



Oliver Stone's latest documentary premiered in South America this week, first in Venezuela. The film attempts to deconstruct the myths and distortions about president Chavez in the US media.

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ENGLISH EDITION | *The artillery of ideas* **INTERNATIONAL**

Economic war in Venezuela

President Hugo Chavez declared the country in Economic War this week, after sabotage and dirty tactics by private companies have attempted to cripple the economy

Speculation, price hikes, product hoarding, contraband, illicit transactions and capital flight are some of the tactics used by private companies and business owners in Venezuela to damage the national economy, create widespread panic and discontent and provoke regime change. This week president Chavez put a stop to it all and declared war on those attempting to destroy the nation.



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Chavez: Obama has been a great frustration

During an interview on CNN this week, Venezuelan president Hugo Chavez called US president Barack Obama a "great frustration" after the "huge expectation that he created" with his presidency and campaign. The South American leader stated that "no big change" has taken place since Obama won office in the US, despite the fact that his victory made many believe that "a true change would be generated within the US, and above all with respect to international relations".

Paraphrasing Colombian novelist Gabriel Garcia Marquez, Chavez refe-

rred to the "enigma of the two Obamas", and expressed his hope that in the future, "the pacifist Obama, the Nobel Peace Prize winner, is the one that takes over. I hope he ends the war in Iraq, and withdraws the troops from Afghanistan. I hope he lets those nations and their people live with tranquility and build their own destiny. I hope he stops the aggression against Iran and the grave risk of a new war in the Middle East, which could have more catastrophic consequences than any war the US has ever before initiated in the world".

With specific reference to Latin America, Chavez mentioned the tension generated by the US agreement with Colombia to occupy military bases, and the reactivation of the US Naval Fourth Fleet in the region. "We are waiting for Obama to withdraw the Fourth Fleet, and hope he will cease the military expansion in Colombia".

Chavez also revealed that during a brief one-to-one with Obama in Trinidad in April 2009, he asked him to review his policy towards Colombia. "Instead of supporting war in Colombia, we should be working for peace".

US sanctions Venezuela



The US State Department has included Venezuela on the list of countries "not cooperating with the war on terror" for the fourth consecutive year. The classification, created arbitrarily by Washington, includes a sanction against Venezuela, prohibiting the sale of arms or defense equipment that utilize US technology to the South American nation.

Secretary of State Hillary Clinton notified Congress on May 11th that the sanction against Venezuela would be renewed for this coming fiscal year, which initiates October 1st. The measure is based on Section 40A of the Arms Exports Control Act, which refers to transactions with nations that don't "cooperate fully" with Washington in the war against terrorism, and prohibits the sale of defense equipment and the exchange of military services to those countries.

Washington bases its determination on what it perceives as the "dangerous relationship" between Venezuela and nations such as Iran and Cuba, classified by the US as "state sponsors of terrorism". Efforts have also attempted to link the Venezuelan government to groups such as the FARC, Hamas and Hezbollah, yet no evidence has ever been presented to back such claims.

This year, a group of Republican Senators, led by John McCain, called for Venezuela to be classified as a "state sponsor of terrorism", but questioned how the important Venezuelan oil supply to the US could be preserved once the country was declared an enemy.



Venezuela condemns Israeli attack

The Chavez Government repudiated and firmly condemned Israel's attack on the humanitarian Freedom Flotilla this week, which caused the deaths and injuries of dozens of international activists. Venezuela broke relations with Israel four years ago during the war against Lebanon and rejects what it views as "state terrorism" against the Palestinian people.

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Social Justice Haiti in need

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“We are in an Economic War”

President Chavez called on workers to not be manipulated by private business owners and companies and challenged the Venezuelan “bourgeoisie” to economic war

“**M**ake the economy scream”, wrote Henry Kissinger in a note to CIA forces involved in efforts to oust president Salvador Allende in Chile in the early 1970s. Later, economic sabotage overtook the South American nation, as workers went on strikes and business owners hiked prices, temporarily shut doors and caused mass inflation, creating an overall climate of instability that led to the 1973 coup d’etat overthrowing Allende.

The same strategy was applied in Venezuela in 2002. A coup d’etat that briefly succeeded, but then failed, was followed by an economic sabotage that shut down the oil industry and depleted the nation of basic consumer products, causing more than \$20 billion USD in damages to the economy, but failing to remove Chavez from power. The business, labor, media and political groups backing the coup and the sabotage received direct funding and support from Washington and its agencies, including USAID, National Endowment for Democracy, International Republican Institute and the National Democratic Institute for International Affairs.

In 2007, they tried again, causing major product shortages nationwide, which spiked inflation, while at the same time taking protests to the streets and garnering international media attention that attempted to portray the Chavez government as dictatorial, repressive and in crisis.

Former US Secretary of State Lawrence Eagleburger, explained the US strategy and role at the time on Fox News, “[Chavez’s] ability to appeal to the Venezuelan people, only works so long as the populous of Venezuela sees some ability for a better standard of living. If at some point the economy really gets bad, Chavez’s popularity within the country will certainly decrease



and it’s the one weapon we have against him to begin with and which we should be using, namely the economic tools of trying to make the economy even worse so that his appeal in the country and the region goes down”.

