

Maduro expels US officials as Venezuela's economic crisis deepens

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Venezuela's President Nicolas Maduro announced Monday that he was ordering the expulsion of three US embassy officials, charging them with instigating and financing the "sabotage" of the country's electrical system and its economy.

Chief among those ordered to leave the country in 48 hours was Kelly Keiderling, the US chargé d'affaires—Washington's senior representative, in the absence of any US ambassador in the country since 2010. Keiderling's background includes graduate studies at the US National War College as well as stints in Cuba and as chief of staff of the State Department's Iraq office. Elizabeth Hunderland and David Mutt, who reportedly work in the embassy's political section, were also ordered out.

"Get out of Venezuela! Yankee go home!" Maduro declared Monday in announcing his decision during a live television broadcast of his speech at a Venezuelan army ceremony. "We will not allow an imperial Government to come and bring money, and see they bring basic companies to a standstill, how they cut power to turn Venezuela off."

Following up with the official order to the US State Department, Venezuelan Foreign Minister Elias Jaua gave a somewhat more detailed indictment, accusing the officials of holding meetings with Venezuelan opposition figures in the states of Amazonas and Bolivar, which he said were aimed at fomenting anti-government demonstrations. He also said that they had met with leaders of indigenous populations with the aim of fomenting a rebellion, as well as with the US-funded organization Sumate, allegedly to discuss plans to challenge the results of nationwide local elections set for December 8.

"This is a big psychological operation with concrete expressions carried out directly by these functionaries of the US embassy," said Jaua, who claimed to have

photographic and taped evidence of the US officials' illicit activities.

The foreign minister also accused the US officials of being behind a more than two-week strike by steelworkers at the Sidor (Siderurgica del Orinoco Alfredo Maneiro), Venezuela's largest steel company. This was a largely spontaneous industrial action that workers waged against the attempts by both the government and their own union to force them back to work. The government was forced last week to grant significant concessions in order to end the walkout.

There is no disputing that the US embassy in Caracas, just like similar facilities elsewhere, is a nest of spies dedicated to intervening within the country in pursuit of the interests of Washington and the big US banks and corporations.

Within Venezuela, these activities have included CIA backing for the abortive coup that briefly unseated Maduro's predecessor, the late Hugo Chavez, in 2002, as well as the funneling of millions of dollars into the country via USAID and the National Endowment for Democracy to finance the activities of the right-wing opposition and so-called NGOs like Sumate.

However, blaming the growth of militant struggles by the working class—Venezuelan teachers have also begun a wave of strikes across the country—on the likes of Ms. Keiderling and her two cohorts represents a transparent, reactionary and ludicrous attempt to divert public attention away from the bourgeois nationalist government's own crisis.

In recent months Maduro and other government officials have blamed everything from massive power outages to delays on the Caracas subway on sabotage by the "fascist right."

On the international front, Maduro and his aides charged that Washington had denied the Venezuelan president's plane over-flight rights on his trip to China

last month—the State Department claimed that Caracas failed to follow proper procedure in making the request but that it was granted anyway. He subsequently explained his failure to attend the United Nations General Assembly in New York City by alleging a plot that placed his life in danger, linking it to former Bush administration officials Otto Reich and Roger Noriega.

Just last June, Maduro unveiled a policy of rapprochement with Washington and sections of Venezuela's big bourgeoisie, having his foreign minister Jaua meet with Secretary of State John Kerry on improving relations and exchanging ambassadors. This was accompanied by a cordial meeting between Maduro and Lorenzo Mendoza, the right-wing billionaire who heads Venezuela's country's largest food company, Polar. The government also entered into a \$2 billion joint venture deal between the state-owned oil company PDVSA and the US energy conglomerate Chevron.

The turn to continuous denunciations of plots and conspiracies by Washington and its right-wing local minions has kept pace with the deepening of the country's economic crisis, characterized by an inflation rate of 45 percent—the highest in the hemisphere—and growing shortages of basic commodities ranging from food to toilet paper.

There are signs that the daily cries of “sabotage” are wearing thin with Venezuelans. According to one recent poll, barely 4 percent of the public buys this explanation for the country's difficulties.

At the heart of the mounting economic and social crises are the contradictions underlying so-called Bolivarian 21st Century Socialism, inaugurated by the former paratrooper colonel Hugo Chavez and continued by his hand-picked successor Maduro. Masquerading under the name of socialism, its program consists of partial nationalizations and social assistance programs for the poor, while the commanding heights of the economy remain firmly in the hands of international and Venezuelan finance capital.

While workers have seen their real incomes steadily eroded, the country's stock market is the highest performing in the world, up 281 percent compared to last year. Leading this dizzying rise have been the country's private banks, which are the most profitable in the world thanks to speculation and funding the country's ballooning public debt at exorbitant interest rates.

Under Chavez and now Maduro, a whole new wealthy layer of the country's ruling establishment, the so-called *boliburguesia*, has grown up, enriching itself off of

corruption, government contracts and financial speculation.

This has been facilitated by the government's maintenance of an official exchange rate of 6.3 bolivars to the dollar, while the US currency trades for six to seven times that amount on the black market.

This system, while enriching a few off arbitrage, has created a scarcity of foreign currency that has impeded imports and helped drive up prices. Lack of maintenance and investment in nationalized industry, meanwhile, has driven down production.

Plans have reportedly been drafted by the ministry of finance, headed by Nelson Merentes, the former Venezuelan central bank president, for a “financial adjustment” based on introducing greater flexibility in the exchange system. According to some reports, this would include the revival of a previous system banned in 2010 under which private finance houses would be allowed to sell local bonds that would be convertible into dollars.

The effect would be a further sharp devaluation of the bolivar, which would mean a major new blow to the already decimated real wages of Venezuelan workers. It is not lost on officials that the removal of exchange control and letting the national currency float against the dollar were a part of an IMF-directed economic reform package introduced by former president Carlos Andres Perez in 1989, triggering the *Caracazo*, a mass uprising of the urban poor in which as many as 2,000 were killed.

Concerns within the ruling party are evidenced by a recent document entitled “Que Hacer?”—“What is to be done?”—drafted by economic advisors to Maduro. It warned: “Until now, the oppressed classes who support the revolutionary process have been patient... But one senses in the environment the possibility of a social explosion as the product of the possible fall into the economic abyss which we are dangerously approaching.”

All of the Maduro government's talk of “sabotage” will in such an event be turned savagely against the working class. The unpostponable task posed to Venezuelan workers is the building of its own independent revolutionary party in struggle against the Maduro government and financial oligarchy that it defends.



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