



Economy

Economic measures announced during State of the Union Address

Venezuelan President Nicolas Maduro announced his ongoing commitment to implement the socialist policies of former President Hugo Chavez, in spite of increasing pressure and sabotage by private interests. **Page. 4**

Tons of essential hoarded goods uncovered in private warehouses

Venezuelan authorities have arrested the manager of a major distribution company after over a thousand tons of essential goods were discovered to have been illegally stockpiled at one of the company's warehouses.

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Politics

Opposition calls for protests amidst renewed sabotage and violence

Members of the US-backed Venezuelan opposition have again called for "street protests" in the context of economic difficulties faced by the country's working majorities. **Page. 3**

Maduro criticizes visit by former right-wing Presidents

President Maduro questioned the ex presidents of Mexico, Chile, and Colombia for attending an opposition event intended to discredit the democratic credentials of the Bolivarian Revolution.

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President Maduro starts 2015 with successful international tour



Venezuelan President Nicolas Maduro was received in the streets of Caracas by tens of thousands of supporters upon returning from a 12-day international trip aimed at stabilizing oil prices and guaranteeing funding for national development. Both during his tour, and upon return, numerous agreements of great importance for national development were revealed, with official stops in China, Russia, Iran, Saudi Arabia and Qatar, among others. Speaking to crowds outside the Miraflores Presidential Palace, Maduro described the trip as the beginning of an "economic rebirth" for Venezuela. **Page. 2**

China commits \$20 billion to Venezuela

T/ Cory Fischer-Hoffman
E/ COI
P/ Prensa Miraflores

Venezuelan President Nicolas Maduro announced that China has agreed to invest \$20 billion dollars in Venezuela following the China-Community of Latin American and Caribbean States (CELAC) meeting in Beijing earlier this month. Venezuelan officials hope that increased Chinese investment will offset some of the shortfalls in the Venezuelan economy due to decade-low oil prices.

Xi Jinping, the Chinese president, opened the First China-CELAC Forum by pledging US\$ 250 billion in new investment in Latin America over the next decade. Following the meeting in Beijing, President Maduro told the Venezuelan News Agency that his country secured "more than \$20 billion in investments".



China has already awarded US\$ 50 billion of credit to Venezuela since 2007, most of which is paid through oil shipments.

Speaking to Venezuela's growing relationship with China, Venezu-

elan Vice president Jorge Arreaza stated "China is a great potential, and it is not imperialist. It is a great potential that wants for all of us to have respectable and dignified living standards".

Thousands march to commemorate Struggle for socialist democracy

T/ Lucas Koerner,
venezuelanalysis.com
P/ Prensa Miraflores

On January 23rd, thousands took to the streets of the Venezuelan capital to commemorate the 57th anniversary of the toppling of the Pérez Jiménez dictatorship and to voice their support for socialist President Nicolás Maduro.

The march comes in the midst of severe inflation and widespread shortages of basic goods, which President Maduro has termed an "economic war" that is reportedly being waged against the Bolivarian government by elements of the opposition. The President accused distributors of hoarding everyday products and presented them with an ultimatum to cooperate or face "tough measures".

"We as a revolutionary people are conscious of what the Right is doing to us, because it's part of their fascist plan", affirmed 20-year Francine Montorola of the Bolivarian University of Venezuela.

"We have to be conscious of what is happening, and we have to advance in the struggle to produce our own products and not depend so much on income from oil". Despite these immense challenges, many like Montorola are nevertheless optimistic.

"We are conscious that we are at war, but we're going to come out victorious," she said. "We know who our enemies are, and we are organizing ourselves and struggling to come out of this. These are difficult moments, but no one said people's struggle was easy."

These responses to the economic war are met by freshly uncovered evidence of its depth and scope. While thousands marched through the streets, Caracas police discovered a cache of 33 tons of household products, including rice, diapers, dishwash soap, mayonnaise, tooth paste, deodorant, among other everyday household items.



President visits key allies, rallies OPEC nations

T/ Paul Dobson
E/ COI
P/ Prensa Miraflores

Venezuelan President Nicolas Maduro was received in the streets of Caracas by tens of thousands upon his return from a 12-day international trip aimed at stabilizing oil prices and guaranteeing funding for national development.

The 41,538 km route took Maduro to China, Saudi Arabia, Qatar, Algeria, Iran, Russia and Portugal. He described it as “the route of the new world, the route which Commander Chavez constructed”.

The trip divided opinions back in Venezuela, as the country awaited positive news for its faltering economy. Maduro declared that the trip signaled an economic “rebirth”.

“Venezuela is a respected nation, viewed with admiration by Presidents and Monarchs, by the men and women of the world” he affirmed. We “act in a free, independent, dynamic way... it was a strategic trip for us to be able to tie down the necessary agreements for the development of our economic plans”.

FALLING OIL PRICES

One of the key objectives of the trip was to spur the Organization of Petroleum Exporting Countries (OPEC) to implement measures to stabilize oil prices.

Oil prices are in freefall from \$120 a barrel to \$39 since June 2014 due to the flooding of the markets by US fracking firms. This has severely affected the

Venezuelan Government’s revenues and subsequently plunged the economy into recession.