Eagleburger, also Advisor to president George W. Bush at that time, went on to state that “Anything we can do to make their economy more difficult for them at this moment is a good thing, but let’s do it in ways that do not get us into direct conflict with Venezuela if we can get away with it”.

SABOTAGE

Shortly after Eagleburger’s statements, Venezuela’s economy plummeted. But the Chavez government’s swift nationalization of several industries and companies, along with firm legal action taken against those businesses hoarding products and illegally raising prices, saved the country from recession. The year 2007 in Venezuela was incredibly diffi-

cult, even toilet paper was hard to find, along with basic food staples like sugar, milk, flour and coffee. But it wasn’t because these products were lacking in the country. Discoveries were made of tons of products, hidden from consumers in warehouses belonging to national and transnational corporations in the country. Other products were illegally transported across the border into Colombia and Panama for resale at higher prices.

During the past several years, the sabotage has continued in waves. Sometimes sugar is absent from supermarket shelves, causing panic, other times it’s milk, or corn flour, napkins or black beans. Then, mass quantities of these products are found in some container or warehouse belonging to a private corporation or overseen by a corrupt government official.

Just recently, 32 tons of decomposed food products, including oil, coffee, sugar, butter, rice, pasta, meat and milk, were discovered by Venezuela’s intelligence

agency, Sebin, in 1,300 containers sitting in Port Cabello, on the northwest coast. The products were destined to be sold in the government subsidized markets, Mercal and Pdval, but corrupt officials had purposefully left them there to rot in order to provoke product shortages.

ECONOMIC WARFARE

In an event on Wednesday at a new socialist processing plant, Diana Oil, president Chavez responded to his private sector critics, diminishing their accusations. “They say Chavez is destroying the country, that the workers don’t have the capacity to manage companies and that worker-run production is a crazy idea. They say the government destroys all the companies we run”.

Chavez also called for a response to what he perceives as a “declared economic war” against the people and the Revolution. “I call on the true working class in Venezuela to battle in the economic war against the bourgeois-

sie”, he exclaimed, adding, “I was born for this battle. They have declared economic warfare against me and I call on all workers to join with me in the fight to take back our economy”.

The Venezuelan President had particular words for the owner of one of the nation’s largest food and beverage producers and distributors, Lorenzo Mendoza. One of the wealthiest men in Venezuela, and a Forbes billionaire, Mendoza runs Empresas Polar, which produces and distributes products such as Polar beer, PepsiCola and all kinds of juices, vinegars, sauces, ice creams, cereals, canned and frozen foods.

Chavez responded directly to Mendoza’s claims that the Venezuelan President is destroying the country, stating, “I accept your challenge. Lets go. You with your millions and me with my morals. Lets see who lasts longer, you with your Polar and your riches, or me with my people and the dignity of a revolutionary soldier”. Chavez also warned Mendoza that if his company continues to hoard products, speculate and violate price regulations, Empresas Polar could be nationalized.

“I’m not afraid to nationalize Polar, Mendoza, so be careful. The law is the law”, declared the Venezuelan head of state.

Polar has been one of the principal companies propelling product shortages in the country during the past few years, by hoarding the consumer goods in its hundreds of warehouses nationwide until enough panic and discontent has been generated in the country. Then the products are released at higher prices, violating financial regulations, causing inflation and attempting to cripple the economy.

But this week, president Chavez called on all sectors, private and public, to resist and combat this economic warfare. “We are working for the well being of everyone, even the upper classes and private businesses. You won’t be stable until the rest of the country is, so lets work for that together”.

Despite the economic turmoil affecting Venezuela, unemployment rates have decreased over the past few years, and poverty has been reduced from 70% to 23% since 1999.

Venezuela condemns israeli aid ship attack

Telesur Journalist David Segarra was illegally detained by Israeli Defense forces, along with hundreds of other activists, while covering the Freedom Flotilla humanitarian mission to Gaza

“The only weapon my son had was his video camera”, said the Cristina Soler, mother of David Segarra, a Spanish Telesur journalist and resident of Venezuela, who was detained early Monday morning by Israeli Defense Forces as they attacked the fleet of aid ships heading towards the Gaza Strip in Palestine. The Venezuelan government immediately condemned the attack, calling it an “action of war against unarmed civilians”.

Media reports still vary on the total numbers killed by the Israeli marines, at 10 to 21 people, with up to 60 people injured. The attack, supported by the Israeli government, was an attempt to stop six boats with hundreds of activists from over 40 countries from bringing 10,000 tons of aid including wheel chairs, construction material, medicine and education material, to the Gaza Strip. Israel maintains an internationally repudiated blockade against that region of Palestine.

The attack by Israeli forces occurred more than 70 nautical miles outside of Israeli territory in international waters, emphasizing its illegality.

Telesur was transmitting images of the attack as it occurred, but then lost contact with Segarra. Telesur is a Venezuelan-initiated Latin American-wide news and information television station that broadcasts worldwide.

