

<http://www.myfoxny.com>

Venezuela to toughen price controls, set profits - New York News

2013-November-11

CARACAS, Venezuela (AP) — Venezuelan President Nicolas Maduro is extending price controls and will place limits on profits as he extends attempts to curb the galloping inflation that is eroding support for his rule.

Maduro made the announcement in a late-night television address Sunday in which he also vowed to step up inspections of businesses selling shoes, clothing, automobiles and other goods to make sure they aren't gouging consumers.

"We can't just close the businesses; the owners have to go to jail," Maduro said in an impassioned speech in which he cited Jewish, Muslim and Christian texts to harangue businessmen he accuses of usury. "We can't allow our hard currency to be used to rob people through the sale of these goods."

Huge crowds of government loyalists and opponents formed outside appliance stores over the weekend after Maduro ordered the military to occupy the Daka chain of electronic stores and slash by more than half prices for washing machines,

televisions and other white goods.

While soldiers with assault rifles were deployed to keep bargain hunters in check, at least one Daka store, in the country's third largest city of Valencia, was looted by unruly crowds, according to photos and videos posted online.

Maduro Sunday night urged Venezuelans to remain calm, saying that he won't allow the "parasitic bourgeoisie" to overcharge consumers ever again.

To that end, he vowed to place percentage limits on profit margins if congress approves a bill granting him special powers.

Free-market economists say such a move would exacerbate shortages that reached a record in October, according to the central bank. They say that to stabilize the economy, and shore up a currency whose black market value is a ninth of the official rate, the government needs to lift capital controls put in place a decade ago by former President Hugo Chavez and devalue the bolivar.

That's a notion Maduro rejects.

The president argues that Venezuela's inflation, which is running at 54 percent, is the result of hoarding and speculation by his opponents in Venezuela and in the U.S., and that South

America's biggest oil producer has more than enough dollars to pay for imports. If not for the "economic war" being waged by his opponents, inflation should be running around 16 to 18 percent, he said Sunday night.

If Maduro does yield, he's unlikely to do so before next month's municipal elections, which the opposition is trying to turn into a referendum on his seven-month administration.

Copyright 2013 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.