

A Criminal Affair: United States Imposes War on the Venezuelan People

By Tom Whitney, May 16, 2019

To replace Venezuela's government with one to its liking, the United States uses special war-making tools. The plan is to make Venezuelans suffer enough so that, desperate, they will accept whatever government is presented. Troops and weapons aren't required. That approach worked in Chile in 1973, but so far in Cuba it hasn't — after almost 60 years.

The process has advanced. Citing a report from Venezuela's National Survey on Living Conditions, analysts Mark Weisbrot and Jeffrey Sachs noted recently that 40,000 more Venezuelans died in 2018 than in 2017. The death rate jumped by 31 percent.

The purpose here is to establish that the U.S. government actually intends to make Venezuelans suffer. U.S. deeds and officials' words are revealing. Those responsible need to be called to account.

Interviewed on October 19, 2018, Secretary of State Mike Pompeo conceded that U.S. sanctions against Venezuela "sometimes have an adverse impact on the people of Venezuela." But on March 11, 2019 he was celebrating: "The circle is tightening, the humanitarian crisis is increasing by the hour. I talked with our senior person on the ground there in Venezuela last night ... You can see the increasing pain and suffering that the Venezuelan people are suffering from."

Answering a reporter's question in early 2018 about U.S. policies on Venezuela, a U.S. Embassy official in Mexico City commented that, "The economic sanctions we've imposed on the Venezuelan government have caused it to stop making payments as much on its sovereign debt as on PDVSA, its oil company ... we are seeing a total economic collapse ... Therefore, our policy is working."

Interviewed later that year, former U.S. ambassador to Venezuela William Brownfield declared that, "If we are going to sanction PDVSA, it will have an impact on the entire people ... [A]t this moment perhaps the best resolution would be to accelerate the collapse, even if it produces a period of suffering of months or perhaps years".

Beginning in 2014, the U.S. government instituted economic sanctions. Venezuela was vulnerable. Oil prices had plummeted and inflation had skyrocketed. Contributing to inflation were reduced oil prices, hoarding of merchandise by commercial interests, and currency manipulation, which, according to Venezuelan economist Pasqualina Curcio, "is one of the main weapons of war that imperialism has used."

From 2014 on, Venezuela's economy contracted by more than 50 percent. Oil production, two million barrels per day in 2017, had fallen to 431,000 bpd by March 2019. Oil exports provide the government with 95 percent of its income, which pays for

social support. Venezuela imports two thirds of the food consumed there. Difficulties in paying for imported food promote suffering.

Economic sanctions became a weapon of war. Countries now aligned against Venezuela once supplied 46 percent of the medicines needed there, with the United States providing 34 percent. Those countries were the source of 45 percent of food imported by Venezuela; the United States accounted for 33 percent.

Trouble mounted for Venezuelans after the U.S. Congress passed Public Law 113-278 in December 2014. It authorized the president to use executive action to “impose ... sanctions ... with respect to any foreign person ... acting on behalf of [Venezuela’s] Government.” The term “foreign person” applies to banks and financial institutions abroad.

Sanctions were announced in March 2015 (by President Obama) and in April 2017; March, May, November of 2018; and January, March, and April of 2019. They target income generated from Venezuela’s oil exports, assets abroad; access to imported goods and credit; and ability to secure, reschedule, or repay loans. Foreign banks are crucial to U.S. purposes. U.S. dollars are the currency of choice in international trade, and Venezuela must use dollars. To avoid penalties, the banks enforce U.S. mandates on transactions involving dollars.

Beginning in 2016, banks refused to handle Venezuelan transactions. They included Commerzbank of Germany, Credit Suisse, the Panamanian and Shandong branches of the Bank of China, Germany’s Deutsche Bank, Citibank, Novo Banco in Portugal, and Russian banks. Sanctions in January 2019 barred U.S. financial institutions from facilitating foreign sales of Venezuelan oil and gold.