On Tuesday, spokespeople from the Spanish Ministry reported that Segarra was not injured but he has been detained and left incommunicado by the Israeli forces, along with others, in clear violation of international law. On Wednesday, he was released with the other international activists, amongst which were several members of the European Parliament. They were sent to Istanbul, Turkey, before returning to their respective countries.



According to Segarra’s mother, he had been filming in Gaza in January of this year with a Venezuelan team, and was currently continuing work on his documentary about Gaza, as well as reporting for Telesur on the Freedom Flotilla.

Segarra was posting to Twitter just before the Israeli Defense Forces attacked the fleet. One of tweets read, “Confirmed: There are at least two Israeli ships and helicopters following the fleet to Gaza. The 6 boats are well and on route”.

Four hours before that, he wrote that three Israeli ships were visible and then that they were slowly coming closer, that their satellite emission was failing but Internet was still working, and “All activists are preparing for resistance”.

“The fleet calls on the international community to intervene

before a tragedy is generated”, he wrote, but unfortunately, it was too late.

The president of Telesur, Andres Izarra, said the attack was “a new massacre by Israel against the Palestinian people and this time against international efforts to help a population that is isolated because of Israel”.

VENEZUELA CONDEMNED ISRAELI ATTACK

The Venezuelan government and president Hugo Chavez released a statement early Monday condemning the “brutal massacre committed by the state of Israel against members of the Freedom Flotilla” and its “action of war against unarmed civilians who were trying to bring humanitarian assistance to the Palestinian people of Gaza, which is subject to a criminal blockade imposed by the state of Israel”.

President Chavez, in the name of his government and the Venezuelan people expressed his condolences to the family and friends of the “heroes who were victims of this crime” and promised the necessary support so that “those responsible for the murders be severely punished”.

The statement concluded, “The revolutionary government of Venezuela will continue denouncing the terrorist and criminal nature of the Israeli government and reiterates...its unshakeable commitment with the struggle of the Palestinian people for freedom, national sovereignty and dignity”.

On Monday evening, Chavez himself sent a message via Twitter (@chavezcandanga), calling on the international community to act. “What a terrible tragedy. Where is the UN? Where is the International Criminal Court? Where is the world?”

THE WORLD REACTS

Earlier this week, the United Nations Security Council and the UN Human Rights Commission held hearings on the Israeli attack against the Freedom Flotilla. While most nations firmly condemned and repudiated Israel’s disproportionate response to the humanitarian mission, noting the illegality of attacking an aid ship and particularly rejecting the use of deadly force against activists, the United States stood in a clear minority with the Israeli state in defending the attack.

The US State Department published a statement on Tuesday, defending Israel’s “legitimate security concerns” and blaming the incident on the Palestinian group, Hamas for “interfering with international assistance”. Washington also stepped back from calling for an independent investigation of the incident and merely stated, “we expect that the Israeli government will conduct a full and credible investigation”.

Meanwhile, other nations on the UN Security Council and Human Rights Commission supported calls for an independent investigation of the attack, and thoroughly condemned Israel’s use of deadly force and violence against a humanitarian aid ship. Israel defended itself by saying the activists were “armed”, and showed photographs of the “weapons” found on board the Flotilla, which included chairs, sticks and small fishing and utility knives. The Israeli Defense Forces were armed with advanced weaponry, machine guns, rifles and automatic pistols, as well as night gear and other equipment, a clear advantage over a dozen activists sporting chairs, poles and small knives.

Nicaragua broke relations with Israel on Tuesday, and other nations have threatened to take similar diplomatic actions. Worldwide calls for boycotts on Israeli products are resonating across the Internet and on social networking sites such as Twitter and Facebook.

The Venezuelan government formally severed ties with Israel in 2006 during the war against Lebanon. The Chavez administration withdrew its Ambassador from Tel Aviv and called on the Israeli government to remove its diplomatic representatives from Caracas. Since then, relations between the two governments have not been restored. This week, the Venezuelan government reaffirmed its stance against the “state-terrorism” actions of the Israeli government, differentiating between the Israeli and Jewish people, and the actions and policies of their government.

T/ Eva Golinger and Tamara Pearson

Venezuelan public spending steady amidst financial regulations, GDP decline, inflation spike



Amidst a drought-induced electricity shortage and an overhaul of financial industry regulations, Venezuela saw a 5.8% drop in its GDP and an increase in inflation over the past year, while public investments, social spending and the unemployment rate have remained steady.

Last week, the Central Bank reported a decrease of 5% in oil industry productivity and 4.9% in the non-oil industry. It also reported a 27.9% decrease in private investment, and a 5.9% drop in private consumption compared to the first quarter of 2009.

The industries with the most severe decrease in productivity were transportation (-15.9%), commerce (-11.6%), manufacturing (-9.9%), and financial intermediaries (-9.7%). In manufacturing, the hardest hit sectors were furniture (-46.8%), metals (-39.7%), tires and plastics (-25.9%), and vehicles (-19.2%).

Significant growth was registered in public housing construction (67.7%), as well as communications (9.7%), community, social, and personal services (2.8%), educational services (2.5%), and health services (1.6%). This is a result of the government's maintenance of social spending in these areas even after the world financial crisis caused a decline in the price of oil, Venezuela's principal export.

