

## CNN Goes 'Undercover' to Manufacture Consent for Coup Attempt in Venezuela

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Global Research, January 31, 2019

Shadowproof 29 January 2019

Region: <u>Latin America & Caribbean</u>, <u>USA</u> Theme: <u>Intelligence</u>, <u>Media Disinformation</u>

A CNN "exclusive" report from inside Venezuela aired multiple times on the network on January 28. It is a prime example of how influential media outlets in the U.S. effectively create propaganda for the opposition, which now is receiving <u>funds</u> from **President Donald Trump**'s administration.

For the four-minute <u>report</u>, CNN correspondent **Nick Paton Walsh** went "undercover" amidst what the network described as the "deepening crisis in Venezuela" in order "to capture the desperation gripping the nation."

The segment highlighted hyperinflation at grocery chains, Venezuelans lined up in queues for fuel and food, particularly in Caracas, and opposition demonstrations on January 23, when opposition leader **Juan Guaido** declared himself president of the country.

"This was the day when change was meant to come," Walsh stated.

It suggested **President Nicolas Maduro**'s government has given "handouts" to Venezuelans for years to buy their loyalty, but now "handouts" are no longer enough. Opponents like to equate social programs to "handouts" because corporate elites favor denationalization and privatization of services.

Walsh interviewed a rank-and-file officer in the Venezuela military and granted him anonymity. The officer stated,

"I would say 80 percent of soldiers are against the government. Some even go to demonstrations. But the big fishes, the senior officers, are the ones eating, getting rich while the bottom we have it hard."

Video showed the opposition throwing stones at a military airfield in a standoff that apparently has lasted "for months." One part of the barricade was on fire.

Sitting with his back against what appeared to be a concrete barricade, like he was part of the opposition hurling objects, Walsh declared,

"They may be throwing stones here, but what they really need is the army to switch sides."

Walsh offered no comment on what it would mean for democracy in Venezuela if the military played an instrumental role in helping Guaido and a U.S.-led group of countries oust Maduro.

Another part of the report featured street children in Caracas. A 14 year-old boy recounted how his brother was killed in July by a member of a gang. He said he has to go through the garbage for food and beg so he does not go hungry.

Walsh did not show a cause-and-effect relationship, yet the boy's poverty was wryly attributed to a "socialist utopia that now leaves nearly every stomach empty."

On the surface, the report may have seemed balanced and neutral because CNN spoke to citizens caught in the middle of the political crisis. Yet, there was no clips of the tens of thousands of Maduro supporters who marched through Caracas the same day that Guaido claimed he was the country's interim president.

CNN also omitted the role of U.S. sanctions and other measures in making Venezuela's economic recovery nearly impossible.

According to **Mark Weisbrot**, co-director of the Center for Economic and Policy Research (CEPR), sanctions did not create hyperinflation in the country. However, they have made it <u>incredibly difficult</u> for the government to restructure their debt for a recovery.

In 2017, weeks before the Trump administration imposed new sanctions, a former top State Department official\_predicted they would cause the government to "default on their bonds and a collapse of internal investment and oil production." They would spur "civil unrest, refugee flows across their borders, and a cutoff of Venezuelan financial support to Cuba and Haiti that could lead to migration flows to the United States." (Note: It was estimated in June 2018 that about 35,000 refugees were crossing from Venezuela to Colombia each day.)

The same day that CNN aired their report the U.S. Treasury Department sanctioned the country's state-owned oil company, Petroleos de Venezuela, S.A. (PdVSA). The company is a "primary source of Venezuela's income and foreign currency," including U.S. dollars and Euros, according to the Department.

National security adviser **John Bolton** said the sanctions would block \$7 billion in assets and result in the loss of \$11 billion in proceeds from exports over the next year.

Even after the Trump administration announced oil sanctions, CNN still largely ignored the potential effect of sanctions when it aired this "undercover" report another time.

