

US lifts ban on Venezuelan oil in preparation for global war

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The Biden administration issued last week a license to allow Venezuela to sell oil, gas and gold to any markets for the first time since 2019. At the time, US sanctions were expanded to unsuccessfully encourage the Venezuelan military to oust President Nicolás Maduro and recognize the self-proclaimed “interim president” Juan Guaidó, a US puppet.

While the license is set for six months, US Secretary of State Antony Blinken said Wednesday that it could be canceled anytime, and that Maduro has until late November to meet US demands.

The announcement is the result of talks between the Maduro administration and the US-backed opposition in Barbados and directly with the Biden administration in Qatar. Maduro has agreed to hold general elections in late 2024 and to receive deportees from the United States for the first time in four years. About 50,000 Venezuelan refugees are already threatened with deportation based on arbitrary and illegal decrees issued by Biden.

Washington is also demanding Maduro free so-called “political prisoners,” including those condemned for participating in US regime change operations, and reverse bans against certain candidates, namely Maria Corina Machado. An open advocate of foreign military incursions and an earlier opponent of any talks with Maduro or sanctions relief, Machado is the frontrunner against all likely candidates, including Maduro.

Maduro responded on Wednesday by appealing to Biden to “turn the page” and “rebuild our relationship based on respect.” Then, on Thursday, Caracas freed five prisoners tied to the opposition parties.

The deal is a total prostration of the Maduro government to US imperialism. It does not end or actually ease US sanctions, otherwise a “license” would not be necessary. A ban on trading Venezuelan bonds, the freezing of billions of Venezuelan state assets in the US and other measures largely sanctioning trade with Venezuelan firms remain in force, while Maduro agreed that the shares of Citgo—the US branch of the Venezuelan state oil company PDVSA—will be sold to

pay creditors. Diplomatic relations, moreover, have not been formally re-established, and a \$15 million US bounty for Maduro’s capture is still in effect.

These measures have amounted to a criminal economic blockade depriving Venezuela of trade and foreign reserves necessary to import vital goods like food and medicines. The sanctions have been chiefly responsible for tens of thousands of deaths and the displacement of millions of refugees, treated with disdain by the Biden administration.

The deal is carefully crafted to maintain broad economic desperation while facilitating Washington’s war drives against China, Russia and Iran—all allies and trade partners of the Maduro government—as well as its active support of Israel’s genocidal campaign against Gaza.

The mass deportations of Venezuelans are aimed as another concession to Biden’s fascistic Republican “colleagues” to secure their support for spending billions more in the US-NATO proxy war against Russia in Ukraine.

Then, as explained by *Bloomberg*: “The rollback of American sanctions on Venezuelan oil could rob Chinese buyers of one of their cheapest sources of crude.” One Chinese source said to Reuters: “We would expect the supply from Venezuela to slide in the coming months as Caracas may prioritize sales to Europe and the U.S., and prioritizing big oil firms.” India is also likely to compete for limited Venezuelan oil.

Since 2015, China has refused to give any new credits to Venezuela, but tens of billions of dollars remained outstanding. In order to offset this debt, a Chinese military firm working with independent refiners has continued shipping Venezuelan oil, sold at major discounts, and rebranding it to avoid sanctions.

The new US license is another provocation aimed at interrupting these operations and further isolating China from sources of cheap oil, including sanctioned Iranian and Russian crude.

More broadly, warnings that oil could rise well above \$100 in case of a broader war in the Middle East come after months of a global undersupply, which the Energy

Information Administration predicts at 200,000 barrels per day (bpd) through the first quarter of 2024. *Barron's* cites estimates that US licenses could allow Venezuela to increase production by that exact amount and “plug that gap.”

The Biden administration had already allowed Chevron to produce limited amounts of crude oil in Venezuela, and the company plans to increase its production to 150,000 bpd.

In total, Venezuela is producing about 800,000 bpd, less than a third of the output before sanctions. But analysts indicate that the state of disrepair of much of the oil infrastructure in the country and the limited character of the sanctions relief will prevent production from increasing much higher. “So far, oil traders don’t seem optimistic that Venezuela will once again become an oil powerhouse,” *Barron's* concludes.

In other words, the US license is aimed not at significantly increasing production, much less resolving Venezuela’s economic crisis, but rather redirecting its cheap oil away from China, while allowing lucrative deals between US and European firms and a thin layer of the Venezuelan ruling elite.

The deal and Maduro’s assurances to Wall Street essentially forego any major increases in social spending to address the desperate humanitarian crisis.

The electoral deal opens a new avenue for regime change and helps dress a brutal imperialist extortion as “steps toward democracy.”

Since the economic crisis began in 2014, Maduro and his late predecessor Hugo Chávez brutally suppressed any resistance from below while enforcing historic attacks on living standards in what was one of the richest countries in the region. Beyond empty “anti-imperialist rhetoric,” the ruling Socialist United Party (PSUV) has consistently made appeals to demonstrate its subservience to local and foreign capital.

The main employer organization Fedecámaras, which has been actively involved in US-backed coup attempts, has recently appealed for an end to all sanctions and praised the policies of the Maduro administration. Its president Adán Celis described this weekend to *TalCual* how Maduro has already agreed to free trade zones and a regressive “Law of Tax Harmonization” as well as the creation of a “General Staff against Smuggling” composed of the government and the regional employer organizations to improve their “productivity and competitiveness.”

Celis stated that he is “convinced” that the government will agree to sell fully or partially a list of 800 public-owned companies and said there was “progress” and “increasingly fluid” talks on further legal “warrantees and conditions for private investment.” Such conditions refer to lifting regulations to let capitalists exploit workers and natural

resources freely. Celis called specifically for “coexistence without intervention on employers and union leaders,” referring to a corporatist alliance with the state and the union bureaucracy, which is largely controlled by US-backed political forces, to impose the diktats of the corporations.

For now, having failed repeatedly at regime change—most recently a failed operation by CIA-trained mercenaries to kidnap or kill the Venezuelan leadership in May 2020,—US imperialism and its partners in the Venezuelan ruling class are agreeing to have the PSUV and perhaps Maduro, who has not announced his candidacy, remain in a power-sharing agreement.

It must be added that the US State Department had applauded a crackdown against entrenched sectors of the “boli-bourgeoisie,” a layer of the military and state bureaucracy that enriched itself through corruption under Chávez.

However, the PSUV’s power-sharing agreement with forces that have worked for years to overthrow it sets the stage for a successful coup once US imperialism and broader sections of the military leadership conclude that the PSUV is unable to continue suppressing the class struggle and guaranteeing their interests.

More broadly, the control that US imperialism had exerted in its “backyard” is today disproportionate to its relative weight in the economy regionally and globally, just as the colonies of the European powers were disproportionate to their economic weight on the eve of World War II. Regardless of the temporary arrangements and megalomaniac maneuvers by Biden, in a context of rapid economic decay, as Leon Trotsky warned as early as 1938, “the United States is heading inevitably toward an imperialist explosion such as the world has never seen.”

This crisis is laying bare the rotten politics of Chavismo, all bourgeois nationalist programs and all the pseudo-left forces that have promoted them. The struggle against war and imperialism can only be realized through the independent political mobilization of the working class against all factions of the national bourgeoisie and for world socialist revolution.



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