

NATIONAL ARCHIVES AND RECORDS SERVICE
WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	W. G. Bowdler to DeVier Pierson (x ref-TN & 7) re use of Soviet tankers in hauling Venezuelan crude (CONFIDENTIAL)	7/24/68 <i>Open 4/6/79</i>	A
Schedule	of Foreign visitors (x ref-CO) (CONFIDENTIAL)	6/5/68 <i>open</i>	A 9/19/80
Memo	Lou Schwartz to Jim Jones (x ref-CO) re foreign visitors (CONFIDENTIAL)	5/7/68 <i>open</i>	A 9/19/80
Memo	for the President re Latin America: more Presidential visits/additional trips by Covey Oliver (SECRET) (x ref-CO 1-8)	3/25/68 <i>Open 5/3/79</i>	A
Letter w/ attachment	President to Dr. Raul Leoni re message to 5th mtg of the Inter-American Cultural Council mtg in Maracay, Venezuela (CONFIDENTIAL)	2/12/68 <i>open 11/9/79</i>	A
Memo	American Embassy, Caracas, to Secy of State re EMBTEL 25, re pending tax increases on Petroleum Co. profits (CONFIDENTIAL)	7/2/66 <i>open 5/25/79</i>	A
Memo	Dept. of State to Gardner Ackley (x ref-TA 6/011) re Venezuela residual fuel oil developments (CONFIDENTIAL)	2/10/66 <i>open 7/17/78</i>	A
Memo	Dept. of State to Marvin Watson (x ref-TA 6/011) re import quotas for residual fuel oil (CONFIDENTIAL)	2/2/66 <i>open 7/17/78</i>	A
Memo w/	W. G. Bowdler to McGeorge Bundy re visit by Venezuelan ministers of Interior & Mines w/Pres. (CONFIDENTIAL)	1/17/66 <i>State Dec. 8/11/77, 8/16/77</i>	A
Report	U. S. Intelligence Bd.'s "National Intelligence Estimate No. 89-65" re Venezuela (SECRET-CONTROLLED DISSEM)	12/16/65 <i>State Dec. 9/8/77</i>	A

FILE LOCATION

✓ C.F.CO 311 Venezuela

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NATIONAL ARCHIVES AND RECORDS SERVICE
WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	American Embassy, Rio De Janeiro to Secy of State for Ball from Secy (x ref-TA 6/Oil) re Venezuelan oil (SECRET-EX DIS) <i>open 7/17/78</i>	11/20/65	A
Outgoing Dept. Memo-	of State tgm Thomas G. Mann to Bowdler/Bowman re re Venezuelan oil (x ref-TA 6/Oil) (CONFIDENTIAL) <i>open 7/17/78</i>	11/19/65	A
Memo w/ attachment	George R. Jacobs to Lee White re influence of US-Venezuelan oil trade on Venezuelan political stability (x ref-TA 6/Oil) (CONFIDENTIAL) <i>open 7/17/78</i>	6/1/65	A
Memo	Office of the Special Rep. for Trade Negotiations to Lee White (x ref-TA 6/Oil) re oil import program & treatment of Canada/Venezuela (CONFIDENTIAL) <i>open 6/22/92</i>	6/1/65	A
Memo	McGeorge Bundy to Jack Valenti (x ref-ND 19-3/CO 311) re search for Col. Smolen in Venezuela (SECRET) <i>open 1/13/81</i>	10/14/64	A
Memo w/ attachments	George M. Ball to President requesting apptmt. for Romulo Betancourt, former Pres. of Venezuela (CONFIDENTIAL-grp3) <i>State ltr 8/16/77</i>	4/15/64	A

FILE LOCATION

C.F. CO 311 B Venezuela

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MEMORANDUM

THE WHITE HOUSE

CONFIDENTIAL

WASHINGTON

July 24, 1968

C.F. (u)

MEMORANDUM FOR DeVIER PIERSON

SUBJECT: Use of Soviet Tankers in Hauling Venezuelan Crude

TN 7
CO 303
CO 55
CO 311
CM/OJL

State sent the attached cable to Embassy Caracas this morning outlining our reasons for opposing use of Soviet tankers in the Cuban trade (it does not apply to other Cuban tankers) for hauling Venezuelan crude back to Western Europe.

Since we have no legal basis for telling the oil companies not to use the tankers, the Embassy is instructed to take the matter up with the Venezuelan Government.