“The objective of the US Government is to dominate the market and kill off oil prices to affect Russia, Venezuela, and the other countries which are searching for an independent economic path” stated Maduro on his tour.

The visit to OPEC nations looked to “defend OPEC, its cohesion, and the construction of a new consensus, a new alliance, for the defense of the oil market and the recuperation of oil prices”.

“We have talked to the leaders of the member nations and they agree to not use oil as a pretext to sanctions... OPEC will continue to be a stabilizing factor in the world”, declared Maduro.

Following Maduro’s return, Foreign Minister Delcy Rodriguez met with representatives from oil-rich Kuwait, Kazakhstan, and UAE in the same vein.

KEY STRATEGIC RELATIONS

Maduro’s world tour also had the objective of strengthening relation with important allies such as Russia and China.

Bilateral meetings with both Presidents Putin and Xi Jinping assured “the liquid financing of (Venezuela’s) plans of economic development and the sources of financing for 2015 and 2016” as well as “assuring the transfer of technology in vital areas for the country”.

Whilst in China, Maduro also participated in the first summit of the Community of Latin

American and Caribbean Nations (CELAC) with China, an important forum for future cooperation by the new world powers.

DIVIDED REACTION TO EXTENSIVE TRIP

The lengthy international trip polarized reactions back in Venezuela. Revolutionary sectors were quick to support the trip, with the Venezuelan Communist Party explaining that “the tour of President Maduro is part of a diplomatic and political offensive” whilst President of the National Assembly, Diosdado Cabello, stated that “when Maduro leaves Venezuela it is for the benefit of all of the country without any type of sectarianism”.

Belkys Bravo, one of the thousands who awaited Maduro’s return under the Caracas sun explained that “today we are receiving our Chavista President with the people on the streets, showing our support... the trip was a complete success”.

Meanwhile, opposition spokespeople criticized the results of the trip. “The vacations of Nicolas are null, millions of dollars spent and some photos for his album” stated failed presidential candidate Henrique Capriles Radonski. Others attempted to portray a power vacuum, such as Antonio Ledezma who affirmed “Maduro has practically abandoning power”. “The country is living an emergency and Maduro continues to flee”, added ex-deputy Maria Corina Machado.

Important agreements signed on international tour



T/ Paul Dobson
E/ COI
P/ Prensa Miraflores

Numerous agreements of great importance were revealed as a result of Venezuelan President Nicolas Maduro’s international tour, all aimed at revitalizing the Venezuelan economy.

Starting in China, President Maduro secured over \$20 billion of funding for strategic projects, including the construction of new cement plants, ample housing projects, the construction of 30 school campuses, the construction of a bus factory, agreements on energy, a program to modernize the country’s taxi cab fleet, the amplification of Chinese cell phone factories in Venezuela, and the production of over six million new ‘intelligent’ cellphones.

After China, Maduro assured important agreements on how to stabilize oil prices in Saudi Arabia and Algeria. “We discussed important ideas to establish a strategy which will allow the stabilization of the market. I leave very optimistic”, explained Maduro after meeting Prince Salaman Bin Abdulaziz of Saudi Arabia.

Agreements were also signed in tourism and food production.

In Qatar, Maduro secured banking alliances for billions of dollars of funding for 2016, especially in agriculture, as well as establishing regular direct flights from Doha, a move celebrated by the Venezuelan tourism industry.

“We are firming up financial alliances with various Qatari banks... they are giving us the sufficient oxygen to cover the

fall of the oil prices and maintain the resources for the national budget”, explained Maduro on his trip.

Numerous commercial agreements were signed at the next stage of his trip, in Iran, to build more than 20,000 houses, for the modernization of Venezuela’s taxi fleet, to establish direct flights between Caracas and Tehran, to amplify the Iranian tractor plants in Venezuela, as well as with infrastructure construction efforts.

Cooperation was also agreed for the first time in the pharmaceutical sector.

“We are conversing with some businessmen and a group of ministers... they are going to invest and transfer the technology to us to strengthen our pharmaceutical industry and hence stabilize the productive process, the market, and allow us to satisfy our own need in medicine”, explained Maduro.

While in Russia, Maduro signed agreements to “amplify the participation of Russian (State) firms in the oil fields of Venezuela, as part of our response to defend the energy sector and to invest in equipment for the production of crude oil”.

Vladimir Putin stressed the close ties between the nations. “I would like to underline that Venezuela is not just a friend of Russia, but we are also very close partners, they are one of the most important partners for Russia”.

On the last leg of his trip, Maduro paid a “technical visit” to Portugal, in which he “revised the reach of the energy, housing, roadway, and airline agreements” with Lisbon.

Opposition calls for street protests amidst renewed sabotage and violence

T/ Rachael Boothroyd
E/ COI
P/ Agencies

Leader of the right-wing Justice First Party and Governor of Miranda State, Henrique Capriles Radonski, has called on Venezuelans to take to the streets for the first time since the violent protests known as the barricades erupted just under a year ago.

The politician, who stood unsuccessfully as a presidential candidate against President Nicolas Maduro in March 2013, made the comments from a sports stadium in the capital, Caracas, where he referenced the increasingly visible long lines of citizens queuing up to buy goods outside of stores as a possible opportunity for political protests. He also went on to call for a nationwide strike which went largely unheeded by the general population.

