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Venezuelans Collect Signatures For and Against Chavez

by LADB Staff

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Peruvian President Alejandro Toledo was recently hit by several resignations within his Cabinet and the possible collapse of his party's coalition with its parliamentary ally. This came on top of continued low approval ratings for the beleaguered executive, raising speculation that Toledo might not be able to complete his five-year term.

On Nov. 14, Defense Minister Aurelio Loret de Mola and Foreign Minister Allan Wagner both gave Toledo their resignations. Wagner said he was leaving to become general secretary of the Comunidad de Naciones Andinas (CAN). Loret de Mola had expressed frustration with what he called an inadequate defense budget.

Earlier, on Oct. 7, Presidency Secretary Guillermo Gonzalez Arica resigned, after a lengthy battle with the opposition and some members of the governing Peru Posible (PP), who accused him of preventing access to the president. Gonzalez Arica has been one of Toledo's closest collaborators. Toledo did not accept the resignation until early December when he announced that he was appointing the former presidency secretary to be a special presidential advisor on human rights, effective Dec. 10. The new presidency secretary is Luis Chuquihuara Chil.

Vice president resigns as trade minister

Vice President Raul Diez Canseco also resigned from his second post as foreign trade and tourism minister on Nov. 10, following allegations that the 55-year-old businessman had trafficked his influence for the family of his girlfriend, Luciana de la Fuente. Diez Canseco initially denied any relation with the 26-year-old woman. He said he would stay on as vice president. Diez Canseco was replaced as minister of foreign trade and tourism by Alfredo Ferrero, who had been the deputy minister. Ferrero said his priority would be to consolidate foreign trade and to work to obtain a free trade agreement with the US.

The Frente Independiente Moralizador (FIM) bloc in Congress, which is allied with the government, formally accused Diez Canseco of having violated the Constitution when he signed the decree that exempted the sale of food and beverages in the international section of the airports from taxes. The FIM presented the formal complaint against Diez Canseco and central bank governor and former economy minister Javier Silva Ruete, who was in office when the decree was imposed.

The newspapers reported that the decree exempting airport restaurants from the Impuesto General a las Ventas (IGV) was for the benefit of German de la Fuente, father of Luciana, who owned a restaurant in the international area of the Jorge Chavez Airport in Lima. The decree also allowed the father to win a legal case in a government tax court and avoid paying back taxes, reports said.
Diez Canseco was also accused of obtaining high-paying jobs for Luciana and two of her cousins in the state Comision de Promocion de las Exportaciones (Prompex). Congress is now investigating the vice president. If it finds that he committed a crime, he could be suspended, fired, or prohibited from occupying any public office, said Deputy Heriberto Benitez.

On Dec. 2, Javier Velasquez, head of the congressional Comision de Fiscalizizacion, called for a 10-year ban on Diez Canseco holding public office. The commission voted against that recommendation but recommended that Congress pursue fraud charges against Diez Canseco and Silva Ruete. The commission voted by 6 to 5 to formally accuse Diez Canseco and 6 to 1, with 5 abstentions, to accuse Silva Ruete. Some legislators had left the session, accounting for differences in voting numbers.

"There has been a breach of the Constitution because the crimes of fraud and illegal favors have been committed," said commission member Mauricio Mulder of APRA after the heated six-hour session. "It's up to the full Congress to decide whether to bar Diez Canseco and Silva Ruete....We can't rule out the possibility that the plenary session will do so."

After consistently denying the accusations of a romantic liaison with Luciana de la Fuente, on Dec. 4, Diez Canseco publicly apologized for his marital infidelity and for lying to the country regarding the relationship. "I haven't been truthful regarding my personal affections. I ask forgiveness, especially from my family and those persons who have been affected," said the vice president. "I made a serious mistake, which today has become a terrible nightmare. I am estranged from my children, some of my friends are no longer friends, they have judged me and many have sentenced me."

Prime minister also caught in row

Various FIM legislators laid some of the blame on Prime Minister Beatriz Merino Lucero, saying Diez Canseco was able to do what he did because Merino, then head of the tax agency Superintendencia Nacional de Administracion Tributaria (SUNAT), allowed it.

Merino called the FIM's criticism "disloyal." Although Fernando Olivera, head of the FIM and Peru's ambassador to Spain, has not commented on the situation, various people within the PP accused him of having instigated the conflict because of his personal animosity toward Merino. After Merino criticized Loret de Mola for saying publicly that the defense budget would leave Peru insecure, Merino criticized him for airing national security matters in public. This criticism, according to Peruvian media outlets, drew a reprimand from Toledo.