It is paradoxical that the government which is the prime target for Cuban subversion would be willing to allow Soviet tankers going to Cuba to take Venezuelan oil back to Europe. State believes that Venezuelan permissiveness is due to a decrease in the Cuban threat, and, more especially, the recent Venezuelan interest in re-establishing diplomatic and commercial relations with the Soviet bloc. The oil companies, understandably, are taking the attitude that if the Venezuelan Government is not opposed, why should they be the prime resisters.

From Tony Solomon I understand that his people have talked with ESSO representatives and have discouraged use of Soviet charters in the Cuban trade on policy grounds. The ESSO fellows were apparently not unsympathetic. x

As you indicated in our conversation this morning, use of the Soviet tankers in the Cuban trade helps the Russians reduce their heavy financial burden of keeping Castro afloat and undercuts our policy of isolating Cuba. On these grounds I recommend that the signal you get to the oil companies be that we are opposed to use of Soviet charters involved in carrying oil from the Soviet Union to Cuba.

The approach to be made by Ambassador Bernbaum to the Venezuelans may take care of the problem for us. I will keep you informed.

WGB
WGBowdler

DISCLAIMED
Auth: State 3/21/79 re MLJ-79-30
By: MDE, S.A.S., Date 4/6/79

Attachment

Department's cable to Caracas no. 207725, 7/24.

CONFIDENTIAL

June 5, 1968

Jim Jones
G.F.

FOREIGN VISITOR SCHEDULE

Approved & firm:

Type

Announced

Shah of Iran

June 11
June 12

Private
8 PM Black tie dinner
12:30 PM Office meeting

CO
CO123
CO164
5/27 CO312
CO155
CO48
5/29 CO29
CO190
CO307
CO49
CO311

Prime Minister Bakkush, Sept. 25
Libya

Official to Wash.

Approved, date to be set:

President Thieu,
Vietnam

(July 24-25)

State

Ruler of Kuwait

(Aug. 7-8 or
Dec. 11-12)

State

President Tombalbaye,
Chad

(Aug. 21)

Official to Wash.

Prime Minister Barrow, (Sept. 11)
Barbados

Official to Wash.

President Diaz Ordaz, (Oct.)
Mexico

Amistad Dam

President Pacheco, (Oct. 23)
Uruguay

Official to Wash.

Prime Minister Hoveyda, (Dec. 4)
Iran

Official to US

President Frei, Chile

President Leoni,
Venezuela

CONFIDENTIAL

DECLASSIFIED

Authority NSC 5/1/80
By MJE, NARS, Date 9/17/80

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

C. F.

⑩ 3/

CO
CO 49
CO 155
CO 48
CO 29
CO 190
CO 307
CO 123
CO 311

~~CONFIDENTIAL~~

May 7, 1968

MEMO FOR JIM JONES

Attached is the President's approval of foreign visitors for the balance of the year. We are going to try to omit the President's appearance at the return reception and shorten the second office meetings on the State Visits. I will be back to you on the specific programs, but in the meantime would you block the dates on President's schedule.

The President also approved holding a dinner in honor of the King and Queen of Thailand should they visit the US in August.

Lou Schwartz

cc: Bess Abell

~~CONFIDENTIAL ATTACHMENT~~

DECLASSIFIED
Authority NSC 5/1/80
By MJE, NARS, Date 9/19/80

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

G. F. 4

C01-8
F05
C049
C0311

~~SECRET~~

INFORMATION

Monday - March 25, 1968 -- 6:00 p.m.

Rec'd
6:00
C051
C037

MEMORANDUM FOR THE PRESIDENT

SUBJECT - Latin America: (1) More Presidential Visits
(2) Additional Trips by Covey Oliver
X

Covey and I have examined the possibilities for more presidential visits and trips by Covey to Latin America. For planning purposes, we will be working on programs along these lines:

Presidential Visits

We have outstanding invitations to:

Frei - Chile.

He wants to come if his Senate will give permission. The authorization will depend in large part on the mood of the Senate following action on the controversial wage readjustment bill. I regard the chances as doubtful.

Leoni - Venezuela.

He does not think he can get away before late 1968 or early 1969.

Lleras - Colombia.

After agreeing to come on April 30, he has changed his mind because of the pressure of pending legislation and constitutional amendments.

Costa e Silva - Brazil.

He has not answered your invitation to come to Hemisfair and the Ranch. We gather from several sources that it is doubtful he will accept.

