Political and media establishment silent on US constitutional implications of Pentagon oil grab in Venezuela

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Five days after the Trump administration announced that the Pentagon had acquired an ownership stake in Venezuelan oil fields, not a single American politician, newspaper or legal commentator has addressed directly the most fundamental question the deal raises domestically: what it means for the constitutional subordination of the armed forces to civilian authority.

As the *World Socialist Web Site* warned Monday:

> The implications inside the United States are no less dangerous. The armed forces are constitutionally subordinate to civilian authority and dependent on congressional appropriations. A Pentagon that accumulates equity stakes and revenue-producing assets abroad acquires its own direct economic interests and a degree of institutional autonomy the constitutional structure was expressly designed to prevent. Wars of plunder are being financed and directed outside the reach of whatever democratic forms survive in Washington.

The public statement that came closest to addressing the issue was by Senator Jack Reed of Rhode Island, ranking Democrat on the Senate Armed Services Committee. “President Trump is abusing his powers as commander-in-chief and eroding the military’s proper role in American democracy,” Reed said, posing the question whether American forces will be used to secure oil assets in which the Pentagon now holds a financial interest.

His proposal, however, was toothless. Reed concluded by demanding a “full accounting” of the legal authority and financial terms—a request for documents addressed to the officials he had just accused of abusing power. He proposed no legislation, subpoena or funding restriction, let alone an impeachment proceeding over a blatant constitutional violation.

Reed described the arrangement as a “misguided experiment,” which he attributed entirely to Trump and Secretary of War Pete Hegseth as individuals, while exonerating the institution.

Others said less. Democratic Senator Chris Van Hollen called it a dereliction of constitutional duty but framed it as Trump risking soldiers’ lives for his “billionaire buddies.” The remaining lawmakers who commented merely requested more information.

After decades of declining economic power, the political establishment sees a military dictatorship and wars of plunder as necessary to secure the resources for the military itself, as financial constraints increase on the federal debt and popular sentiment grows against war.

What the White House disclosed

On Monday, ahead of a trip by US Energy Secretary Chris Wright to Venezuela, the White House issued a fact sheet that made the terms explicit for the first time. They are even more openly illegal than the initial reporting suggested.

Venezuela’s interim authorities have granted North American Blue Energy Partners (NABEP), a private firm owned by Venezuelan businessman Alejandro Betancourt, 100-year concessions over 17 oil fields holding approximately 65 billion barrels, which is roughly one-fifth of Venezuela’s proven reserves.

The Pentagon’s Office of Strategic Capital receives a 35 percent equity stake in NABEP. The State Department receives the right to buy 20 percent of output at production cost, plus right of first refusal (first chance to buy) on the remaining 80 percent. The US government holds veto power over every board appointment, and a majority of directors must be US citizens. The agreement was signed by Secretary of War Pete Hegseth and Secretary of State Marco Rubio and “is governed by US law and is subject to the jurisdiction of US courts.”

The deal has emboldened Chevron, whose officials traveled to Caracas Wednesday to announce next to Energy Secretary Wright plans to double the US company’s oil production in Venezuela.

The White House fact sheet boasts openly that Trump has re-established the Monroe Doctrine, purging foreign influence from “our backyard” and ensuring that American dominance in the hemisphere is never again questioned. It gloats over the fact that most of the fields were previously operated by Russian and Chinese firms.

On social media, Trump extended the threat further, posting that the deal puts “Canada on notice,” and telling reporters that of

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Venezuela's reserves, "we're going to be taking all of that."

The illegality is undeniable on three levels. Interim President Delcy Rodríguez described a 25-year project, consistent with Article 35 of Venezuela's reformed Hydrocarbons Law approved following the US abduction of sitting President Nicolás Maduro in January. But the White House says 100 years, overriding the statute under which the deal supposedly operates.

Under international law the case of coercion is clear. The International Court of Justice held in the case *Fisheries Jurisdiction* that an agreement concluded under the threat or use of force is void, but the White House fact sheet itself names the January invasion, "Operation Absolute Resolve," as the enabling condition.