Also, non-oil industry exports grew by 12.9% "due, principally, to greater investments by public companies in the context of international agreements moved forward by the national executive", the Central Bank reported.

Since president Hugo Chavez was elected ten years ago, his government has invested nearly five times more money in social programs than the governments during the previous ten years, according to the National Statistics Institute.

UNEMPLOYMENT

Despite the decline in production, the unemployment rate decreased by half a percentage point to 8.2% in April. This was an increase of half a percentage point over April 2009, but unemployment is still significantly lower than the 14.6% unemployment rate when president Chavez came to power.

Also last month, the jobless rate

among youth between the ages of 15-24 is now 17.2%, while unemployment among people between the ages of 45 and 64 is 4.6%.

The unemployment rate pertains to Venezuela's formal economy, which encompasses between 55% and 60% of the total economy. When Chavez came to power, the formal economy represented less than 50% of the overall economy, according to government statistics. Venezuela still has a large informal economy, which the Chavez administration seeks to incorporate into more formalized, dignified employment.

INFLATION

Meanwhile, inflation spiked in April, increasing by 5.2% in that month alone, compared to 2.4% in March. This brought cumulative inflation to 11.3% for the first four months of 2010, compared to 6.7% during the first four months of last year. Cumulative inflation over the last 12 months surpassed 30%.

The highest inflation occurred in food products and non-alcoholic beverages, rounding out at 11.1% for the month, while inflation decelerated in housing, health care, education, and clothing prices, with respect to March.

ANALYSIS

The Central Bank, along with private sector analysts, attribute the GDP decline partially to a nationwide electricity shortage that led to electricity rationing in late 2009.

The rationing, which has been cut back recently, was accompanied by scheduled cut backs in production in Venezuela's heavy industries, consumer conservation incentives, a temporary reduction in the workday from eight to six hours, restrictions on imports of energy inefficient products, and investments in thermal electricity.

The Central Bank also said a "temporary restriction in access to government-issued dollars for the importation of goods and services" had contributed to the economic downturn.

An editorial in the daily newspaper *El Universal* last week argued that the government's use of its oil dollars in international cooperation agreements reduces the amount of dollars available for issuance to private importers, stifling investments.

With regard to inflation, government sympathizers and opponents debate about whether it is the result of price speculation in the private sector or the government's price

controls and formal devaluation of the national currency, the bolivar, by half in January.

Food Minister Felix Osorio reported that food product sellers regularly sell fruit and vegetables at ten or twenty times what they pay to producers, and food markets sell beans, rice, milk, meat, and other essential food at much higher prices than the government-controlled price.

"How is it possible that primary producers sell a kilo of tomatoes between one and three bolivars, depending on the season, and the commercial establishments sell them at more than 20 bolivars [per kilo]? This is the greed and capitalism that is stuck in their minds", Osorio commented.

According to official figures, the food industry has no shortage of government-issued dollars. The government maintains a preferential rate of exchange with the dollar for essential industries of the economy, such as food, with the goal of stimulating and diversifying national production in the oil-dependent economy. The government also continues to grant low-interest credits to small and medium sized agricultural producers.

The government has increasingly

stepped up its law enforcement efforts over the past year to combat speculation in the prices of goods and services as well as for the parallel, or black market, dollar. State agencies have fined, temporarily closed, or nationalized hundreds of privately owned businesses of all sizes. Most recently, the government opened new investigations into the country's largest food producer, Polar, which has a history of artificially enhancing food to evade price controls on essential items.

"We are going to continue this struggle against those who think that food is simply merchandise, and not a necessity", said Osorio.

REGULATING THE FOREIGN CURRENCY BOND MARKET

State regulators recently set their sights on the bond market, which they say fuels overall inflation. Bond brokers purchase government-issued bonds at formal dollar rates and then buy and sell them internationally at speculative prices. Gradually, all parts of the economy adjust their prices according to the parallel currency value, according to government analysts.

To clamp down on this speculation, the government temporarily closed all bond trading and arrested the owners of several bond brokerage firms for illegal trading last week. Finance Ministry officials say the market will be reopened under a new regulatory plan next week.

"Hopefully, with the speeding up of the administration of government-issued dollars and improved environmental conditions for electricity production, the economy will recover," the Central Bank report concluded.

The law enforcement efforts reached beyond the food industry and the parallel dollar. Last December, the government took over a handful of banks and arrested more than 30 bankers in a crackdown on banking fraud, increasing the government's share of the nation's banking sector to as much as a quarter by some estimates.

Private sector analysts argue that the government's law enforcement efforts have spooked investors and thus stymied economic growth.

T/ James Suggett

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Portugal agreements strengthen Venezuelan national development

On Saturday, Venezuelan president Hugo Chavez and Portuguese Prime Minister Jose Socrates signed 19 agreements, including the construction of 12,512 houses by the Portuguese company Lena and three factories of pre-made housing materials, as well as other agreements to strengthen Venezuela's national production.

The twelve-page document, containing details of the 19 agreements, lists housing as the priority, and modifies a previous agreement made in September 2008.

