Washington orders international embargo on Venezuela, threatens invasion

Andrea Lobo
7 August 2019

US President Donald Trump signed an executive order Tuesday freezing "all property and interests in property of the Government of Venezuela that are in the United States." The move is the culmination of a series of increasingly severe sanctions and marks a new stage in the US coup operation against the Government of Nicolás Maduro.

By fully cutting access to the financial, capital and consumer markets controlled by the United States government, at the center of global capitalism, this attack constitutes an embargo of the Venezuelan economy, an act of war according to international law.

The measure will have a devastating impact on the Venezuelan working class. The US Congressional Research Service recognized in a July 5 document that "although Venezuelan oil exports to the United States already had been declining… [s]ome analysts are concerned that stronger sanctions on [the state-owned oil company] PdVSA are further exacerbating Venezuela's difficult humanitarian crisis, already marked by shortages of food and medicines and mass migration, by limiting a key source of revenue."

In other words, US imperialism is starving Venezuelans into submission in order to install a puppet regime under Juan Guaidó to gain full control of the largest proven oil reserves on the planet. Above all, the move is aimed at overthrowing a key Western Hemisphere economic and political ally of Washington's declared geopolitical rivals, Russia and China.

The Venezuelan Foreign Ministry denounced the policy as "economic terrorism," while declaring that it will avoid any "escalation of aggressions" in order to continue "political dialogue," a reference to ongoing talks with representatives of the US coup operation that began in May in Norway and are currently taking place in Barbados.

This is the first time the US has frozen the assets of a western hemisphere country in three decades. The last time was against the dictatorship of former CIA asset Manuel Noriega in Panama in 1988, preceding the 1989–1990 invasion by US Marines to depose him, killing thousands of civilians and bombing working-class neighborhoods in the process.

While the corporate media consciously avoided making the historical reference, the Trump administration wanted the message to be clear.

The announcement deliberately coincided with an "International Conference for Democracy in Venezuela," held in Peru, involving representatives of 59 countries around the world and several international agencies like the European Union, the Inter-American Development Bank and the Latin American Development Bank.

Ahead of the meeting, the US envoy to Venezuela, Elliott Abrams, a war criminal from his involvement in covering up genocide and other abuses during the Central American civil wars in the 1980s, gave an interview to the Peruvian daily *El Comercio*. "We are following the options we have," he declared. "If you had told George Bush Sr. in 1988 that he would invade Panama, he would have called it madness. But two or three years later, it happened. So, no one knows what will happen in the future, but it's not today's policy."

The summit was organized by Washington to threaten the world into obeying the US blockade against Venezuela. US National Security Advisor John Bolton told the conference: "We are sending a signal to third parties that want to do business with the Maduro regime: Proceed with extreme caution. There is no need to risk your business interests with the United States for the purposes of profiting from a corrupt and dying

© World Socialist Web Site

regime."

The message was also aimed at governments still allied with Maduro. Cuba, China, Russia and Turkey were invited but decided not to attend. After the thuggish orders were given, no delegation saw any need to insist on having an actual discussion. No final communiqué was published and no resolution was voted on.

US financial sanctions against the Venezuelan government have been gradually increased since 2006. These were limited to top officials in the military and state bureaucracy and their families, currently some 100 individuals, until August 2017 when the Trump administration prohibited access of the Venezuelan government to US debt and equity markets, drastically cutting access to foreign currency needed for vital imports. In May 2018, this was expanded to ban transactions on existing Venezuelan debt. The Venezuelan gold sector was later banned as well.

Around the time of the change in policy, in December 2017, the White House published a new National Security Strategy proclaiming openly "great-power competition" against the "revisionist powers" of China and Russia as its central priority. "Both China and Russia support the dictatorship in Venezuela and are seeking to expand military linkages and arms sales across the region," the document warned. Thus, in one of its "priority actions," the document said, "We will isolate governments that refuse to act as responsible partners in advancing hemispheric peace and prosperity," referring to Cuba and Venezuela.

In this context, the summit in Peru and the blockade constitute part of the new escalation of US measures against China. Last Thursday, Trump announced new tariffs on $300 billion of Chinese goods, set to take effect on September 1. Adding to existing tariffs, this will effectively cover all Chinese imports to the US, its greatest trade partner.

Yesterday, James Carafano, a strategist at the Heritage Foundation and the primary advisor for Trump's transition team at the State Department, wrote: "The US has to seek an 'un-peaceful' coexistence where we force China to respect Washington's equities on a global scale… We can't and shouldn't ask every country in the world to pick sides. But what is sensible is to encourage them to act in their own interest and meter Chinese influence."

Guaidó's self-proclamation as president in January saw an aggressive expansion of sanctions, this time directly aimed against PdVSA. Exemptions for several US companies doing business with PdVSA or its branch in the US, Citgo, ended on July 27, while sanctions were recently placed on the Russian Evrofinance Mosnarbank and several shipping companies associated with Venezuelan oil exports.

International reserves in Venezuela are virtually gone, beginning the year at $8.75 billion but facing a deepening crisis and a World Bank ruling ordering Venezuela to pay $8 billion in compensation to ConocoPhillips for expropriations in 2007. On April 10, the International Monetary Fund cut access to a $400 million credit line. Venezuela's oil production has fallen from 2.4 million barrels per day (bpd) in 2015 to 734,000 bpd in June.

Earlier this year, the UN requested a fund of $738 million chiefly to aid the millions of migrants that have escaped Venezuela, but by July international donors had only provided 23.7 percent.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site