DJIA **24797.78** -0.67% ▼

Nasdaq **7218.23** -0.22% ▼

U.S. 10 Yr -17/32 Yield 2.949% ▼

Crude Oil **61.28** -0.65% ▼

Euro **1.2282** -0.03% ▼

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit http://www.direnrints.com.

https://www.wsj.com/articles/maduro-is-starving-his-own-people-1511071600

## THE AMERICAS

## Venezuela Is Starving Its People

The Maduro regime is using its control of food to stamp out protests.



President Nicolás Maduro and First Lady Cilia Flores showing their electronic identity cards in Caracas, Venezuela, July 30. PHOTO: TV GRAB/AGENCE FRANCE-PRESSE/GETTY IMAGES



Ву

Mary Anastasia O'Grady Updated Nov. 19, 2017 4:20 p.m. ET

There's something vaguely uplifting about the house arrest of Zimbabwe dictator Robert Mugabe last week. But it's depressing to think that he hung onto power for 37 years, despite hyperinflation and famine in an African nation that was once a major food producer for the continent.

Ronald Reagan believed that "what is right will always eventually triumph," but Zimbabwe is proof that it can take a long time. So too is Venezuela, which is experiencing its own Zimbabwean meltdown with no electoral way out.

Venezuelan shortages of everything are widely acknowledged. But there is less recognition that strongman Nicolás Maduro is using control of food to stamp out opposition. Hyperinflation has shriveled household budgets and the government has taken over food production and distribution. Most damning is evidence that access to government rations has become conditional on Maduro's good favor.

The hardship is killing and deforming children. But Cuba, which runs the Maduro intelligence apparatus, also endorses it. Holding power trumps all.

Maduro took the helm in Venezuela after the March 2013 death of Hugo Chávez. Over 14 years Chávez had destroyed property rights and civil liberties and greased the monetary printing press. But \$100 per barrel oil covered his multitude of sins.

Now the global crude price has been cut in half and the Chávez mess is exposed. The central bank's net hard-currency reserves have fallen below \$1 billion. Last week Miraflores Palace missed deadlines for interest payments on two sovereign debt issues and one bond issued by the national oil company PdVSA. Triple-digit inflation is spiraling.

Outside the country many are asking why the popular rebellion, which was significant in July, has gone quiet. The answer may be in the government's skillful use of hunger as much as imprisonment to quash dissent.

Last week the newspaper El Nacional reported on a "food emergency forum" held by Amnesty International in Caracas. One participant was Maritza Landaeta, coordinator of the Caracas-based nonprofit Bengoa, which has worked to aid Venezuelans in food and nutritional needs since 2000. In describing the crisis, Ms. Landaeta shared the grim reality facing many mothers: "They say their children cry all day and they can only give them water. They are dying."

Ms. Landaeta said some communities are experiencing undeniable "famine" and that in some parts of the country 50% of the children have left school because of hunger. According to the website El Estímulo Ms. Landaeta also reported that household surveys in the Baruta neighborhood of Caracas found that since the beginning of 2016 residents have lost, on average, more than 30 pounds. In September El Nacional reported that a study in 32 parishes in the states of Vargas, Miranda and Zulia by the Catholic aid organization Caritas Venezuela found that 14.5% of children under five are suffering either from moderate or severe malnutrition. This is no accident.

Inflation has stripped Venezuelans of purchasing power. The minimum monthly salary is now 456,507 bolivars, which on Nov. 15 was equal to about \$8. A year ago the monthly minimum was 90,812 bolivars or about \$21. Obviously imported food is unaffordable for most Venezuelan families.

The breakdown of domestic production is not new. But it has worsened in the past two years. Without hard currency, farm equipment cannot be serviced and seeds cannot be imported. Price controls make it hard for local producers to earn a profit.

The dictatorship increasingly controls what food there is. Dollars from oil exports go only to the state, which uses them to import. It also confiscates, at will, farm production and the output of agricultural processors. It plans to use the capital freed up by a restructuring of \$3 billion in debt held by Moscow to buy Russian wheat. The government is forcing the use of debit and credit cards by withholding cash. This allows it to monitor all commerce and it saves on the costly importation of plane loads of new bills.

Venezuelans face risks if they complain. Last week the government announced that anyone who "incites hatred, discrimination or violence" against another, for their politics, faces 10-20 years in jail. The threat of jail, or worse, has already caused a retreat from the streets. This new law, which includes social media, will further chill speech.

Hunger has much the same effect because government rations are crucial for survival. Food supplied by the military-run Local Committee for Supply and Production—known by its Spanish initials CLAP—is not enough to live on. But it's a subsidy that makes a big difference to families.

To receive the rations, Venezuelans must carry the *Carnet de la Patria*, a government-issued license only available to those approved by the regime. As Ms. Landaeta bravely explained, "Food is controlled and votes are bought, food is used as a political weapon and is at the center of the hurricane."

Write to O'Grady@wsj.com.

Copyright ©2017 Dow Jones & Dow Jones

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit http://www.djreprints.com.