potential of an otherwise healthy alcoholic person? Is Venezuela addicted to anything that destroys its entire political ethics and demolishes its social and juridical institutions? ---The answer is YES!

Is there a cure for this addiction that has been tested in Venezuela before with any degree of long lasting success?---YES!

Will this cure work again in Venezuela, with some modifications? ---YES AGAIN!

So why in heavens doesn't Venezuela apply this cure?---Because its problems run much deeper. Venezuela suffers from not one but two genetical disorders from its history that are counterposed to each other in a Zero-Sum game and when present affect its entire cultural idiosyncrasy. As many people who suffer from genetical diseases that they inherited through no fault of their own, like certain coronary ailments that lie dormant a generation or two but revive later, Venezuela has these two bad genes in its historical DNA makeup that we haven't dealt with in its entirety.

In this work this shall not be done; but I will name them and that in itself is an important step forward towards their final eradication, which is also a vital step forward in the recuperation of Venezuela's prosperity.

The reason I say recuperation is because Venezuela was cured of these genetical disorders with great success and for an extended period of time, and the reason that these disorders cropped up again are well identified and curable; and there is no reason that this same cure can't have the same of success again and for a long period of time, possibly permanently. In the body of this work I do delve into this fairly deeper; not in this summary. But Here are 3 clues:

- A) *"Death to all the white people and to those who can read and write"*—This is one of the most resonating phrases in Venezuela's history, credited to Jose Tomás Boves (who was, ironically enough, literate and white) the ferocious slave caudillo of Spanish origin in the colonial era who fought and defeated Simón Bolívar's independence movement until a silly mistake ended his own life at the height of his power. After his death, most of Boves' hordes of runaway slaves and battle trained troops ended up serving with Bolívar's most capable general Jose Antonio Páez (the founder of Venezuela), which contributed more than any other factor to winning that war. That exact phrase was pronounced 45 years later by another vicious caudillo and a leader of the disastrous federal wars of the late 1850-early 1860s Ezequiel Zamora (also literate and white) until another silly mistake ended his life. Both Boves and Zamora were notorious for advocating Ochlocracy, a grotesque degradation of democracy that advocates power to everyone which in

practice means “power to the mobs”—mob rule-or mobocracy—which quickly results in the power of unprincipled demagogues. Hugo Chavez never invoked Boves because he fought Bolivar, but he tirelessly reminded everyone of his deep admiration of Zamora. Naming monuments with his name, a refinery (that wasn’t build), oil fields, even social missions to aid the poor. You can say Ezequiel Zamora was one of Chavez principal mentors, by far his favorite historical figure after Bolivar, and an unmistakable part of Chavism. Maduro also invokes Zamora with relentless ignorance and opportunism.

- B) Second Clue: Theodore Roosevelt, the 26th President of the United States, had a big hand in curing Venezuela of both genetical disorders, a cure that lasted some 67 years and largely because of it Venezuela flourished in order, prosperity, and lasting peace.
- C) The third clue is at the end of this section.

RAMIFICATIONS

Former Spanish President now elder statesman for all Hispano-America, Felipe Gonzalez said recently that the trouble with Maduro is not that he doesn’t know squat about economics or anything else, it is that *“Maduro doesn’t know that he doesn’t know”*. Or, as Maduro himself remarked with disturbing pride in a recent TV interview: *“I did not go to Harvard, I don’t have an elite surname, my blood is not blue...I come from the working class, and that above anything is what qualifies me to be President of Venezuela”*. Beneath the yarns, both statements would be ridiculous in most other countries but in Venezuela denote symptoms of deeply ingrained resentment problems in its cultural idiosyncrasy; byproducts of unresolved historical issues of bad genetical disorders in Venezuela’s historical makeup.

This troubled country, home of the most self-inflicted, inefficient and corrupt regime imaginable in peace time, is now standing two legs, its Cuban supported military and on some of the most autocratic and democratic-less nations of the World, meaning Russia, China and now Turkey.

In the eye of this hurricane is Juan Guaido, a valiant 35 year old industrial engineer turned politician from the sea-shore state of Vargas, whom on January 4th 2019 was an unknown figure to most Venezuelans, and that is probably his strongest quality. The reason is that all Venezuelans got fed up with the opposition leaders that they knew for too many years and of their parties irrepressible disarray and derisions which led them all, save one notable exception, to abstain from the 2018 Presidential Elections that let Maduro win 6 more years by forfeit. That mindless mistake led all Venezuelans within a few months to force an air tight union by obliterating all of these abstentionist opposition parties from the political map and reaping from them any popularity and mass conventions power that

they ever had. We waited until January 5th when the National Assembly (the only democratically elected body left in the country) reconvened its leadership and choose Juan Guaido, and everyone in the opposition placed their hopes on this guy, completely severing its ties with the other political parties. Never mind that he is a novice with no real governmental experience, the fact that he is new fresh blood, behaves well and unpassionate and is backed up by 60 countries, especially by the strongest military power in World history, is all he needed to unify the country behind him in what promises to be one hell of an international conflict. For Venezuelans there is no turning back.

Lets be clear on 3 points:

1-Juan Guaido may be a member of one of those political parties (Voluntad Popular), but he is not where he is because of it, he is followed in consensus unison by over 90% of the people.

2-All political divisions in Venezuela are a thing of the past, every opposition politician has 2 choices; either backs Juan Guaido or caves the tomb of his/her political career.

3-There is no turning back because the tailspin of this nation's economic prosperity grows south in geometrical leaps every day Nicolas Maduro stays.

The larger questions are:

A) How did Venezuela got into this mess? And, even larger:

B) How can we get out of it on a permanent basis. The answer is in this report.

Now the third clue. The solutions of how to get out of this mess is out of Venezuelans hands.

Not just because we lack the military prowess to combat the repressive government army, its shock troops or the "colectivos" (civilian armed gangs, mostly prisoners, that back Maduro) but mostly because of the bad genetical disorder I mentioned above that impedes any international investor confidence that would bet that we, by ourselves, can restore this economy on the right path to lasting prosperity on a consistent and permanent basis. Venezuela's future could very well be back in our hands again in the not too distant future, but just not now until we de-intoxicate ourselves from Chavism and Rentism—I.E. not until Venezuela comes out of a long rehab. Until then Venezuelan's, as occurs to alcoholics in rehab, cant be expected of righting anything without external help and constant monitoring. In the past we did all of this very well, but that ability was lost when our petroleum industry was nationalized in 1975 that placed our politicians way too close to the oil money, opening the door to the corruption and inefficiency that collapsed the economy well before Chavez and that led him to winning the elections in 1998 by a landslide; right into the incalculable disaster we find ourselves now. Juan Guaido has

demonstrated unexpected good political maturity and serenity but, to use a sports analogy, one player no matter how good does not make up an entire team.

SUMMARY & CONCLUSIONS

You need to Subscribe to EnergyNomics to keep reading. Email me at carlosarossi4@gmail.com if you are interested in knowing exactly how to right Venezuela's prosperity and the price to be paid for it. As I tweeted the IMF, the price is huge but can be paid off quickly, and the benefits of such an investment will be several layers bigger not only for Venezuelan citizens here and abroad, but for the entire World as well. Trust.

See my web page for a summary of the steps to be take to reconstruct Venezuela economically, once the political situation is restored. Go to www.energynomics.com.ve, to Recent Monthly Reports, and download "La Reconstruccion Epica, Resumen Ejecutivo" (in Spanish only).