Comprehensive reports from economist Pasqualina Curcio and by others detail multiple instances of foreign banks refusing to process individual Venezuelan purchase orders. Among them are: 300,000 vials of insulin, food costing \$29.7 million destined for the government’s food-support program, another order of food, medicines and other supplies costing \$39 million, and a \$9 million intended purchase of dialysis equipment for 15,000 patients.

Sanctions also blocked delivery of blood products for hemophilia patients, immunoglobulin for 200 children with Kawasaki disease, equipment for surgical repair of congenital heart malformations, and hospital drugs and anesthetic supplies obtainable in Turkey. JP Morgan held up \$28.1 million to have been used for leasing food transport ships.

U.S. sanctions also led to the immobilizing – actually stealing – of Venezuelan resources through which citizens might have been protected from sickness and food shortage. Citibank, the Bank of London, Novo Banco, Japan’s Sumitomo bank, North Street Capital (a hedge fund firm), and the Bank of England confiscated Venezuelan assets. The latter bank holds onto Venezuelan gold worth \$1.36 billion.

Targeting the state-owned PDVSA oil company, U.S. sanctions in January 2019 enabled the confiscation of \$7 billion in assets belonging to PDVSA's U.S. affiliate CITGO. The fiction was presented of their transfer to the nonexistent government of U.S. puppet Juan Guaidó. Through sanctions, Venezuela's government lost access to CITGO income and dividends valued at \$11 billion, also to imported diluents, other additives, and repair materials — all essential for producing oil.

Weisbrot and Sachs report that as late as 2018 the United States purchased 35.6 percent of Venezuela's oil exports. Sanctions now block imports of PDVSA oil by U.S. refineries and those of other countries. U.S. sanctions interfere with payments from third countries on imported Venezuelan oil.

Pasqualina Curcio reports that since 2013 U.S. "coercive measures" have deprived Venezuela of \$114.3 billion. Of this, \$92.9 billion are losses due to inflation and reduced oil production. The remaining loss of \$21.5 billion stems from "unilateral coercive measures, financial blockades, commercial embargoes, and the theft of CITGO assets and other resources."

Now Venezuela's government can't pay for food, medicines, and hospital and school supplies. It can't rehabilitate water and electricity systems. According to Weisbrot and Sacks, food imports in 2018 amounted to "just \$2.46 billion," down from "\$11.2 billion in 2013." The likelihood of further decline in 2019 implies that "people with untreated HIV, diabetes, kidney failure, severe hypertension, certain types of cancer – 300,000 in all – are at extreme risk of death." Recent sanctions represent "a death sentence for tens of thousands of Venezuelans."

They point out that in 2019, "Imports of goods are projected to fall by 39.4 percent, from \$10 billion to \$6.1 billion." Oil income will be 67 percent lower than in 2018. What's happening is "collective punishment of the civilian population."

Rapporteur and "independent expert" Alfred de Zayas in September 2018 submitted a comprehensive report on Venezuela to the United Nations Council on Human Rights. It highlights U.S. violations of international law. At issue are "principles of non-intervention and non-interference in the internal affairs of sovereign states." He mentions U.S. disregard for the United Nations Charter, the General Assembly's Charter of Economic Rights and Duties of States adopted in 1974, the 1993 Vienna Declaration and Program of Action, and various General Assembly resolutions.

But more to the point: the U.S. government is abusing innocent Venezuelan people, and many die. Mr. de Zayas recommended that the International Criminal Court investigate whether U.S. "economic war, embargoes, financial blockades and sanctions" against Venezuela "amount to ... crimes against humanity."

To violate moral and legal norms doesn't seem to matter to the U.S. government. But in a world of justice, they do matter. A first step in making things right is to make known the purposes and methods of U.S. interventionists. The message would be simply that for them Venezuela's oil and U.S. regional domination matter more than does human survival. They need to be punished.

There are those whose complicity, so far, is unrecognized. They are the congresspersons who voted for Public Law 113–278 and/or aren't dealing with its grim consequences. Living in all states, they are accessible.

When those activists now fending off sham diplomats at Venezuela's Embassy in Washington are finished with their mission, they and others, logically, would get into a traveling mode. Congresspersons would be confronted in their states with demands to undo the Law.