Oil sanctions are likely to intensify the suffering for Venezuelans, not make their lives better. In the 1990s, Iraq <u>faced</u> sanctions from the United Nations on their oil exports as well as restrictions on other foreign trade. To many, it was "one of the decade's great crimes" because the sanctions contributed to the deaths of 500,000 Iraqi children.

In Iran, the poor bear the brunt of sanctions on oil that were re-imposed by the Trump administration. Financial Times <u>reported</u> in October on millions of Iranians, who were already stretched as "the value of the rial" had "plunged more than 70 per cent against the US dollar over the past year."

"The sharp drop has pushed up import costs and stoked inflation, eroding purchasing power and leaving the most impoverished struggling to pay for basic goods such as meat, dairy products, and fruit," FT noted.

As journalist **Gregory Shupak** previously <u>highlighted</u> for Fairness and Accuracy In Reporting (FAIR),

"When Venezuelan President Nicolas Maduro in November 2017 proposed a meeting with creditors to discuss a restructuring of the country's public debt, the Trump administration warned U.S. bondholders that attending this meeting could put them in violation of U.S. economic sanctions against Venezuela, which can be punished with 30 years in jail and as much as \$10 million dollars in fines for businesses."

"That same month, the U.S. government added further sanctions that prevent Venezuela from doing what governments routinely do with much of their debt, which is 'roll it over' by borrowing again when a bond matures. The sanctions also made it difficult if not impossible for Venezuela to undertake debt restructuring, a process wherein interest and principal payments are postponed and creditors receive new bonds, which the sanctions explicitly prohibit."

Additionally, **Francisco Rodriguez** noted for Foreign Policy in 2018,

"Ninety-five percent of Venezuela's export revenue comes from oil sold by the state-owned oil company. Cutting off the government's access to dollars will leave the economy without the hard currency needed to pay for imports of food and medicine. Starving the Venezuelan economy of its foreign currency earnings risks turning the country's current humanitarian crisis into a full-blown humanitarian catastrophe."

This is not the first time that the opposition in Venezuela has destroyed the economy to help it win power. Back in 2002, the same year that **President Hugo Chavez** faced a coup backed by the U.S. government, his opponents "called for a massive strike in the country's oil sector."

"The strike brought oil production to a standstill and caused a double-digit recession in an attempt to get Chavez to resign," Rodriguez recalled. "This event single-handedly convinced Venezuelans that they could not trust a political movement that was willing to destroy the economy in order to attain power. In a recall referendum held two years later, voters resoundingly backed Chavez."

None of this history seems to matter to CNN anchors, who subscribe to the Washington bipartisan foreign policy consensus on Venezuela. Nor do they mention that it is not only Maduro's security forces that commit violence. The opposition was <u>involved</u> in lynchings, burning people alive, and erecting barricades that cause deadly accidents in 2017. Some opposition leaders, including exiles like **Lorent Saleh**, have ties to <u>neo-fascists</u>.

When CNN anchor **Jim Sciutto** introduced the report, he mentioned Guaido had again urged the people of Venezuela to "hit the streets to demand new elections" in an effort to oust

Maduro. It is easy to see how playing the report after this statement might help gin up sympathy for Guaido's calls to action.

But apparently there is reason to believe the opposition may have the support of leaders from several Latin American and Western countries but still be struggling to win over the people.

Walsh noted the country is not seeing daily mass street protests. Guaido's message may be resonating with some of the middle class, but it is not a message that inspires those in the slums, who have their own "poverty-based fight."

In other words, it is likely that lower classes in Venezuela remain skeptical of the opposition because they fear it will mean inviting outside corporate interests to raid government assets and natural resources so they may enrich themselves. This would potentially lead to cuts or an end to social welfare programs that they utilize to help them survive.

This skepticism toward the opposition among Venezuelans is not something CNN wants to feature in its limited coverage of the attempted coup. But it should be viewed as a key reason to doubt the consensus around support for the opposition, which news networks are working to manufacture.

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