DECLASSIFIED

Authority State 4/9/79 re NLT-79-25
By MJE, NARS, Date 5/3/79

cc sent Bowdler 3/26

✓
gag
me

2/12/68

(3)
C. F.
CO 311
ME 3/I * 5/

DECLASSIFIED

Authority NSC 10/15/79 re NLS-79-26
By MJE, NARS, Date 11/8/79

Dear Mr. President:

I am taking advantage of Dr. Milton ^xEisenhower's trip to Venezuela to send you this letter. Dr. Eisenhower has recently agreed to serve as Special Advisor for Latin American Affairs to the Department of State. In this capacity, he is heading our delegation to the Fifth Meeting of the Inter-American Cultural Council. We are proud * x to have so distinguished an educator representing the United States at this important meeting.

The Cultural Council's principal task will be to put our Punta del Este decisions into practical action programs. There is no more urgent business in this hemisphere than to move forward quickly with those decisions. What you are doing in Venezuela to expand the opportunity and quality of education is in keeping with this grand design. Your example should be an added incentive to the delegates. I am pleased that your country is host to this particular session of the Cultural Council.

You are moving into the last year of your term in office. Between now and December I know you will be heavily engaged in preparations for national elections. Nevertheless, I hope you will find time to come to Washington for an official visit. Ambassador Bernbaum will be ready to discuss dates, if you feel you can make the journey.

The other day, I reviewed the list of countries participating in HemisFair. I was so pleased to find that Venezuela will be represented. The Fair offers a unique opportunity for the millions of persons who

Copy sent to Carol Fawcett - 2/28/68
Copy sent to Mrs Ferrite - 2/29/68

-2-

will see the exhibits to become better acquainted with our sister republics to the South and to see the contribution which Hispanic America has made in our country.

With warm personal regards,

Sincerely,

A handwritten signature in cursive script, appearing to be "LBJ", written in dark ink.

His Excellency
Dr. Raul Leoni
President of the Republic of Venezuela

LBJ/WGB:mmm
2/12/68

5a

Office of the White House Press Secretary

THE WHITE HOUSE

THE PRESIDENT'S MESSAGE TO THE FIFTH MEETING
OF THE INTER-AMERICAN CULTURAL COUNCIL
MEETING IN MARACAY, VENEZUELA, DELIVERED
BY DR. MILTON EISENHOWER, CHAIRMAN OF THE
AMERICAN DELEGATION

If man is to achieve his fullest potential, he must have the freedom to learn -- and he must have learning to be truly free.

You meet to put into action the purposes of the Punta del Este Declaration of Presidents. There is no more important work facing our hemisphere. Together, we must:

- Assure basic education for all our people;
- Make our secondary schools and universities centers of excellence; and
- Harness science and technology in the work of education and development

The largest share of what must be done, you must do. But I want you to know that we in the United States will help -- with our resources, our technology, and the enthusiastic support of our people.

In preparing your programs you will use the tools that are at hand. But I hope your vision also will extend to the tools of tomorrow. I am particularly enthusiastic about the possibilities of combining advanced technology with advanced methods of teaching and research. Educational television already points the way. We are not far from the day when the satellite will help us

- leap across the barriers that today deny good education to millions of citizens, and
- unlock the doors to hidden natural resources on land and the surrounding seas.

With warm and vivid memories of my meetings with your Presidents last April, I send you greetings and best wishes for success in your deliberations.

#

5b
THE WHITE HOUSE
WASHINGTON

Thursday - 3:00 pm
February 14, 1968

MEMORANDUM FOR GEORGE CHRISTIAN

Dr. Milton Eisenhower will give his plenary speech before the Fifth Inter-American Cultural Council at 7:00 p.m. , Washington time, today, February 15.

Since we are not going to be able to coordinate his reading of the President's special message with your press briefings here, I recommend that you go ahead with release ~~of the special message~~ at your 4 o'clock briefing today. A copy of the message approved by the President is attached.

WGB
WGBowdler

Attachment

RECEIVED
FEB 27 1968
CENTRAL FILES

50

Message

to the Fifth Meeting of the Inter-American Cultural Council

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- make our secondary schools and universities centers of excellence; and
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- unlock the doors to hidden natural resources on land and the surrounding seas.

With warm and vivid memories of my meetings with your Presidents last April, I send you greetings and best wishes for success in your deliberations.

#

KERO COPY

KERO COPY

KERO COPY

KERO COPY

George:

" We ought to consider Walt Rostow announcing that here."

LBJ/meg
2/12/68
8:48p

*Mr Hopkins
no action taken in list
office for this note
of instr. by the Pres
mylee
2/13/68*

5e

MEMORANDUM

THE WHITE HOUSE

WASHINGTON
Monday - February 12, 1968

~~CONFIDENTIAL~~

Rec'd 6:40 P

MEMORANDUM FOR THE PRESIDENT

ACTION

SUBJECT: Message to the Fifth Inter-American Cultural Council.
Letter to President Leoni

Dr. Eisenhower leaves on Wednesday, February 14, for Venezuela. He will head the U. S. Delegation to the Fifth Inter-American Cultural Council. This meeting will consider action programs to carry out the OAS Summit decisions on education and science and technology. The specific programs are the work of two task forces which met following Punta del Este. Dr. Hornig and Dr. Killian played a big role in these groups.