“Now that the people are in the street, in the queues, they have to mobilize to demand concessions”, stated Capriles. Although protests have failed to materialize in response to Capriles’ comments, the news agency Reuters reported that “barricades” had once again been resurrected in the city of San Cristobal in the border state of Tachira on January 16th. The city was a hotbed of rightwing political action in last



year’s violent protests, when opposition militants blocked the streets, set fire to buildings and prevented the free movement of food supplies and citizens.

The actions resulted in the deaths of 43 people and hundreds of injuries.

Although reported as spontaneous protests at the time, they were later discovered to have been organized in advance from Colombia by rightwing militants such as currently imprisoned Lorent Saleh, who had planned to commit a number of terrorist attacks against the government.

According to the Associated Press, protestors in San Cristobal have been “battling” with security forces since New Years Eve, but appear to be displaying a more cautious attitude than last year.

“No one wants to get arrested now when things are about to heat up”, commented one barricader to the news agency, whilst another stated that “all the conditions needed to end this government are coming together”.

The government maintains that the Venezuelan opposition

is stepping up its attacks against the Revolution by employing a number of coinciding strategies, from promoting civilian unrest through the hoarding of essential goods aimed at creating artificial scarcities to enacting direct acts of violence.

During his annual speech to the country’s legislature and the nation on January 22nd, President Nicolas Maduro also revealed a video exposing a recent telephone conversation between two high-ranking former military personnel in which they conspired to agitate out-

side of stores “where there are long queues” in order to provoke “violent looting”.

“It’s a strategy, we have to start mobilizing the students outside of the big stores, like the government Bicentenary supermarkets, in order to create the first wave of violence, then look for members of the Bolivarian National Guard and the Bolivarian National Police who can be vigilant and attack”, declares Jose Gamez Buscamente in the video, accused of spying against the government.

The right-wing Popular Will party, led by currently jailed politician, Leopoldo Lopez, and a number of student group are also implicated in the video.

The Venezuelan youth and “student” movement has been one of the principal benefactors of funding from US democracy promotion agencies such as USAID in recent years. It has spearheaded some of the most radical protests against the government since 2008, including a hunger strike in 2011.

According to the Associated Press, students in San Cristobal have begun to distribute leaflets amongst citizens queuing up to buy goods.

Maduro’s revelation comes after eight vehicles were also destroyed by a petrol bomb attack at the state-run telecommunications company, CANTV, earlier this month in Bolivar state. Several barricaders who were involved in last years protests are also currently staging a “blood” protest outside of a United Nations development program in Caracas.

The United Nations is yet to officially respond to the group.

Venezuela’s Maduro criticizes visit of right-wing ex-presidents

T/ TeleSur English
E/ COI
P/ Alba Ciudad

Venezuelan President Nicolas Maduro criticized the visit of three former Latin American presidents who met with the country’s right-wing opposition.

Ex-Presidents Felipe Calderon from Mexico, Sebastian Piñera from Chile, and Andres Pastrana from Colombia attended a meeting of Venezuela’s opposition coalition on Jan. 26th in Caracas.

“In Venezuela there is and there will be freedom of expression. The former presidents are welcome but must know that if

there were to be a coup in Venezuela, you Pastrana, Piñera and Calderon stained forever for supporting a terrorist group”, Maduro said.

“I want to tell former President Calderon of Mexico, the representative of the Chilean Pinochetism Piñera, and Pastrana of Colombia, that they can come to Venezuela, but they should know that it will be clear that they are coming Venezuela to support a far-right group that does not recognize the government, that is calling for a bloody coup and that they are endorsing a group of crazy people”.

The former leaders attended a gathering organized by

Venezuela’s right-wing opposition coalition, the so-called Democratic Unity Table, in order to discuss the alleged violation of human rights in the South American country. The event was organized by former opposition legislator Maria Machado, who herself is being investigated for her role in the violent demonstrations that began last February which claimed 43 lives, as well as other political violence throughout the country.

During his presidency, Mexico’s Calderon militarized the bloody war on drugs in the country, which has left at least 120,000 dead people and thousands others missing, according to figures provided by nongovernmental organizations. Calderon became president in 2006 amid widespread claims of voting irregularities and fraud, leading to months of



massive demonstrations in the country’s capital.

Piñera, the billionaire businessman who became Chile’s first right-wing head of state since the dictator Augusto Pinochet, was a close associate of the former general during Chile’s 17-year dictatorship, to

which much of his fortune is owed. During his presidency, Piñera was criticized by human rights organizations for the violent police response to student demonstrators, as well as to protests by the country’s indigenous Mapuche communities.

Economic measures announced during annual state of the nation



T/ Paul Dobson
E/ COI
P/ Alba Ciudad

Venezuelan President Nicolas Maduro announced numerous economic decisions during his annual State of the Nation address in the National Assembly, without announcing an increase in gasoline prices as was anticipated.

Gasoline in Venezuela is “the cheapest in the world”, Maduro explained, and “the moment is coming when we must raise its price. They may crucify me”, Maduro affirmed, “but we must do it this 2015”.