The second main area of accord regards Venezuela's acquisition of 525,000 computer laptops from Portugal, as part of an ongoing agreement with Portugal and the Venezuelan primary school program, Project Canaima, which provides elementary school classrooms with computers for educational use.

ENERGY PRODUCTION

The third agreement focused on basic cooperation to increase Venezuela's electricity production, and the fourth to tenth agreements were centered on this same area. They included investment and development of an electricity plant with two turbogenerators and a capacity of 366 megawatts, one year of training, two mobile turbogenerators of 22.8 megawatts each, the possible acquisition by Venezuela of a range of transformers, and carrying out studies to repair and construct hundreds of kilometers of transmission lines.

Portugal will study the possibility of installing two material laboratories which would serve the Venezuelan electricity industry, and Venezuela is interested in acquiring 300,000



energy meters from Portugal.

The two countries will also work together on a study of wind and solar power development in Venezuela.

PDVSA, Venezuela's state oil company, and the company Estaleiros Navais de Viana do Castelo of Portugal, also signed a contract to construct two large ships and to look at buying a ferry to promote tourism in Venezuela. Chavez explained that the ferry would link Caracas with the famous Venezuelan tourist resort, Margarita Island.

FOOD AND CONSUMER SOVEREIGNTY

Other agreements related to cooperation in "food sovereignty and security" especially in terms of exchanging such foods products as canned sardines, pasta and cooking oil.

Yet another agreement enabled the two countries to investigate construction of a penicillin and other antibiotics factories, and exchange experiences in protecting "people's access to goods and services".

Finally, two other agreements were made directly between the southeastern Venezuelan

state of Bolivar and two Portuguese companies to construct two plants, one for ornamental rocks and one for bricks.

Prime Minister Socrates exclaimed during the meeting that, "I'd like to say in the name of my government and all the businesses that are here with me, we reaffirm our readiness to not only fulfil all of the agreements, but also to maintain and continue a relationship with Venezuela".

"Barely two years ago our commercial relations were very meager. Portugal exported a range of small goods to Venezuela. In 2009, this amount [of total trade] grew to a higher level creating an equilibrium between both countries", he added.

More specifically, Portugal's Foreign Minister, Luis Felipe Amado, declared, "economic relations" between the two countries had multiplied ten times in three years.

"What was agreed on today is no small thing. The Venezuelan people will appreciate the importance of today and notice the positive impact in the future", said Chavez.

Venezuela and Portugal have a long-standing oil trade agreement as well, and part of this agreement includes such benefits as the batches of mini laptops Portugal has agreed to send Venezuela. Portugal is also working with PDVSA to exploit Venezuela's oil.

This was Prime Minister Socrates' second official visit to Venezuela, following his first one in 2008.

T/ Tamara Pearson

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Venezuela and Italy jumpstart stalled railway construction

Venezuela and Italy gave a jumpstart to joint railway construction projects in the South American country last week with the signing of a series of cooperation accords.

During an official meeting in the Miraflores presidential palace, the Venezuelan Ministry for Housing and Public Works and the Italian Ministry for Infrastructure and Transportation signed a document to "express their commitment to honor previously contracted obligations".

Another agreement was signed to provide education and technological training to "the communities adjacent to the railway lines of the national railway plan", according to the Venezuelan Information Ministry.

"Italian companies have helped us so very much in the area of railways, and we want them to continue helping us", president Hugo Chavez said as he addressed the Italian del-

egation. He said Venezuela is willing to increase its supply of oil and natural gas to Italy.

The Contuy Medio Consortium, made up of Italian, Venezuelan, and Japanese firms, has been in charge of railway construction including lines to connect Venezuela's La Encrucijada and Valles del Tuy regions, as well as Caracas and the port city Puerto Cabello, since 1996.

The projects have stalled in recent years as the result of a lack of financing, according to local news reports.

Last Sunday, Chavez said he will not accept the stalling of the projects any longer, and demanded that the Italian companies look for financing independent of the Venezuelan government.

"Those companies have the means to seek financing, and they must do it; they can't put the whole burden on the national budget [of Venezuela]", declared Chavez.

Chavez also called on Italian Prime Minister Silvio Berlusconi to help seek financing for the



projects. Italian Ambassador Luigi Maccotta, who was in the audience during the event along with officials from Italian firms, promised to speak with Berlusconi on the subject.

During Thursday's binational meeting, Italian Foreign Minister Franco Frattini delivered a letter to Chavez from Berlusconi in which the prime minister extended an offer to seek "in-

novative mechanisms of financing".

Chavez said he received the letter "with affection, hope, and appreciation," and expressed his willingness to seek "new horizons in cooperation".

The Venezuelan President emphasized that it is necessary to construct a "new international order" in response to the world economic downturn sparked by the 2008 financial crisis. "All crises bring opportunity and obligate us to take action", said Chavez.

Venezuela plans to construct 13,665 kilometers of train line with the capacity to transport 240 million people per year between the country's major cities by 2030. Railway construction has been revived during Chavez's two terms as president, following a 70-year standstill.