Two of the items on the program to dramatize our Latin American policy which you approved last week are:

1. ~~a special message to the Cultural Council which Dr. Eisenhower could incorporate in his plenary speech.~~
2. ~~an invitation to President Leoni to visit Washington this year.~~

I recommend that you approve the suggested message to the Cultural Council at Tab A.

Approve

Disapprove

Call me

I also suggest you make use of Dr. Eisenhower's trip to send President Leoni the letter at Tab B.

W. Rostow
W. Rostow

Attachments

Tab A - Message to the Inter-American Cultural Council.

Tab B - Proposed Presidential letter to Venezuelan President Leoni.

DECLASSIFIED

Authority

NSC 10/15/79 re NLJ-79-26

By

MDE

NARS, Date

11/8/79

Seoye

Hold off on
this until
hear from

- Bill Bowdler -

When Eisenhower
delivers in Venezuela
Lay

BB/mc ✓

C. F.

(6)

CO311

DI

CO55

TAB/Petroleum

CO43

FO 7/Hemispheric

August 8, 1967

Dear Mr. President: *Raul Leon Otero*

I was pleased to receive the letter of July 25 which you sent me through Ambassador Enrique Tejera-Paris. I particularly welcome the opportunity to exchange views with you on problems of concern to our two countries in the spirit of friendship and candor which characterized our meeting at Punta del Este.

First, I express again the profound sorrow that I and the people of this country feel about the tragedy which befell Caracas and other places in Venezuela as a result of the earthquake of July 29. The assistance we were able to give to the Venezuelan Red Cross and to your government is a small token of the deep sympathy which we feel for the Venezuelan people in this difficult time.

With regard to the continuing intervention of the Castro regime in the internal affairs of Venezuela, again dramatized by the current meeting of the Latin American Solidarity Organization in Havana, I was pleased to see that the Investigating Committee of the Meeting of Foreign Ministers fully supported the case which Venezuela has presented under the Charter of the OAS. You can count on our continued full support at the Foreign Ministers' meeting in condemning Cuba's aggressive acts and in seeking a consensus on appropriate measures to deal with it. At the same time, I express our admiration for the vigorous manner in which your government and the Venezuelan people have defended your democratic institutions against the efforts of those who would destroy them by armed insurrection.

Concerning the question of Venezuelan petroleum in the United States market, I assure you, as I did in our conversation at Punta del Este, of our continuing attention to Venezuela's interest, as is evident in many aspects of our petroleum policy. We should recognize at the same time that all policies and alternatives must be measured by their political and economic feasibility.

Copy to Mrs Ferrito

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NOV 21 1967
CENTRAL FILES

We fully understand the vital importance of petroleum to Venezuela's economy, and it is our desire to make sure that Venezuela has opportunity to share in the growth of the United States market. With this in view, I outlined to you at Punta del Este the several lines of action which we are in a position to follow, namely:

-- to initiate talks with Canada to seek an understanding on its future export growth to the United States whereby (1) the threatened cutback of offshore suppliers' markets in the United States would be avoided, and (2) the position of Venezuela and other offshore suppliers would indirectly but steadily improve;

-- to change the Mandatory Oil Import Program so as to lay a permissive basis for an increase of United States purchases of asphalt from Venezuela;

-- to see what can be done to get the sulphur out of Venezuelan oil so that Venezuela can continue to supply the growing United States market for fuel oil.

Since our meeting at Punta del Este three months ago, we have taken measures along the lines we discussed. A number of conversations have been conducted with Canada; these talks continue and progress has been made. The Department of Interior is well advanced in its study of our asphalt import needs. I have established a Committee to coordinate technical and economic research on the impact of air pollution problems, and funds have been allotted, on an emergency basis, for research on de-sulphurization technology. I indicated to you that findings, as developed, would be made available to Venezuela and I have instructed that this be done.

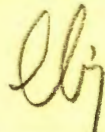
In a related measure, but apart from the specifics of our Punta del Este discussion, I have issued a proclamation concerning the redefinition of residual fuel oil, and other measures relevant to meeting our air pollution abatement requirements. This step should enable Venezuela, in cooperation with the petroleum industry, to proceed with actions toward provision of the quality of petroleum product necessary to assure the traditional Venezuelan position in the United States fuel oil market. This action followed a comprehensive public review of our oil programs during which divergent views were expressed, views

which must be considered and placed in balance as to further actions. I believe Venezuela's position in the United States market has every prospect of improving through the gradual evolution of the oil imports program.