2014 “A COMPLICATED YEAR”

During an evaluation of the past year, Maduro reflected on the opposition violence and an

intensification of the economic war against the people and government of Venezuela, describing 2014 as “a complicated year, but nonetheless peace won over”.

The Venezuelan economy contracted by 2.8% last year, but despite this, social spending was maintained, he explained.

“We can proudly say that in 2014, despite the perturbation

and the attacks... despite the sabotage and economic war... social spending was kept at 60.7%... with six times more spent on public education, 21 times more in security, nine times more on health, nine times more on political participation, six times more on housing, eight times more on culture, and 10 times more on science and technology... also, inequality decreased from 0.398 to 0.382”.

Maduro also highlighted that the Great Housing Mission fulfilled its goal of 673,416 houses in 2014, and that they plan to build 400,000 in 2015, as well as increasing the sectors which benefit from the Mission New Neighborhood, Tricolor Neighborhood from 127 to 200.

SALARY, PENSIONS, GRANTS ALL INCREASE

Declaring that “it is in the economy that we have our greatest tasks”, Maduro announced an increase in the minimum wage and pension payments by 15%.

Similarly, 300,000 new pensioners are to be incorporated into the public pension system in 2015 through the Mission Homes of the Nation.

“In 2015 we are going to implement a special plan for the protection of the Venezuelan family” he explained, “which will have as its aim to protect the children, the pensioners, and the women”.

As such, Maduro announced a census of the homes which are

inscribed in the Mission, and the protection of over 500,000 families, as well as proclaiming an increase in grants for middle school and university students.

SHORTAGES AND INFLATION

The highly anticipated announcements also included a revision of the entire national distribution network following repeated denunciations of hoarding and smuggling.

“Enough of dialogue! I will make the distributors sign an ultimatum to respect the people, and if not then I will act with the entire weight of the law... Let the national revision of the distribution network begin”, he said.

Maduro also approved significant investment for food production and agriculture as parts of his efforts to combat the economic woes of the nation.

EYE ON PARLAMENTARY ELECTIONS

Despite the date not yet having been fixed, Maduro referred to the upcoming parliamentary elections, in which the opposition hopes to gain ground.

“I don’t have any doubts that the Bolivarian Revolution will have a great victory in the elections, we will see each other here again next year. If the elections were today, we would overcome the right” he stated, dedicating his yearly address to Robert Serra, a young revolutionary lawmaker assassinated last year by Colombian paramilitaries.

Tons of essential hoarded goods uncovered in private warehouses

T/ Rachael Boothroyd
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P/ Alba Ciudad

Venezuelan authorities have arrested the manager of the Herrera C.A business, Mary Perdomo, after over a thousand tons of essential goods were discovered to have been illegally stockpiled at one of the company’s warehouses on January 12th.

According to Venezuelan press, authorities conducted a night time raid on the factory, where they found 1.5 million diapers, 78,770 packets of sanitary towels, over 14,000 packets of baby milk formula, 360,000 kilos of washing powder, as well as a number of necessary food products such as black beans, rice and over 40 tons of corn flour.

Perdomo is accused of “boycotting” and “associating with the intention of committing crime”.

The seizure came amidst what the government has described as an intensifying “economic war”, characterized by the hoarding of essential products such as corn flour and toilet paper by businesses in order to create false shortages, economic uncertainty and to promote unrest amongst the general population against the government.

“It’s insulting, to say the least, to arrive here and see this... It’s another concrete demonstration of the economic war that is being waged against the country”, said Executive Vice President, Jorge Areaza, from the warehouse.

Whilst the government has aimed to guarantee access to

food through the creation of a series of food stores known as MERCALS, where basic products are sold at significantly subsidized prices, the majority of the country’s food distribution is still controlled by the private sector. Many private businesses receive dollars at the subsidized rate of 6.3 Bolivars from the government in order to import products from abroad. Despite this, many companies continue to make a huge profit by selling the goods according to the fluctuating black market rate of 160-180 Bolivars to the dollar.

Following the discovery at the Herrera warehouse in Zulia, an investigation into the company was opened up by the Bolivarian National Guard, the national Public Prosecutor’s Office and the Superintendence for Fair Costs and Prices. A second raid was then carried out at one of Herrera’s warehouses in the north western state of Falcon, where authorities also discovered a number of hoarded goods, including 19,000 bottles



of deodorant and 72 ton of washing powder. Both items have been almost impossible to obtain over the past six weeks in the country.

“We are going to tackle this with all of our might, we are not going to allow the peace of the Republic to be violated. To the leaders of the opposition who have joined this economic war, prepare yourselves for the consequences. You are responsible for your acts, your opinions and actions... We have been sufficiently patient, making calls for peace

and dialogue, and then you come along and try to damage the country”, added Arreaza.

Eleven more managers and employees of the business have also been arrested in connection with the find. The hoarded goods have since been redistributed through the government’s MERCAL network to the public at subsidized prices, whilst Venezuelan President, Nicolas Maduro, has announced that all food distributors will be inspected for illegally stockpiled items.