Meanwhile, the US continues its military buildup in the immediate neighborhood. On Thursday, SOUTHCOM commander General Francis Donovan met the Colombian and Ecuadorian defense ministers in Ecuador, agreeing to move beyond episodic operations toward sustained combined missions along the two countries' border.

And under US law, the administration has contradicted itself in public. On Saturday, chief Pentagon spokesman Sean Parnell stated that the Office of Strategic Capital does not take equity stakes in private companies. Monday's White House document says it has. Writing in *Responsible Statecraft*, Orlando Pérez noted that the office's statutory authority is confined to domestic supply chain loans and guarantees and does not extend to foreign equity acquisition or upstream oil production. The deals were approved by Deputy Defense Secretary Stephen Feinberg, a billionaire private equity executive appointed by Trump.

No one has addressed the immense constitutional issues, however. Article I, Section 9 of the US Constitution provides that no money shall be drawn from the Treasury except by appropriations made by law. This is the mechanism through which an elected legislature controls a standing army—the reason the framers, who feared exactly this, limited military appropriations to two years. A Pentagon that holds equity, collects dividends and exercises rights to claim output of foreign enterprises possesses revenue Congress did not appropriate and cannot withhold.

The silence extends beyond politicians. A detailed legal analysis by international law expert Edmarverson Santos examined Venezuelan constitutional law article by article, permanent sovereignty over natural resources, treaty validity and coercion, and touched the question of direct US government ownership twice without once asking what it means for the American constitutional order. Mining.com published on the deal's legal implications without mentioning it. PBS interviewed Rice University's Francisco Monaldi on the obstacles the arrangement faces, with no reference to Pentagon ownership or revenue.

At an early stage of this erosion of civilian authority over the military, President Dwight D. Eisenhower warned in his farewell address that the establishment of a large-scale arms industry had given rise to a "military-industrial complex."

Today, the massive financial-military complex would be unrecognizable to Eisenhower. Yet, there is silence when the financial oligarchy and the Pentagon directly split the loot, with the Trump family getting first claim.

World Socialist Web Site has consistently documented this erosion of civilian authority and the military's integration with the corporate-financial elite. In 2002, Patrick Martin's article on the Crusader affair identified "the increasingly brazen role of the military and corporate elite in dictating the policies of the US government." In 2006, Bill Van Auken reported how an Air Force colonel publicly rebuked a Supreme Court justice over Guantánamo—a stark expression of "the deepening assault on the constitutional principle of subordination of the armed forces to civilian government."

In October 2017, after Trump installed three generals—Kelly, McMaster and Mattis—in key cabinet positions, the WSWS asked whether a coup would even be required for a transition to military rule in a country whose civilian leadership neither knows where its military operates nor dares to inquire. The Democrats, then as now, attacked Trump from the right, praising the generals as the "grown-ups."

In June 2020, the Socialist Equality Party stated that Trump was attempting a coup against the Constitution to establish a presidential dictatorship resting on the military and police. In November 2020, the WSWS documented his packing of the Pentagon with loyalists; in August 2024 it warned that military involvement in a coup over a disputed election was a real and present danger. Today, the National Guard occupation of Washington D.C. that began with 800 troops now exceeds 5,000, drawn from Republican-governed states, authorized through January 20, 2029.

The Venezuela deal is where these lines converge. Wars of plunder are now financed and directed outside the reach of whatever democratic forms survive in Washington.

Reed cannot name the danger without indicting his party, which has spent a decade presenting the national security apparatus as democracy's last defense against Trump. As Barry Grey wrote following the stolen election of 2000:

> The unseemly haste with which the entire political establishment is rushing to put the election crisis behind it testifies to the fragility of the political system and the depth of the crisis of American society. In the end, the impasse revealed the lack of any significant constituency within the ruling elite for a democratic adjudication of the presidential election. The defense of democratic rights, which will increasingly become a mass question in America, falls directly to the tens of millions of working people who have for so long been effectively excluded from the political process, monopolized as it is by two parties controlled by the corporate and financial oligarchy.

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