To go beyond these measures would involve a fundamental and drastic change in our entire petroleum policy and would bring into question the whole structure of our oil policy. Indeed, since we spoke, the crisis in the Middle East has made it even more difficult to envisage changes in our oil import program. The ability of our domestic industry to contribute more than a million barrels a day of additional production to help fill the gap in free world supplies supports the soundness of the concepts underlying the Mandatory Oil Imports Program, which was designed precisely to ensure the ability of our industry to meet such a crisis. As and when the present crisis subsides, our own, as well as Venezuela's, industry may encounter problems of readjustment. I can assure you that we will bear Venezuela's problem in mind along with our own, and that we shall seek a continuation of the frank and friendly interchange of views on problems of mutual concern which you also desire. Meanwhile, I am confident that the numerous measures on which we are working and will continue to work with you, will serve to strengthen Venezuela's position in the United States market and contribute to the growth of the Venezuelan economy.

I look forward, Mr. President, to continuing our exchange of views on these and other matters which affect the relations between our two countries and their roles in the affairs of this hemisphere.

With warm personal regards,



Sincerely,

His Excellency
Raul Leoni Otero
President of the Republic of Venezuela

~~Confidential~~

UNCLASSIFIED UPON REMOVAL ENCLOSURE

ASSOCIATES FOR INTERNATIONAL RESEARCH, INC.

Eight Eliot Street, Cambridge, Massachusetts 02138
617-354-2133

C.F. (6)

August 1, 1966

CO 37
CO 51
CO 311
FG 1-15

Mr. W. W. Rostow
The White House
Washington, D. C.

Dear Walt:

*Rev.
ND 19/CO 311
7/23/66*

Thank you for your reassuring letter of 23 July. We are enclosing a copy of the report we submitted to ARPA/AGILE on the first phase of our study into Research on Urban Disequilibrium. You will remember that I asked you about methods of identifying relationships between political events and socio/economic statistics late last fall.

We are quite enthusiastic about a new technique which we are attempting to apply to the ARPA project -- something called logit analysis. A method long used in biometrics, we think logit may enable us to move beyond mere establishment of correlations between socio/economic statistics and incidents of violence into a predictive world indicating changes in the likelihood that violence will, in fact, occur during three month periods. If this technique proves out, it obviously has application in a number of other areas -- the socio/political feasibility of proposed development programs; the determination of priorities in a planned growth effort; maybe something in the study of stages of growth. I hope by early November to be able to tell you that the technique does seem to provide valid results.

With best wishes,

Sincerely yours,

Larry

Lawrence W. Barss

X

LWB:cpa

Enclosure: 1 copy of ARPA report

~~Confidential~~

RECEIVED
WHCA

G. F.

~~CONFIDENTIAL~~

FI 11

C 0311

BE 4/Petroleum

8

66 JUL 2 10 24

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TO SECSTATE WASHDC IMMEDIATE 15
STATE GRNC
BT

~~CONFIDENTIAL~~ SECTION ONE OF TWO CARACAS 40

JULY 1

ENDTEL 25

1. THE PENDING TAX INCREASES ON PETROLEUM COMPANY PROFITS WERE DISCUSSED AT NOON WITH PEREZ GUERRERO AND APEAZA. AFTER A LONG RAMBLING DESCRIPTION BY PEREZ GUERRERO OF THE SATISFACTORY CHARACTER OF NEGOTIATIONS WITH THE PETROLEUM COMPANIES IN WHICH NO MENTION WAS MADE OF THE PROPOSED EXCESS PROFITS TAX, I SAID I HAD IN THE COURSE OF ONE OF MY USUAL BRIEFING SESSIONS WITH

