

STATEMENT OF THE HONORABLE BENJAMIN L. CARDIN (D-MD)

December 2017

THE COMING COLLAPSE IN VENEZUELA

Mr. CARDIN. Mr. President, I come to the floor to speak about Venezuela's growing humanitarian tragedy and accelerating economic collapse. Late last June, here on the Senate floor, I described Venezuela as a "nearly failed state, where a cabal of authoritarian leaders profit from links to corruption and drug trafficking, while the Venezuelan people are subjected to precarious humanitarian conditions and human rights abuses. Disturbingly, the situation has only deteriorated since that time.

With Venezuela's humanitarian crisis growing daily, conditions facing Venezuelan children are particularly dire. This week, the New York Times published a heartbreaking investigation about Venezuelan children dying of hunger, which states:

"Parents go days without eating, shriveling to the weight of children themselves. Women line up at sterilization clinics to avoid having children they cannot feed. Boys leave home to join street gangs to scavenge for scraps [...]. Crowds of adults storm dumpsters after restaurants close. Babies die because it is hard to find or afford infant formula, even in emergency rooms."

The Catholic relief organization Caritas has determined that over 50 percent of children are suffering nutritional deficiencies. Caritas projects that 280,000 Venezuelan children could eventually die of hunger without an urgently needed humanitarian response.

As Venezuelans increasingly suffer the ravages of hunger, the country's hospital system is collapsing. Essential medicines are in short supply and more than half of the nation's operating facilities no longer function or have sufficient supplies. Disturbingly, international relief organizations have found that over 60 percent of Venezuelan hospitals don't even have potable water.

Amidst these crisis conditions, Venezuelan President Maduro repeatedly denies the existence of his country's humanitarian crisis. He has even taken the unprecedented step of setting up a party-controlled food distribution system, referred to as 'CLAPs' (the Spanish acronym), and his government now uses food as a tool of political patronage.

The result is that the United States and our partners in the hemisphere now confront a situation in which the Maduro regime would rather see its people go hungry than accept the assistance that Venezuelans desperately need. This man-made tragedy is absolutely unacceptable and today I have written to Ambassador Nikki Haley to urge her to call for an emergency special session of the United Nations Security Council to evaluate which UN mechanisms, including UN Security Council Resolutions, should be pursued to alleviate humanitarian suffering inside Venezuela.

As humanitarian concerns mount, human rights abuses in Venezuela are rampant. Last month, the United Nations High Commissioner for Human Rights told the UN Security Council that, this year, Venezuelan security forces “systematically resorted to the arbitrary detention of [more than 5,000] protesters.” A more recent report by Human Rights Watch and Foro Penal— a Venezuelan non-governmental organization (NGO) – documents how Venezuelan security forces have subjected political opponents to “torture involving electric shocks [and] asphyxiation.”

In response, Luis Almagro, the Secretary General of the Organization of American States (OAS), has convened a series of hearings at the OAS to receive testimony and ascertain whether members of the Venezuelan government have committed crimes against humanity that should be referred to the International Criminal Court (ICC) for prosecution. This effort deserves our attention and our support.

Against this alarming backdrop, we require no explanation for why the United States has received more asylum requests from Venezuelans than any other nationality for two years straight.

These challenges will only grow as Venezuela’s economy continues collapsing. The country is in selective default on its bonds. Hyperinflation and rapid currency devaluation are ravaging family incomes. This week, the country’s parallel exchange rate reached 12,000 times the official rate, meaning that the average Venezuelan now earns less than \$10 a month.

The reasons for this collapse are simple: Venezuela's economy is plagued by endemic corruption and gross mismanagement. As this calamity grows, Senators need to be aware that Venezuela eventually will need a major International Monetary fund (IMF) program that may well surpass the \$17 billion intervention that Ukraine required in 2014. The international community will have to step up – and that includes the United States.

We also need to recognize that Russia and China are now major stakeholders in Venezuela and will be at the table as the international community copes with the pending collapse. Russia, in particular, is playing geopolitics with the situation – refinancing Venezuelan debt, offering loans in return for a financial stake in U.S. based CITGO, securing stakes in Venezuelan's oil industry, and expanding its pernicious influence in our hemisphere.

In response, to these growing challenges, the Trump administration has applied greater pressure by imposing targeted sanctions against numerous individuals, including President Maduro. With this designation, Maduro joined the list of notorious heads of state on the U.S. sanctions list, including the likes of North Korea's Kim Jong Un, Syrian President Bashar al-Assad, Zimbabwe's Robert Mugabe, and Panama's former President Manuel Noriega.

President Trump also imposed financial sanctions blocking the issuance of any new bonds to fund the Maduro regime's ongoing repression and economic mismanagement. The bond market has been one of the last lifelines for the Maduro government and investors are right to lose trust in Venezuela's ability to pay its debts.

We must recognize, however, that sanctions alone will not resolve the challenges the people of Venezuela are facing. We need a comprehensive strategy that utilizes all elements of U.S. diplomacy. We must provide critical foreign assistance to help mitigate the humanitarian crisis and bolster essential support for human rights and democratic civil society.

In May, I introduced S. 1018, a bipartisan bill that lays out a comprehensive strategy for U.S. policy. My bill includes humanitarian assistance and funding for human rights and democracy. It also includes a more aggressive approach to tackling endemic corruption. This month, the House of Representatives approved its version of this bill. It is time for the Senate to act.

While I see an opportunity for bipartisanship in the Senate on U.S. policy towards Venezuela, I must say that I was alarmed by President Trump's statements in August about a "potential military option". Such cavalier comments are not helpful and once again call into question whether he has the temperament and judgment for dealing with serious national security challenges. We must rise to the challenge in Venezuela as a great nation, bringing our full diplomatic resources and skill to bear, and avoid stooping to mere saber-rattling.