

Washington's sanctions against Venezuela and the dead-end of Chavismo

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On Monday, in response to Venezuela's disputed election of a constituent assembly the day before, the Trump administration announced sanctions against President Nicholas Maduro, freezing his assets and threatening further economic measures against the government and the ruling United Socialist Party of Venezuela (PSUV).

"Yesterday's illegitimate elections confirm that Maduro is a dictator who disregards the will of the Venezuelan people," US Treasury Secretary Steven Mnuchin said in announcing the sanctions. Maduro joins a list of world leaders against whom the US has imposed personal sanctions, including Iraq's Saddam Hussein, Libya's Muammar Gaddafi, Syria's Bashar Al-Assad, and North Korea's Kim Jong-Un. In the not-so-subtle language of US imperialism, the message is clear: Hussein and Gaddafi are dead, Assad and Kim threatened with assassination and regime change.

Monday's sanctions were more limited in scope than some observers expected and are aimed at sending a message to members of the PSUV and the Venezuelan military that the US will escalate pressure until Maduro is toppled.

US officials coupled Monday's announcement with threats to impose economic sanctions on Venezuelan oil. These could include barring the state-owned oil company PDVSA from trading in US dollars or blocking US imports of Venezuelan crude oil.

Such measures would cripple Venezuela's economy and likely force PDVSA into default. Venezuela is heavily dependent upon trade with the US, exporting 740,000 barrels of crude per day to the country in 2016. Venezuela also imports US light crude that it uses to dilute its own heavy crude for refinement.

The imposition of these sanctions would spell even more punishing impoverishment for Venezuela's working class. A PDVSA default would exacerbate inflation,

already slated to reach 4,000 percent by 2020, and crush the country's ability to import products like food and medicine. Seventy-five percent of Venezuelans reported losing an average of 19 pounds in 2016 due to widespread food scarcity.

US imperialism views the impoverished Venezuelan people as pawns in their efforts to secure extraction rights to Venezuelan crude oil on behalf of American oil corporations. The fight over Venezuela's oil and over control of the state has become a focal point in the US's efforts to "pivot to Latin America" and counter the influence of Russia and China in the region.

Russia's Ministry of Foreign Affairs responded to Sunday's vote by issuing a thinly veiled call for the US to halt its support for ongoing demonstrations and acts of violence led by the right-wing opposition coalition, the Democratic Unity Roundtable, or MUD. It denounced "the efforts taken by some external forces to apply color revolution scenarios and formulas in Venezuela." The Russian statement also voiced its support for the constituent assembly as a force for "stabilizing the domestic political situation."

The *Financial Times* (*FT*) noted that one of the first moves of the constituent assembly will be to strip the constitutional provision barring foreign exploitation of Venezuelan oil in order to make it available to Russian oil extraction companies. In recent weeks, Reuters reported that the Russian corporation Rosneft is "negotiating with PDVSA to swap its interest in CITGO [the Venezuelan-owned US oil refiner] for other assets, including new stakes in Venezuelan oilfields and the right to sell Venezuelan oil itself rather than go through PDVSA." This would "require changes to Venezuela's constitution," *FT* notes.

Herein lies the real explanation for US imperialism's crocodile tears for "democracy" and the rights of the Venezuelan people.

Venezuela's underdeveloped Orinoco Oil Belt boasts one of the largest untapped oil reserves in the world, with American and Russian corporations locked in a fierce fight over control of the hundreds of billions of barrels of crude that lie beneath Venezuela's surface. The fight between the opposition-controlled legislative assembly and the PSUV's constituent assembly is a political reflection of this fight, which has produced a constitutional crisis that threatens to drag the country into a violent civil conflict.

While the Russian companies benefit from the fact that Maduro remains in power, the US has a constellation of military bases surrounding the South American nation and exerts a degree of political, military and economic domination that far surpasses Russia's or China's investments in the region. In more than 125 years of imperialist exploitation, the US has invaded over half of all Latin American countries, backed dictatorships and death squads and caused the deaths of millions of people in its efforts to secure the region as a platform for exploitation by US banks and corporations.

The fact that Monday's sanctions came just hours after Trump appointed former Department of Homeland Security Secretary and retired Marine General John Kelly as his chief of staff is a sign that US imperialism is looking increasingly to Latin America. Kelly oversaw US imperialist operations in Latin America as the head of US Southern Command from 2012 to 2016. Before his own confirmation as secretary of state, Rex Tillerson was CEO of ExxonMobil, a company that controlled Venezuela's oil beginning in 1921, and has been looking for a way to reassert its dominance since its last assets were nationalized in 2007.

Twenty years after the 1998 election of Hugo Chavez inaugurated the "Pink Tide" period of left bourgeois rule in Latin America, Venezuela remains as isolated and vulnerable to the diktats of US imperialism as ever before. For all Chavez's and Maduro's denunciations of "US imperialism," Venezuela in fact became *more* dependent on oil exports and trade ties to the US under PSUV rule.

Over the past two decades, the proportion of Venezuela's GDP that comes from oil exports has increased. The *FT* noted that the policies of the PSUV have "made the Maduro government dependent on the oil trade with the US for its economic survival." The article cites investment banker Russ Dallen who said, tongue-in-cheek, that "people may be surprised to learn that the US has been financing the Maduro administration."

This is not the product of mistakes or poor economic

planning: the Chavez-Maduro government increased Venezuela's economic subservience to American oil corporations because it was the path of least resistance to enriching the sections of the Venezuelan ruling class on whose behalf the PSUV speaks.

The Pink Tide period is a major political experience of the past quarter-century. A network of governments, proclaiming themselves "socialist" and "left-wing," rose to power with populist pledges to improve conditions for the broad masses of people, yet today, the region remains the most unequal part of the world, and poverty is the dominant factor of life for most of Latin America's 500 million people.

The host of pseudo-left parties that hailed the Pink Tide period as "twenty-first century socialism" are divided. Some, like Venezuela's *Marea Socialista*, have abandoned their past support for *chavismo* and now call for support for the right-wing protests. Others, like *Jacobin* magazine in the US, still defend the Maduro government, taking the position that "the construction of a real socialist alternative" can "emerge alongside the Maduro government."

The continued poverty and inequality that dominate Latin America are bound up with the political disarming of the Latin American working class by different threads of petty-bourgeois radicalism.

A central role was played by the Pabloite tendency that emerged within the Fourth International based on the rejection of the revolutionary role of the working class. It sought to liquidate the Trotskyist movement into Stalinism, Peronism and other bourgeois nationalist tendencies, while working to divert an entire generation of radicalized youth and workers into the bloody dead-end of Guevarist guerrillaism.

Those who are serious about the development of a revolutionary socialist movement in Latin America must familiarize themselves with the International Committee of the Fourth International's struggle against Pabloism. An extensive record of this history can be found in *How the WRP Betrayed Trotskyism* and *The Heritage We Defend*.



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