PAGE TWO RUEBRS 40 ~~CONFIDENTIAL~~

PETROLEUM OFFICIALS LEARNED OF THE PENDING TAX. I WAS STRUCK BY THE GREAT CONCERN EXPRESSED BY OIL COMPANY REPRESENTATIVES OVER THE INTRODUCTION OF THIS NEW IMPORTANT LEGISLATION IN THE MIDDLE OF HARD NEGOTIATIONS WHICH HAD BEEN GOING ON BETWEEN THE GOV AND THE COMPANIES FOR MANY MONTHS. ASIDE FROM THIS NEW COMPLICATION AND ITS EFFECT ON THE NEGOTIATIONS, I FOUND THE REPRESENTATIVES GREATLY BOTHERED OVER THE LACK OF A REASONABLE OPPORTUNITY TO STUDY AND CONSULT WITH THE GOVERNMENT OVER THE EFFECT OF THE NEW MEASURE BEFORE ITS PRESENTATION TO THE VENEZUELAN CONGRESS ON JULY 4. WHILE RECOGNIZING THAT THE MEASURE WOULD STILL BE OPEN TO DEBATE IN THE CONGRESS, THE COMPANY REPRESENTATIVES FELT THAT THE ATMOSPHERE BEING WHAT IT WAS, IT WOULD BE MOST DIFFICULT FOR THE GOVERNMENT TO REcede FROM A POSITION PUBLICLY TAKEN EVEN IF CONVINCED LATER THAT IMPORTANT MODIFICATIONS WOULD BE CALLED FOR. I TOLD HIM I HAD TRIED TO GET IN TOUCH WITH APPROPRIATE OFFICIALS OF MY GOVERNMENT BY TELEPHONE BEFORE SEEING THE MINISTER BUT HAD NOT BEEN ABLE TO DO SO. PENDING WHAT I CONSIDERED TO BE A PROBABLE REACTION OF WASHINGTON TO INSTRUCT ME TO MEET WITH THE

DECLASSIFIED

Authority State 4/18/79
By MFE, NARS, Date 5/25/79

PAGE THREE RUEBRS 40 ~~CONFIDENTIAL~~

PRESERVATION COPY

BAH/ma

9

C.F. *(4)*
9a
CO311
TAG/Petroleum
ND19/CO312-
CO305-
CO39
PR8-1

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT

8062

May 17, 1966

TO: Mr. Walt Rostow
The White House

FROM: Benjamin H. Read
Executive Secretary

MAH [unclear] for

In response to Mr. Bromley Smith's note of May 12th, I enclose the official translation of a letter dated January 17, 1966 from President Leoni of Venezuela.

No further action is necessary considering the President acknowledged receipt of President Leoni's message at the time he met with the two emissaries from Venezuela.

Enclosures:

- ① 3 page letter from President Leoni of Venezuela *Leoni 5/20*
- ② Official translation

RECEIVED
MAY 21 1966
CENTRAL FILES

Nothing else sent to
Central Files as of *5/25/66*
BHC

DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

LS NO. 44305
T3/R-XX
Spanish

96

REPUBLIC OF VENEZUELA
OFFICE OF THE PRESIDENT

Caracas, January 17, 1966

My dear Mr. President:

Relying on the close ties that have traditionally existed between our two countries, I have the honor to address you in order to present Dr. Gonzalo Barrios and Dr. Manuel Pérez Guerrero, Minister of Internal Affairs and Minister of Mines and Hydrocarbons, respectively, who are going to Washington as my personal envoys on a special mission, in order to explain to you, first of all, the grounds for and purposes of the just claim that Venezuela has lodged with Great Britain with respect to the Essequibo territory of Guiana, which was taken from us by a combination of violence and deceit toward the end of the last century.

My personal envoys have also been entrusted with the delicate task of using the opportunity offered by this personal contact with you in order to inform you of the sound reasons underlying Venezuela's petroleum policy to which I had the honor to refer in my letter of March 13, 1965. The petroleum question is in itself so broad and complex that it transcends the limits of the problem posed by the system of restrictions on petroleum imports in force in your country since April 1959, a system that has caused serious damage to the

Mr. Lyndon B. Johnson,
President of the
United States of America,
Washington, D.C.

Venezuelan economy--damage that has been increased by the ever greater decline in the prices of residual fuel. Whereas the importation of residual fuel by the United States increased from 38% in 1959 to 54% in 1965, crude petroleum imports dropped from 62% to 46%. The scope of the damage to the Venezuelan economy shown by these figures will be better appreciated if one takes into account the fact that the selling price of the residual fuel exported to the United States by Venezuela fell from approximately \$2.00 per barrel in 1958 to \$1.55 per barrel in 1965.

You may rest assured, Mr. President, that the body of measures recently adopted by my Government, which in essence constitute a single measure, are designed solely to protect our interests and that we have not the slightest intention of prejudicing the countries to which we unfailingly supply the petroleum and petroleum derivatives so essential to their own economies.