T/ James Suggett

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Agua for Haiti

After nearly five months since the tragic and devastating earthquake that destroyed a large portion of Haiti's infrastructure and took the lives of hundreds of thousands, the difficulties are still severe and urgent in the small, Caribbean nation. We at Correo del Orinoco salute and support this initiative of the Axis of Logic Foundation and the Government of Venezuela to aid clean water supply for the Haitian people

One of the many problems Haitians face today, after the earthquake that struck on January 12, 2010 is the lack of potable water. Now that the rainy season has arrived, the problem has become even more severe. The Axis of Logic Foundation has organized a project for sending clean drinking water at a very low cost to Haiti from Venezuela.

HAITI'S NEED FOR POTABLE WATER

Haiti's coverage levels in urban and rural areas are the lowest in the hemisphere for both water supply and sanitation. Sewer systems and wastewater treatment are nonexistent. Coverage figures do not give an indication of service quality, which is generally quite poor. In rural areas, systems have often fallen into disrepair. They either do not provide any water service at all or provide service only to those close to the source, with those at the end of the system ("tail-enders") remaining without water. In almost all urban areas water supply is intermittent.

Using the broadest definition of accessible water from all sources, only 52% of urban populations and 54% of rural populations have access to water. Only 24% of those living in urban areas and only 11% have house connections to water.



MAKING WATER ACCESSIBLE

There is no doubt that well-drilling, water purification plants and a desalination plant are the best long-term solutions for the country. But until these utilities are in place, Haitians are in desperate need of bottled, potable water that can be distributed to people who have little or no access in unsupplied areas. The objective of Axis of Logic's Agua for Haiti program is to send containers of bottled water that can be delivered to Haiti from Venezuela. One of the advantages of this project involves the cost of transportation. The Venezuelan government will transport the water we purchase to Haiti free of charge. We have negotiated the lowest possible cost of bottled water from the Lider Water Company in Maracay, Venezuela. As of May 24, we have collected about \$780 of the \$4,000 needed for the first shipment of 9,000 litres of potable water.

Please let us list some reasons why we are asking you to contribute to this worthy project.

1. Haiti's need for potable water is critical. Part of the need for water

is being met by wonderful organizations like Oxfam but there is a growing deficit for clean drinking water in Haiti. As the rainy season begins, existing water will become even more contaminated by floodwaters due to the earthquake-collapse of Haiti's infrastructure and sewage systems. Collecting rainwater in Haiti increases the risk of mosquito-borne diseases such as dengue and malaria. At least until Haiti's infrastructure and storm sewer system has been rebuilt Haitians are in desperate need of drinking water.

2. Venezuela has been at the forefront of aid to Haiti from the first day after the earthquake. Thousands of medical teams and other relief workers have been living in tents with the Haitian people and providing practical care on a daily basis – with no strings attached. The Venezuelan government has forgiven Haitian petroleum debt. Thanks to the Venezuelan Government, the water we are shipping to Haiti involves no transportation or other intermediary costs. We are able to keep our administrative costs (es-

tablishing the Fundación, negotiating prices, organizing transportation, travel, and fundraising) at a bare minimum.

3. This "foreign aid" involves no exorbitant administrative costs and "no strings attached". This differs from the practices of some international relief organizations. Your donation goes directly to a bottle of water in the hands of a mother, father or child in Haiti.

4. The water you purchase will come from the Lider Water Company in Maracay, Venezuela. We were able to negotiate the lowest price for the highest quality drinking water available. We pay only 46% of the retail price in Venezuela. We plan to follow the first transportation of the water and photograph the process as a supplement to our next appeal to the general public – our millions of Axis of Logic readers.

5. To the extent possible, we will provide photos and reports of the water delivery to Haiti. These weekly progress reports will be displayed prominently on the front page of Axis of Logic. We will provide to the public a detailed accounting for mon-

ies contributed and spent in this endeavor.

Our readers number in the millions worldwide and no contribution is too small. We thank everyone who has already contributed to this worthy project. You can contribute to "Agua for Haiti" in any of the following 3 ways:

• **PayPal:** The simplest way is to go to our PayPal link on the Axis of Logic website (www.axisoflogic.com), click on Agua for Haiti, type in "Haiti" in the description box, enter the amount and follow PayPal instructions. If you have never before sent money using PayPal it's very simple and secure, sending your donation either from your credit card or bank account. When making these payments, PayPal never reveals either your credit card or bank account number.

• **Check and Mail:** Alternatively, if you prefer, you can send a check to:

**Axis of Logic
c/o Peter Dougal, CPA
25 Sunset Road
Somerville, MA 02144**

Please make the check out to Axis of Logic and note "Agua for Haiti" at the bottom of the check.

• **Bank to Bank Transfer:** The third option available for donations is to transfer funds directly from your bank to the Axis of Logic bank account in Boston.

**East-West Bank
Boston, Massachusetts
Account Name:
Axis of Logic Foundation
Account No. 0410028013
Routing No. 011002877**

Please keep in mind that if you make a bank-to-bank transfer there will be a transfer fee. In this case, it's best to ask your bank about the cost of a transfer.