The Lima daily newspaper La Republica also reported differences between the two regarding ministerial changes. Toledo appointed Merino, the nation's first woman prime minister, and a new Cabinet in July (see NotiSur, 2003-07-04). National newspapers have been reporting that Merino, the only independent in Toledo's Cabinet, might resign, though both she and Toledo have repeatedly denied those rumors.

On Dec. 1, Toledo emphasized his "absolute backing" of Merino when the two appeared at a press conference. "[Merino] has my absolute support, she has my trust," said the president. He went on
to say that, "when the times comes that a change must be made in the Cabinet," he would talk with Merino and then make a decision. Merino expressed her gratitude for the "trust and the support" of the president.

Despite the strong public statements by Toledo and Merino, the Peruvian media contends that her departure is only a matter of time. Rumors about her personal life and about reported irregularities when she headed SUNAT have fed the speculation about a possible resignation. At the same time, accusations and cross-accusations by members of the PP and FIM about who instigated the anti-Merino campaign has almost crippled the Cabinet.

**Legislative alliance frays, strikes begin**

With the increasing political conflicts, the parliamentary pact between the PP and the FIM was seriously strained. Some analysts said a breakdown of that alliance would paralyze Toledo's government, since the PP holds only 41 of 120 seats in Congress. David Waisman, Peru's second vice president and a PP director, said the root cause of the friction between the two parties was that the FIM would not back PP legislative initiatives.

On Nov. 22, Deputy Mercedes Cabanillas of the opposition Alianza Popular Revolucionaria Americana (APRA) told journalists that Toledo's government could be debilitated even further if it broke its alliance with the FIM, but FIM leader Olivera said "the ground is solid" between the FIM and the PP. Although the PP-FIM alliance is in the roughest period since it was formed, on Nov. 25, the parties ratified their alliance and again denied a crisis within the executive.

Members of Toledo's administration asked politicians to quiet the political tumult to prevent the flight of foreign investment and to improve the governability of the nation. In late October, Ministers of Foreign Relations Allan Wagner and Economy Jaime Quijandria Salmon called for moderation so that Peru would not project a negative image abroad. "We should reduce the political din," said Wagner in Lima at an event put on by the Organization for American States (OAS).

"There is too much turbulence in the atmosphere." Quijandria said political confrontations were affecting "the business climate and investment decisions, which are not decisions made in a single day, but thought-out decisions that others make."

**Toledo still fighting low approval ratings**

The polling company Datum reported in late November that Toledo's public approval rating stood at 12%, though the polling firm Apoyo said his rating rose one point in November from 16% to 17%. While the nation has enjoyed the continent's highest economic growth an expected 4% this year and a 2.5% inflation rate, there has been little increase in employment.

Since his inauguration in July 2001, Toledo has earned a reputation as a weak, indecisive leader who has not fulfilled his campaign promises to create more jobs. But Toledo has dismissed claims that his government is "reeling," or that it is overwhelmed by a crisis of governance.
Merino has the most credibility of anyone in the Toledo administration, with an approval rating of 65%. She is followed by Economy Minister Quijandria, with 23%. Apoyo director Manuel Torre said Toledo has had a slight rise in approval because of the perception that he is making an effort to change some policies and correct some errors. But the perceived effort to change has not stopped protests, which have been frequent during Toledo's presidency.

In November, 15,000 doctors from the public health service began a strike for salary and health sector budget increases. Violent strikes against privatization and for increases in teacher pay have led Toledo to declare a national state of emergency twice during his time in office (see NotiSur, 2002-06-21, Notisur 2003-06-06).

Labor Minister Jose Alvarado has said these and other planned strikes seek to generate social chaos and damage the government of Toledo.

**Toledo offers apology, peace plan to victims of insurgent war**

Contrasting with the protests and the negative approval figures, political and human rights groups generally reacted positively when Toledo delivered an apology for the deaths resulting from the country's 20-year battle against the Sendero Luminoso insurgency. He also promised to punish officers blamed for many of the worst abuses. He gave the apology the government's first regarding the effort to stamp out the insurgency on Nov. 22, three months after the government-appointed Truth and Reconciliation Commission issued a nine-volume report estimating that almost 70,000 people had died and that members of the military responsible for many of those deaths committed massive human rights abuses (see NotiSur, 2003-09-12).

Toledo announced a Peace and Development Plan, which would invest US$800 million in the next two and a half years in rebuilding areas most affected by the violence of 1980-2000. The aim of the plan would be to improve health, sanitation, education, and other parts of the infrastructure of those mostly rural areas. The plan did not offer the individual reparations that victims and human rights groups had sought.

The former head of the Truth and Reconciliation Commission, Salomon Lerner, has said human rights victims should each receive US$1,000 in reparations, claiming that would constitute 10% of the proposed US$800 million.

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