I greatly appreciated the message that Ambassador Bernbaum delivered to me personally the night of December 31 last, in which you informed me of the decision to suspend the bombing of North Viet-Nam. Venezuela was gratified to learn of this decision of the United States Government, which was further evidence of its judicious intention to make any effort that might reasonably open up a sure way of peacefully settling the international conflicts. My Government, which has always frankly expressed its support of the cause of peace, sincerely hopes that your courageous efforts and those of your Government will be successful in maintaining friendship among all the nations of the world.

Drs. Gonzalo Barrios and Manuel Pérez Guarrero, my personal envoys, will be accompanied by Dr. Enrique Tejera París, Ambassador of Venezuela to your Government. All three of them are distinguished exponents of Venezuela's ethical and political concepts. Consequently, I beg you to recognize them as such and to give full credence to all that they may say and set forth in my name when they explain to you various aspects of my country's international, economic, and social policies, in addition to the special matters mentioned in this letter. Venezuela and my Government sincerely hope that this special mission, in which reliance has been placed on the patriotism and intelligence of Drs. Barrios and Pérez Guerrero, will lead you and your Government to adopt an attitude of understanding and equitable support of Venezuela's just proposals and claims.

My personal envoys are authorized to discuss the problems to which I have referred with any high officials of your Government that you may be good enough to indicate to them.

I avail myself of this opportunity to express my sincere wishes for your personal happiness and for the continued prosperity of your noble people and great country.

Faithfully yours,

[Signed] Raúl Leoni



REPUBLICA DE VENEZUELA
DESPACHO DEL PRESIDENTE

9c

Caracas, 17 de enero de 1966

Estimado Señor Presidente:

Confiado en los estrechos vínculos que tradicionalmente han existido entre nuestros dos países tengo el honor de dirigirme a usted para presentarle a los doctores Gonzalo Barrios y Manuel Pérez Guerrero, Ministros de Relaciones Interiores y de Minas e Hidrocarburos, respectivamente, quienes viajan como mis Enviados Personales a Washington en Misión Especial, con el fin de exponerle en primer término los fundamentos y propósitos de la justa reclamación que Venezuela ha formulado a la Gran Bretaña sobre el Territorio de la Guayana Esequiba, del que fuéramos despojados por una combinación de violencia y dolo hacia fines del siglo pasado.

Llevan además mis Enviados Personales el delicado encargo de aprovechar este contacto directo con usted para hacerle conocer la solidez de las razones que determinan la política petrolera de Venezuela, a la cual tuve el honor de referirme en mi carta del 13 de marzo de 1965. La cuestión petrolera es en sí misma tan amplia y compleja que desborda los límites del problema planteado por el sistema de restricciones a las importaciones de petróleo vigente en su país desde el mes de abril de 1959, sistema que ha lesionado seriamente la economía venezolana, daño que se ha agravado con el creciente deterioro de los precios del combustible residual. Mientras la importación de éste por los Estados Unidos pasa del 38% en 1959 al 54% en 1965, la del crudo descende del 62% al 46%. La magnitud del daño que estas cifras ocasionan a la economía venezolana se apreciará mejor si se tiene en cuenta que el precio de venta del residual exportado por Venezuela a los Estados Unidos descende desde unos \$2,00 por barril en 1958, a \$1,55 por barril en 1965.

/...



REPUBLICA DE VENEZUELA
DESPACHO DEL PRESIDENTE

- 2 -

Puede tener la seguridad, señor Presidente, de que el conjunto de medidas recién adoptadas por mi Gobierno, y que en su esencia constituyen una sola, están dirigidas exclusivamente a proteger nuestros intereses, sin la menor intención de perjudicar a los países a quienes procuramos, en forma segura, el petróleo y sus derivados que tan esenciales son para sus propias economías.

Mucho he agradecido a usted el Mensaje que personalmente me entregara el señor Embajador Bernbaum la noche del pasado 31 de diciembre, y por medio del cual usted tuvo la gentileza de hacerme conocer la decisión de suspender los bombardeos sobre el Viet Nam del Norte. Venezuela recibió con viva simpatía esta medida del Gobierno de los Estados Unidos, nueva demostración del sano propósito que lo anima de emprender cualquier esfuerzo que razonablemente pudiera abrir caminos seguros para la pacífica solución de los conflictos internacionales. Mi Gobierno, que siempre ha manifestado su abierta solidaridad hacia la causa de la paz, confía en que los valerosos esfuerzos de usted y su Gobierno se traducirán en positivos resultados para el mantenimiento de la amistad entre todas las naciones del mundo.

