

Venezuela: Let's Cut to the Chase. Will China's Petroyuan Displace America's Petrodollar?

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Cold War 2.0 has hit South America with a bang - pitting the US and expected minions against the four key pillars of in-progress Eurasia integration: Russia, China, Iran and Turkey.

It's the oil, stupid. But there's way more than meets the (oily) eye.

Caracas has committed the ultimate cardinal sin in the eyes of Exceptionalistan; oil trading bypassing the US dollar or US-controlled exchanges.

Remember Iraq. Remember Libya. Yet Iran is also doing it. Turkey is doing it. Russia is - partially - on the way. And China will eventually trade all its energy in petroyuan.

With Venezuela adopting the petro crypto-currency and the sovereign bolivar, already last year the Trump administration had sanctioned Caracas off the international financial system.

No wonder Caracas is supported by China, Russia and Iran. They are the real hardcore troika - not psycho-killer John Bolton's cartoonish "troika of tyranny" - fighting against the Trump administration's energy dominance strategy, which consists essentially in aiming at the total lock down of oil trading in petrodollars, forever.

Venezuela is a key cog in the machine. Psycho killer Bolton admitted it on the record;

"It will make a big difference to the United States economically if we could have American oil companies invest in and produce the oil capabilities in Venezuela."

It's not a matter of just letting ExxonMobil take over Venezuela's massive oil reserves - the largest on the planet. The key is to monopolize their exploitation in US dollars, benefitting a few Big Oil billionaires.

Once again, the curse of natural resources is in play. Venezuela must not be allowed to profit from its wealth on its own terms; thus, Exceptionalistan has ruled that the Venezuelan state must be shattered.

In the end, this is all about economic war. Cue to the US Treasury Department imposing [new sanctions](#) on PDVSA that amount to a de facto oil embargo against Venezuela.

Economic war redux

By now it's firmly established what happened in Caracas was not a color revolution but an old-school US-promoted regime change coup using local comprador elites, installing as "interim president" an unknown quantity, **Juan Guaido**, with his Obama choirboy looks masking extreme right-wing credentials.

Everyone remembers "Assad must go". The first stage in the Syrian color revolution was the instigation of civil war, followed by a war by proxy via multinational jihadi mercenaries. As **Thierry Meyssan** has noted, the role of the Arab League then is performed by the OAS now. And the role of Friends of Syria - now lying in the dustbin of history - is now performed by the Lima group, the club of Washington's vassals. Instead of al-Nusra "moderate rebels", we may have Colombian - or assorted Emirati-trained - "moderate rebel" mercenaries.

Contrary to Western corporate media fake news, the latest elections in Venezuela were absolutely legitimate. There was no way to tamper with the made in Taiwan electronic voting machines. The ruling Socialist Party got 70 percent of the votes; the opposition, with many parties boycotting it, got 30 percent. A serious delegation of the Latin American Council of Electoral Experts (CEELA) was adamant; the election reflected "peacefully and without problems, the will of Venezuelan citizens".

The American embargo may be vicious. In parallel, Maduro's government may have been supremely incompetent in not diversifying the economy and investing in food self-sufficiency. Major food importers, speculating like there's no tomorrow, are making a killing. Still, reliable sources in Caracas tell that the *barrios* - the popular neighborhoods - remain largely peaceful.

In a country where a full tank of gas still costs less than a can of Coke, there's no question the chronic shortages of food and medicines in local clinics have forced at least two million people to leave Venezuela. But the key enforcing factor is the US embargo.

The UN rapporteur to Venezuela, expert on international law, and former secretary of the UN Human Rights Council, Alfred de Zayas, [goes straight to the point](#); much more than engaging in the proverbial demonization of Maduro, Washington is waging "economic war" against a whole nation.

It's enlightening to see how the "Venezuelan people" see the charade. In a poll conducted by Hinterlaces even before the Trump administration coup/regime change wet dream, 86% of Venezuelans said they were against any sort of US intervention, military or not,

And 81% of Venezuelans said they were against US sanctions. So much for "benign" foreign interference on behalf of "democracy" and "human rights".

The Russia-China factor

Analyses by informed observers such as [Eva Golinger](#) and most of all, the [Mision Verdad](#) collective are extremely helpful. What's certain, in true Empire of Chaos mode, is that the American playbook, beyond the embargo and sabotage, is to foment civil war.

Dodgy "armed groups" have been active in the Caracas barrios, acting in the dead of night and amplifying "social unrest" on social media. Still, Guaido holds absolutely no power

inside the country. His only chance of success is if he manages to install a parallel government – cashing in on the oil revenue and having Washington arrest government members on trumped-up charges.

Irrespective of neocon wet dreams, adults at the Pentagon should know that an invasion of Venezuela may indeed metastasize into a tropical Vietnam quagmire. The Brazilian strongman in waiting, vice-president and retired general Hamilton Mourao, already said there will be no military intervention.

Psycho killer Bolton's by now infamous notepad stunt about "5,000 troops to Colombia", is a joke; these would have no chance against the arguably 15,000 Cubans who are in charge of security for the Maduro government; Cubans have demonstrated historically they are not in the business of handing over power.

It all comes back to what China and Russia may do. China is Venezuela's largest creditor. Maduro was received by Xi Jinping last year in Beijing, getting an extra \$5 billion in loans and signing at least 20 bilateral agreements.

President Putin offered his full support to Maduro over the phone, diplomatically stressing that "destructive interference from abroad blatantly violates basic norms of international law."

By January 2016, oil was as low as \$35 a barrel; a disaster to Venezuela's coffers. Maduro then decided to transfer 49.9% of the state ownership in PDVSA's US subsidiary, Citgo, to Russian Rosneft for a mere \$1.5 billion loan. This had to send a wave of red lights across the Beltway; those "evil" Russians were now part owners of Venezuela's prime asset.

Late last year, still in need of more funds, Maduro opened gold mining in Venezuela to Russian mining companies. And there's more; nickel, diamonds, iron ore, aluminum, bauxite, all coveted by Russia, China – and the US. As for \$1.3 billion of Venezuela's own gold, forget about repatriating it from the Bank of England.

And then, last December, came the straw that broke the Deep State's back; the friendship flight of two Russian nuclear-capable Tu-160 bombers. How dare they? In our own backyard?

The Trump administration's [energy masterplan](#) may be indeed to annex Venezuela to a parallel "North American-South American Petroleum Exporting Countries" (NASAPEC) cartel, capable of rivaling the OPEC+ love story between Russia and the House of Saud.

But even if that came to fruition, and adding a possible, joint US-Qatar LNG alliance, there's no guarantee that would be enough to assure petrodollar – and petrogas – preeminence in the long run.

Eurasia energy integration will mostly bypass the petrodollar; this is at the very heart of both the BRICS and SCO strategy. From Nord Stream 2 to Turk Stream, Russia is locking down a long-term energy partnership with Europe. And petroyuan dominance is just a matter of time. Moscow knows it. Tehran knows it. Ankara knows it. Riyadh knows it.

So what about plan B, neocons? Ready for your tropical Vietnam?

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