If you have any questions or comments, please feel free to contact me personally at les@axisoflogic.com. We would also appreciate a brief e-mail message from you, identifying yourself and telling us how much you contributed. I will reply by email or call you if you include your telephone number and include your country's code. On behalf of the people of Haiti, The Axis of Logic Foundation and the Axis of Logic Editorial Board, thank you very much for your donation.

T/ Les Blough

Oliver Stone's "South of the border" premieres in South America

Academy Award-winning filmmaker Oliver Stone premiered his latest documentary film, "South of the Border", in South America this week, accompanied by the presidents of Bolivia, Ecuador and Venezuela. The film, a feature-length documentary, explores the major social and political transformations taking place in Latin America during the past ten years



The main focus of "South of the Border" is Venezuelan president Hugo Chavez, a man Stone said he "deeply admires" and believes is leading a movement for "social transformation" in Latin America. "I admire Hugo. I like him very much as a person", revealed the US film director during a fiery press conference in Caracas last Friday.

When asked if he had any criticisms for the Venezuelan President, Stone replied, "I can say one thing, he shouldn't be on television all the time", referring to Chavez's frequent appearances on Venezuelan television in televised presidential events, meetings and activities. "As a director I say you don't want to be overpowering. And I think he is sometimes that way".

"He's a soldier and he speaks from his heart", Stone said. "His vision is huge and he will go down in history", he affirmed.

COMBATING MISINFORMATION

The Oscar-winning director hopes his documentary will help people better understand a leader who Stone said is wrongly ridiculed "as a strongman, as a buffoon, as a clown". "This is a positive portrayal of a man who Americans do not have access to", Stone said. "He is demonized in the American and European press as a monster".

Since Chavez came to office in 1999, mass media worldwide

have misrepresented him as a dictatorial figure. This distortion has increased in recent years, as Washington has intensified hostility towards the Chavez administration, in reaction to Latin America's move towards sovereignty and independence from the formerly dominant northern power. Hugo Chavez has come onto the international scene as one of the foremost anti-imperialist critics of Washington's foreign policy, denouncing the US wars in Afghanistan and Irak as "terrorism" and calling on Washington to cease its inhumane and illegal blockade of Cuba.

Venezuela sits on the largest oil reserves in the world and still remains the US's biggest supplier of petroleum. Recent major gas reserves discovered place Venezuela fourth on the worldwide list of natural gas supply, and the country is also wealthy in minerals and heavy metals, ranging from aluminum, to cobalt, diamonds and gold.

These massive strategic resources have propelled Venezuela into the global market, particularly under the Chavez administration, which has sought

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out new trade partners in China and Russia, and throughout Europe, Africa, Asia and the Middle East. The decrease in US influence and dominance over the nation's wealth has also caused Venezuela to become a major target of US aggression.

In 2002, president Chavez was the victim of coup d'etat that briefly ousted him from power, until his loyal followers –military and civilians alike– rescued him and restored democracy. Since then, opposition forces backed by Washington have continued to execute strategies and plans to overthrow the charismatic President and install a more US-friendly regime.

Mass media generally support the opposition viewpoint towards Chavez and the Bolivarian Revolution he leads in Venezuela, and frequently manipulate and misrepresent Venezuela's reality. Rarely do media report on the extraordinary achievements in social and economic justice obtained during the Chavez presidency, including the eradication of illiteracy nationwide and the creation of a universal, free and accessible healthcare system, amongst many other social advances.

A FILM OF PASSION

Chavez, who joined Stone for the premiere of the film at last year's Venice Film Festival, also hosted the first screening in South America last Friday night in Caracas. Before the film started, president Chavez praised director Oliver Stone as a good friend.

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"This is a documentary made with passion", declared Chavez. "From Cuba to Buenos Aires, seeking the truth and in my opinion, it's one of the greatest merits of the film – it's search for the truth, because we are all so demonized", explained the Venezuelan President. "We also have to recognize Oliver's role, because the demonization which affects us, is also affecting him. They are accusing him now and criticizing him for seeking the truth about us", added Chavez.

"With truth as our base, we can change the world", exclaimed the Venezuelan leader.

Stone admitted that President Barack Obama's administration, in spite of initially inspiring hope amongst some, hasn't done anything to improve US relations with Chavez or his Latin American allies. In fact, things in the region are worse. Obama signed a military agreement with Colombia last October to allow the largest US military expansion in the region and the occupation of seven Colombian military bases, and also supported a coup d'etat in Honduras last June that ousted President Manuel Zelaya.

Stone defended his decision not to interview Chavez's opponents in the film, saying that people already hear those complaints in the media and that the movie is not intended as a detailed examination of Chavez's record.

"It's an introduction to an entire movement in South America that people in the US do not know anything about", he said.

The film features informal interviews by Stone with Chavez and six allied presidents, including Bolivia's Evo Morales, Ecuador's Rafael Correa, Brazil's Lula da Silva, Argentina's Cristina Fernandez, Paraguay's Fernando Lugo and Cuba's Raul Castro.

Stone initiated a Latin American tour last Friday to promote the film, with screenings planned in Ecuador, Brazil, Bolivia, Paraguay and Argentina. The documentary will be released in cities throughout the United States and Europe during Summer 2010.