Currency exchange mechanisms modified

T/ Paul Dobson
E/ COI
P/ Agencies

During his annual speech to the National Assembly this month, Venezuelan President Nicolas Maduro announced highly anticipated changes to the complex system of foreign currency controls, though he did so without succumbing to pressure to unify the various rates.

“This is the decision which I have taken”, explained Maduro to the National Assembly while his speech was broadcast on national television.

“We will continue to use a system of three markets” he said, “because after studying each and every one of the proposals we determined that a unification of the rates would be unfeasible, or in other words, it would be a collective self-suicide for the economy”.

The heavily subsidized, “prioritized” exchange rate of \$1 US dollar to 6.3 Bolivares is to be maintained for the importation of food and medicine, “to protect our economy and our society”, Maduro explained.

The actual floating exchange mechanisms (SICAD I and II), which vary between 12 and 52 bolivares, are to be unified “using the best experiences of SICAD” he added. Though the new rate has yet to be published, many speculate it will fall somewhere between the two

figures, possibly around 35 bolivares per dollar.

These rates will facilitate foreign currency to “the rest of the productive sectors of the country” through “an auctioning system”, Maduro explained.

Finally, Maduro announced the creation of a third mechanism for currency exchange which he described “similar to a stock market system”. Many suspect that this new mechanism is an attempt to legalize the black market dollar, which currently changes at a rate of 1 to 180.

“Here the private and public sector will coincide” explained Maduro, “and a balance of legal participation should be found which will allow the market which finds itself outside of the law to be dealt with”. According to official estimates, the so-called black market exchange only handles 4% of the foreign currency circulating in the country.

Finally, Maduro emphasized the pragmatic nature of the systems.

“All of these exchange systems are temporary, and are aimed at attending to the needs of the economic development of the nation during a period of investment and recuperation, which will allow us to stabilize the fundamental factors of the economy and achieve the best efficiency and optimization of foreign currencies”.

Bias creates investment opportunities in venezuelan bonds



T/ Mark Weisbrot*
E/ COI
P/ Agencies

During the past few weeks, numerous reports in the business press have suggested that Venezuela will default on its bonds. A Bloomberg News reporter stated that “it is not a question of if, but when” the government will default. Another Bloomberg article warned that Venezuela has \$21 billion of debt due by the end of 2016 and only \$21 billion in reserves – as if governments pay off their debt out of reserves. And CNN reported that “the spectre of default looms larger” for Venezuela, “which is deep in debt and has been burning through its foreign currency reserves”.

Should foreign investors believe these stories? When in doubt, it is usually a good idea to look at the numbers. There are two types of dollar-denominated bonds that these reports refer to: Venezuela’s sovereign or government bonds, and the bonds of the state company, Petroleos de Venezuela SA (PDVSA).

The totals for interest and principal due each year over the next three years are about \$10 billion, of which roughly half is principal and half is interest. (After 2017, principal payments drop off to low levels.) Normally, Venezuela would be able to

roll over the principal and issue new bonds for the principal coming due. That would leave approximately \$5 billion in interest payments. Venezuela has about \$50 billion in oil revenue at current prices of \$55 per barrel; it is difficult to imagine that prices would fall low enough, and stay there long enough, for Venezuela not to be able to afford \$5 billion in annual interest payment.

Apparently some people do. As of December 16, Venezuela’s sovereign bonds that mature in March were yielding a 76% annualized rate of return. PDVSA’s bonds maturing in 2017 were selling at 45 cents on the dollar. There are huge profits to be made for anyone who is willing to bet that Venezuela doesn’t default over the next three years and wins.

In fact, the prices of Venezuela’s bonds are so depressed that the government could buy up the whole stock of debt that comes due in the next three years, nominally worth about \$14.3 billion, for less than \$9 billion — and probably even less, since the government already owns some of that debt. And they have enough assets to sell — including \$14 billion in gold — that they could do exactly this. If they are reluctant to sell the gold, they can swap it for cash.

And then there is China, which has loaned Venezuela \$46 billion over the last eight

years, with \$24 billion having been paid back. Would China, which considers Venezuela to be a “strategic ally,” let the government default on its debt for lack of a few billion dollars or less?

Argentina’s bonds provide another opportunity for a high return, thanks partly to media coverage reporting that the country has already defaulted on its sovereign debt. This is somewhat misleading, since Argentina deposited the full interest payment on its sovereign bonds for distribution to creditors on June 30, only to have payments blocked by a New York Federal District judge.

There are a number of ways to work around his decision and jurisdiction; since the government is determined to pay its creditors, it will be done. The Argentine government’s foreign debt owed to private creditors is about 7% of its GDP; it would not make sense for any government to default on such a small amount of debt.

It is always a good idea to read the business press with a critical eye. In the case of countries where media bias is unusually strong, it can also be quite profitable for investors to do so.

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Advances in telecommunications propel venezuela into 2015

T/ Paul Dobson
E/ COI
P/ Agencies

Advances in the popularization and democratization of telecommunications were announced this month, with increased access to technology for the poor. As 2015 began with more than three billion internet users across the globe (42% of the world population), it was announced that internet

is available to 15.5 million Venezuelans (58.94%).

Apart from being well above the global average, Venezuela is one of the highest Latin American countries on the list.

