

Venezuelans Turn To US Dollars And Gold As The Value Of Bolivars Continues To Drop



This video of Venezuelan garbage men throwing away trash bags of paper money caught my attention today:



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Note: See video at source

The clip is real and that really was Venezuelan money. However, the catch here is that because of hyperinflation the socialist government issued new currency almost exactly one year ago. The new currency, called the Sovereign Bolivar was the same as the old currency with five fewer zeroes. Practically, that meant that people didn't have to carry large bricks or sacks of paper notes to buy groceries. The amount of cash required for everyday transactions was so burdensome that businesses were weighing money rather than counting it. Once the new currency was introduced, the old currency was declared worthless. So the money in those bags is probably old cash that isn't legal tender anymore. I've noted before that

some parts of Venezuela struggling with hyperinflation have resorted to bartering (see the video in this post), but this recent report from German news outlet Deutsche Welle shows that in the capital city US dollars are now a substitute currency for many people. This must really upset President Maduro who has maintained for years now that Venezuela is the victim of an economic war by the United States. That's not really true in the way that he means it but if it were this would surely be a sign the US is winning.

But US dollars aren't the only alternative currency being used in Venezuela. As CNN reported yesterday, gold is another one. Maduro has taken control over gold mines and his family benefits financially. The miners who operate these mines are only allowed to do so by paying off violent gangs who are working with elements of the military that helps keep Maduro in power by helping him to skirt US sanctions.

Source:

<https://hotair.com/archives/john-s-2/2019/08/21/venezuelans-turn-us-dollars-value-bolivars-continues-drop/>

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