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EDITOR'S NOTE

The events transpiring this week with the Israeli attack against the humanitarian Freedom Flotilla and Washington's increasing calls for harsh sanctions against Iran, along with the release of this year's annual "State Sponsors of Terror" list, in which Venezuela is signaled as a "terrorist supporter", have demonstrated the growing divide in the international community between "North" and "South" nations.

The Global South, with countries such as Venezuela and Brazil at the forefront, is forging new relations and changing the balance of world power, without the dominant hand of US Empire controlling every move. Washington's rejection of the agreement reached between Brazil, Iran and Turkey, to handle Iran's uranium, has evidenced that Empire's true objective is not world peace and stability, but rather world dominance.

But the expansion of new integration models, such as the Union of the South (UNASUR) in South America and the Bolivarian Alliance of the Americas (ALBA), is rapidly reducing US power and influence throughout the planet. A series of recent tragic events, such as the British Petroleum oil spill and the Israeli attack on the Freedom Flotilla, have demonstrated Washington's weak response and overall incapacity to work hand in hand with the world community, or even with its own citizens, to reach satisfactory solutions to the challenges of this century.

The new hope for humanity is no longer northward, but rather here, in the South, where social and economic justice is the driving force.

OPINION

The mean heart of capitalism

In recent years the reign of free market ideology has brought a disturbing rise in sweatshop manufacturing, with conditions reminiscent of the worst of the 19th century.

Giant corporations such as Wal-Mart constantly press suppliers to lower costs, causing plant managers to wring more production from already over-exploited workers. The Wal-Mart technique for purchasing fabrics is to approach a few plants in different countries and then pit them against each other. "We'll be putting our global muscle on them", gloated the head of the company's global procurement division.

The harsh reality is that employment in a sweatshop is akin to imprisonment. The Alejandro Apparel plant in Honduras is representative of sweatshops throughout the Third World, with its barbed-wire fence, locked gates and armed security guards. Situated in the Choloma Free Zone, the firm is exempt from all taxes, import and export duties and tariffs. An average worker at Alejandro Apparel earns a wage of 86 cents per hour and sews 230 T-shirts in a ten and a half hour shift. Thus, a worker earns just four cents per shirt, less than one percent of its retail price. This plant supplies several American corporations, including Nike, Adidas and Hanes. In contrast to the insignificant sum a worker is paid for actually producing a shirt, Nike spends over two dollars to advertise it.

At Southeast Textiles, the quota set for a production line was to sew 2,288 shirts per shift; a goal intentionally set at an impossible level. The best that could be managed during a regular shift was half that amount, so workers were customarily required to work unpaid overtime in order to "compensate" management for the shortfall.



"The supervisors stand over us shouting and cursing at us to go faster", one former worker said. "It is very hot in the factory and you are sweating all day. There is also a lot of dust in the air. You breathe it in, and you go into the factory with black hair and come out with hair that is white or red or whatever the color of the shirts we are working on". The work process at the plant is grueling. "You can't move or stretch, or even look to the side. You just have to focus and work as fast as you can to complete the production goal, always under pressure. By the end of the day your whole body aches, your back, arms, shoulders, everything, and one feels exhausted".

At Niagra Textiles in Bangladesh, workers sew garments for Disney and Wal-Mart, earning the princely sum of 11 to 20 cents

per hour. Helpers are paid even less than sewers, just 7 to 8 cents an hour. The pay is so abysmal that four workers must share a single shack, and one outhouse and water pump serves sixty people. Meals consist of nothing but rice, only occasionally flavored with a small amount of beans or potatoes. To manage even such a meager diet as this, workers must borrow money each week. The workweek is 14 hours a day, seven days a week. If a worker is caught talking in the factory, he is fined a day's wages. "It is a bleak life. We have no hope", confessed one worker. Another complained, "We have no life. We can't afford to marry; we have no wife, no social life. We live just to work".

At the Western Dresses factory in Dhaka, Bangladesh, the work shift begins in the early morning

and lasts until 10:00 PM to 3:00 AM. "The factory never shuts down", a worker reported. "In the first six months I did not have a single day off". "My job was to sew the flaps on the back pockets of these pants. I had to sew 120 pieces an hour. It was difficult to reach. If you made any mistakes or fell behind on your goal, they beat you. They slapped you and lashed you hard on the face with the pants. This happens very often. They hit you hard". Workers at the factory are not permitted to talk, and if they even stand up to stretch, their pay is cut.

Such stories are legion, and reveal the mean-spirited heart of the all-consuming drive for profit by global capitalism. The problem of hunger is not one of supply but of an economic system based on inequality and a gross concentration of wealth in the hands of the few.

As long as glorification of the free market holds sway, the lure of profit will trump people's needs every time. It is often said that capitalism is the most efficient system for producing wealth. It would be more accurate to say that what the system accomplishes is to produce a concentration of wealth. Capitalism does not generate wealth from the thin air. It seizes it. The price for this concentration of wealth in the hands of the few is poverty and misery on an extraordinary scale, yet we rarely if ever hear the cries of those who are trampled underfoot in the stampede for riches.

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