Such advances are accredited to revolutionary policies such as the nationalization of the national telecommunications company, the construction of 900 InfoCenters offering free internet access in the poorest sectors, and the free distribution

of over three million Canaima laptops to schoolchildren.

'WI-FI FOR ALL' ADVANCES

Figures were also released this month regarding the advance of the country's public 'Wi-Fi For All' project, which in 2014 alone installed free Wi-Fi in over 2,950 public spaces including public plazas, schools, and libraries.

With 6 Mb, 24-hour, unblocked access in 681 villages,

551 public squares, 46 parks, and numerous historic sites, millions of Venezuelans can now surf the net on their way to work, in their free time, or from their home or workplace.

The project has largely targeted Venezuelan youth, with Wi-Fi installed in 277 universities and 1,395 schools. Venezuela was declared free from illiteracy in 2005, and is advancing in goal to eliminate technological illiteracy.

"This is great advance" explained Daniel Villegas, who lives close to the Hugo Chavez Square in Puerto Ordaz. "Now we can navigate the internet for free whilst we are in the square enjoying the activities which are held. For me, internet is very important as I am always looking for more information!"

SIX MILLION INTELLIGENT CELLPHONES TO BE BUILT

Following the visit of President Maduro to China, agreements were signed for Venezuela to build six million new low-cost intelligent cellphones which "will compete perfectly with the brands which we generally recognize", explained Manuel Fernandez, Minister for Science and Technology.

31% of all Venezuela cellphones are currently 'intelligent' phones.

"In China, we have signed deals to amplify high-technology projects in telecommunications, to continue democratizing the Internet and access to subscription TV, to continue producing tablet computers and latest generation cellphones" stated Maduro whilst on his visit.

Fernandez emphasized that Venezuela will soon be an exporter in cellphones. "This is the first step, production: to deepen it, increase it, and maintain it".

Maduro has highlighted the need to diversify the Venezuelan economy away from oil-income and towards an industrialized, productive economy.

CALLS FOR INVESTIGATION INTO USE OF SOCIAL NETWORKS

The Venezuelan Communist Party made a call for a "quick and efficient investigation" into the manipulative and destabilizing lies spread in the social networks this month by anti-democratic forces.

"The messages, the lies, which stimulate lootings, blockades, and disturbances all pass through this technological platform" explained Carolus Wimmer. The majority of the destabilizing messages are "prepared from outside Venezuela", he added.

Social networks were used to manipulate information and promulgate falsified photographs and pre-prepared rumors in 2014, in the context of violent street protests that left 43 people dead.

It was the tweet of a self-exiled Venezuelan in Miami which prompted riots after the 2013 elections. Nelson Bocaranda, based in southern Florida, incorrectly declared that "in the hospital of Maracaibo there are election boxes hidden away and the Cuban doctors won't let us get them out". Subsequent protests attacked hospitals and doctors and left seven Venezuelans dead.

Opposition groups suspected in public telecom firm attack

T/ Telesur English
E/ COI
P/ Agencies

Venezuela's Public Ministry is investigating a firebomb attack that destroyed eight vehicles owned and operated by state-run telecommunications company CANTV. The attack, which took place in Puerto Ordaz, Bolivar state, resembles numerous terrorist incidents of 2014 aimed at destroying the public sector's ability to meet people's needs.

According to preliminary information, at approximately 3:00 am on Saturday, January 10th, a group of unknown people threw petrol bombs at CANTV

headquarters in Bolivar state, causing the destruction of eight vehicles. While some additional damage was inflicted on property, nobody was hurt.

The trucks, used to service public telephone and internet lines distributed across villages, cities, and states, are a necessary tool for CANTV to install and repair said lines.

Although the attackers have not yet been identified, right-wing opposition groups and sympathizers have attacked public buildings and infrastructure in the past, leading authorities to suspect this incident is of similar intent.

Opposition leaders sparked riots last year, during which 43

people were killed and billions in damage to public infrastructure inflicted.

Venezuela's government has been implementing a democratically-approved socialist revolution since 1999. Since then, the Bolivarian government has operated under the constant threat of destabilization attempts from right-wing forces within the country, and external threats including the United States, which supported a coup attempt in 2002 and in December passed sanctions against the country.

For the last year, an element of the pressure against the Venezuelan society has included economic sabotage in the form of underproduction of goods as well as hoarding and speculation on goods and supplies.

With cultural advances being one of the Bolivarian Revolution's greatest achieve-



ments – having eradicated illiteracy, democratized internet access, provided free university programs to tens of thousands, and launched a new film production industry that is inspiring filmmakers and viewers worldwide – it is no surprise the state-owned

telecommunication company has once again come under attack.

The government has promised to bring the attackers to justice, and committed to immediately sending new vehicles to replace those damaged at Bolivar's CANTV.



A brutal bid to rock Caracas

T/ Matt Willgress*
E/ COI
P/ Agencies

Venezuelan President Nicolas Maduro has led a chorus of the Global South in angrily rejecting new sanctions against his nation signed into law by US President Barack Obama in December.

The Venezuela Defense of Human Rights and Civil Society Act of 2014, earlier agreed by the US Congress and Senate, authorizes sanctions against Venezuelan officials.

It is portrayed as a response to alleged human rights violations committed by them during the La Salida (the ousting) violent protests in Venezuela of 2014, which many argued sought to prompt a coup to oust the elected, constitutional president.

In reality, the La Salida campaign was initiated by extreme, anti-democratic elements of Venezuela's right-wing opposition. Forty-three died during the protests.

The violent tactics used by extremists were widely condemned in Latin America but elsewhere the propaganda that the violence was prompted by government actions dominates the discourse.

Responding to the sanctions, Nicolas Maduro said: "President Obama has taken a false step against our country by signing the sanctions, despite the national and continental rejection of them.

"On the one hand, he recognizes the failure of the aggression against and blockade of Cuba ... which with dignity, has resisted and won, and on the other hand he has started a stage of increased aggressions against (Venezuela).

"These are the contradictions of an empire that tries to impose its domination in whatever way it sees fit, underestimating the strength and awareness of our homeland", he added.

In a pertinent analysis, published in the New York Times, Venezuela National Assembly president Diosdado Cabello argued that: "In Cuba, a decades-long trade embargo caused great hardship but failed to realize the US objective of ending the Cuban revolution.

"The UN's many votes to lift the embargo exposed how isolated Washington had been in its policy. It would be regrettable if sanctions against Venezuela, first opposed by the White House, now became a way for the Obama administration to appease those in Congress who oppose the his-

toric restoration of relations between the United States and Cuba".

Cabello also highlighted another aspect of the hypocrisy of the US position, pointing out that "It seemed an unfortunate coincidence that just as scores of people demonstrating against police brutality were being arrested (in the US), the US Congress passed a Bill to bring sanctions against members of my country's government for alleged human rights abuses during protests", adding that "while Congress accused Venezuela's government of cracking down on dissent, African-American communities across the US expressed outrage over police killings of unarmed black men", and further commenting that, "as legislators on Capitol Hill criticised Venezuelan officials for purported violations of democratic norms, a Senate report revealed the extent of torture by the CIA".

The double standards of the US were put in a regional context by analyst Lauren Carasik for Al Jazeera, who noted: "Washington's focus on human rights abuses in Venezuela is in stark contrast to its aid to Honduras, Mexico and Colombia, which face grave human rights situations," with the US continuing "to ex-

tend tens of millions of dollars in security aid".

Whatever the reasoning behind Obama's timing, Washington's antipathy toward Venezuela is not new.

Since Hugo Chavez's election in 1998, the US government has routinely sought to undermine Venezuela. It is well known that Washington supported a failed coup attempt in 2002 but US efforts did not end there. It continues to spend millions on supporting the opposition.

Investigative journalist Eva Golinger has documented how over 12 years US government agencies have provided well over \$100 million to opposition groups.

The new Act now calls for a US government strategy to increase funding for and availability of anti-government media in Venezuela, including utilizing the Voice of America for this end.

The Bill states that US foreign policy should aim to "continue to support the development of democratic political processes and independent civil society in Venezuela".

As well as creating diplomatic barriers, the sanctions themselves could actually prompt violence, according to Venezuela's Foreign Minister Rafael Ramirez, who says the US move sends a message to violent right-wing groups that they can continue with actions of anti-democratic destabilization.

It is important though to recognize that Venezuela does not stand alone in response to this latest aggression, particularly in Latin America and the Caribbean.

In a statement, the countries of the Alba regional bloc expressed "their absolute support to and solidarity with the people and government of Venezuela," arguing that the "Venezuela Defense of Human Rights and Civil Society Act of 2014 is a smokescreen that paves the way to destabilization ... opening the gates to an unconstitutional move against the legal and legitimately elected government", adding that "they will not allow the use of old practices already implemented in countries of the region, aimed at promoting a change of political regime just as was the case in north Africa and in countries of the Middle East".

Additionally, the member states of the Union of South American Nations (Unasur) stated that "the application of the unilateral sanctions included in this Bill infringes the principle of non-intervention in the internal affairs of other states and do not contribute to stability, social peace and democracy in Venezuela".

Highlighting the hypocrisy of the US, president of Nicaragua Daniel Ortega announced that in response to their role in pioneering the sanctions US Senator Marco Rubio and Representative Ileana Ros-Lehtinen had been banned from Nicaraguan territory.

Ortega said: "Just like they (US officials) have their lists, we can make our own lists in Latin America of those who shouldn't enter our country".

Globally, the G77+China group expressed their rejection, with President Evo Morales of Bolivia stating that "The Group of 77+China reiterates the urgent need to repeal the legislative measure taken against Venezuela which undermines the UN Charter and international law, especially the principles of non-intervention in internal affairs and equal rights and self-determination of peoples".

In Britain, over 80 prominent politicians have added their names to a statement opposing the sanctions and supporting Venezuela's national sovereignty. We need to do all we can to amplify such voices in the months ahead.

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Opinion

Desperate to save his legacy, obama chooses cuba

T/ Eva Golinger
E/ COI
P/ Agencies

The announcement came as a welcome surprise to millions around the world who have long awaited a major change in US policy towards Cuba. In simultaneous broadcasts, presidents Raul Castro and Barack Obama bridged the painful, unjustified and well-outdated gap that has tormented both nations for over half a century. It was a major breakthrough, to say the least.

It was Castro who was quick to remind his fellow citizens that, while applauding the decision of the first standing US president to actually improve ties with Cuba, the vicious blockade imposed against his nation by Washington still remains. Obama was also cautious to mention that though there were concrete actions he could take towards normalizing relations with Cuba, it was the US Congress that had the authority to end the blockade, and not him. He did urge Congress to take those steps, while lashing out a few patronizing admonitions at Castro regarding democracy and human rights.

Without a doubt, one of the most important victories of the deal was the release of the three remaining Cuban citizens, Gerardo Hernández, Ramón Labañino and Antonio Guerrero, unjustly held in US prisons for 16 years on charges of espionage and other crimes. These men were finally able to return home to a hero's welcome, after an agreement was brokered between the two governments that also saw the return of a USAID subcontractor convicted on charges of subversion in Cuba, Alan Gross, and a Cuban citizen and former intelligence officer, Rolando Sarraff Trujillo, jailed for working as a double agent for the US Central Intelligence Agency.

There is no question that this event marks a profound change in US-Cuba relations and US relations with Latin America. And it is a major victory for the Cuban Revolution, Fidel and Raul Castro and the Cuban people. Over the past fifteen years, Washington has lost its influence in Latin America and the region has shifted significantly towards the left with socialist presidents in a majority of countries and new regional organizations that exclude the United States and Canada. With the Union of South American Nations (UNASUR), the Bolivarian Alliance of the Peoples of Our America (ALBA) and the Community of Latin American and Caribbean States (CELAC), Latin America has become more integrated, sovereign, independent and powerful than ever before. The region has forged relations with China, Russia, Iran and other sovereign states with



strong markets and technological know-how. Development has excelled and with few exceptions, Latin American economies are on the rise. All this has been achieved without the United States.

The day after a well-crafted presidential speech on how US policy has failed in Cuba, which acknowledged the blockade and economic embargo of Cuba had been a fiasco, Obama signed bills imposing sanctions on both Venezuela and Russia. There is little doubt that the sanctions bill against Venezuela, an absurd law titled the Venezuela Defense of Human Rights and Civil Society Act of 2014, was signed by Obama to appease the small, but influential group of rabidly anti-Castro, anti-Chavez and anti-Maduro politicians and constituents in Miami who were steaming with rage from the shift on Cuba.

The Venezuelan sanctions bill is rather ludicrous. It purports to punish officials in Venezuela who allegedly violated the human rights of anti-government protestors in demonstrations that took place in February 2014. Considering that the majority of those protests were extremely violent and protestors directly caused the deaths of over 40 individuals, most of whom were government supporters, bystanders and state security forces, imposing sanctions on state officials who exercised their duty to protect civilians is illogical.

The sanctions bill against Venezuela goes beyond freezing the assets of a few

Venezuelan government officials and revoking their visas. It reaffirms the US government commitment to supporting – financially and politically – the anti-government movement in Venezuela which acts beyond a democratic framework, and it authorizes the preparation of a full-on propaganda war against the Venezuelan government. All of this is reminiscent of the very same failed policy on Cuba that Obama just renounced. So why impose the same on Venezuela?

Appeasing the community in Miami is a major reason. But Obama also needs the change in Cuba policy to save his withering legacy. As the first black president in the United States, Obama expected his legacy to be the end of racial tensions and institutionalized racism in the country. However, the opposite has occurred during his administration. Racial tensions are at an all-time high. Mass protests have erupted nationwide against police brutality in black communities and the injustice blacks face in the US legal system. Racial crimes have increased and people are angry. The “change” Obama promised hasn’t come and he won’t be forgiven for his failure to deliver.

Cuba hasn’t been a real threat to the United States – if it ever was – for a very long time. But Venezuela, because of its vast oil reserves, is. The US needs to control Venezuela’s 300 billion barrels of oil in order to guarantee its long-term survival, and without a subservient government in power, that’s not pos-

sible. US policy on Venezuela has been the same since Hugo Chavez was first elected in 1998 and refused to bow to US interests: destroy the Bolivarian Revolution and remove him from power. The same policy is in effect against the government of Nicolas Maduro.

By attempting to isolate both Venezuela and Russia with sanctions and cripple their economies, Washington believes it will succeed in stifling Russia’s expanding relations with Latin America and neutralize Venezuela’s regional influence. The plan is to step in and fill the void with US financial and political clout. And Washington thinks that by reaching out to Cuba, the rest of Latin America will be seduced enough to welcome back US domination.

Cuba may be Obama’s lifejacket, but the ship has sailed. Latin American nations have overwhelmingly condemned US sanctions on Venezuela and called for them to be rolled back. Obama may think he can sacrifice Venezuela in order to save his legacy by engaging with Cuba and closing ranks in the hemisphere, but he’s wrong. The same solidarity that Latin American nations expressed to Cuba for over 50 years is also present for Venezuela. La Patria Grande won’t be fooled by US double standards anymore. Latin America has long expressed its desire for a mature, respectful relationship with Washington. Will the US ever be capable of the same?