Los doctores Gonzalo Barrios y Manuel Pérez Guerrero, mis Enviados Personales, serán acompañados por el doctor Enrique Tejera París, Embajador de Venezuela ante su ilustrado Gobierno. Los tres son altos exponentes de los valores espirituales y políticos de Venezuela. Por tanto, ruego a usted se digne reconocerlos con tal carácter y dar entero crédito a todo lo que ellos expresen y traten en mi nombre al exponerle, además de los puntos particulares a que se refiere esta carta, diversos aspectos de la política internacional, económica y social de mi país. Venezuela y mi Gobierno aspiran a que esta Misión Especial encomendada

/...



REPUBLICA DE VENEZUELA
DESPACHO DEL PRESIDENTE

- 3 -

al patriotismo e inteligencia de los doctores Barrios y Pérez Guerrero, lleve a usted y su Gobierno a adoptar una posición de comprensión y equitativo apoyo a los justos planteamientos y reivindicaciones de Venezuela.

Mis referidos Enviados Personales están autorizados para conversar sobre los problemas a que he hecho referencia, con aquellos altos funcionarios de su Gobierno que usted tenga a bien señalarles.

Hago propicia la oportunidad para formular votos por la prosperidad de ese noble pueblo y gran país y por la ventura personal de usted.

Muy atentamente,

Al Señor
Lyndon B. Johnson,
Presidente de los Estados Unidos de América,
Washington, D.C.

C. F.

ME 33/00311

00311

00121

CM/Rice

April 28, 1966
FO3-2/00121

Dear Mr. President:

Ambassador ^{Maurice} Bernbaum has informed me of your decision to send 2,000 tons of rice to India.

This contribution to alleviate the critical food shortage in that country will be greatly appreciated by the Indian Government and people. I earnestly hope that the cooperation born of the Indian crisis will bring about closer cooperation among all countries in attacking the food problem that the world will face in the years to come.

I wish to express deep personal satisfaction that so strong a friend and defender of freedom as Venezuela has joined the United States in this great humanitarian effort to help the Indian people.

With highest esteem and best wishes.

Sincerely,



His Excellency
Raul Leoni
President of the Republic of Venezuela
Marafiores

RECEIVED
APR 30 1966
CENTRAL FILES

LBJ/WGB/mm
April 27, 1966



DEPARTMENT OF STATE
WASHINGTON

11. 6. 1966
Residual
C. F.
TAG/Oil
COB11
FG 105

IN REPLY REFER TO:

~~CONFIDENTIAL~~

MEMORANDUM FOR

Mr. Gardner Ackley
Chairman, Council of Economic Advisers

SUBJECT: Venezuela Residual Fuel Oil Developments

I reviewed the Venezuelan residual fuel oil problem on February 8 with J. R. White of Jersey, L. E. Lowry, President of Creole, and Tom Moore of Esso Trading.

Lowry is convinced the Venezuelans are undecided whether their residual action is a price setting measure or a tax increase. This ambiguity fogs the issues somewhat.

In early January, Creole suggested that past taxes, future taxes and residual pricing be combined in their negotiations with the GOV. The Venezuelans accepted this, but rejected Creole's proposal that the decree of December 30 to raise residual prices be suspended during negotiations. These three issues combined are the subject of Creole top management discussion with Minister Perez Guerrero and GOV tax authorities. Residual by itself is being considered at a "technical" level between the Coordinating Committee and Creole.

Lowry, seconded by White, would not talk price figures that might be the basis for a settlement, beyond saying that the GOV would have to come down and the producers would have to go up. He told Perez categorically that the market would not support a price of \$1.30 FOB Venezuela and believes Perez now realizes this is the case. Creole is also trying to convince the GOV that any change in price would have to be gradual, both because of the existence of contracts and because of competitive factors. Creole will resume discussions with Perez upon his return from Europe on February 13.

Lowry was of the opinion that the GOV residual action was precipitated by the U.S. quota increase of December 22, but that other factors such as their failure to obtain concessions under the Oil Imports Program were involved. He felt the GOV had been concerned about residual price weakness for some time. A further weakening was simply not acceptable and had to be countered.

RECEIVED

~~CONFIDENTIAL~~

DECLASSIFIED
Authority State 12/6/12/78
By MDE, NARS, Date 7/17/78



DEPARTMENT OF STATE
WASHINGTON

Mr. Bundy ✓

Bowdler

February 10, 1966
McGEORGE BUNDY'S OFFICE

C. F.

TAG/oil
C0311
FG105
FG145
FG11-6

~~CONFIDENTIAL~~

IN REPLY REFER TO:
1781

MEMORANDUM FOR MR. MARVIN WATSON
THE WHITE HOUSE

1966 FEB 2 11 8 55

2/2

Clairborne

Senator Fell is essentially correct in saying that import quotas for residual fuel oil have resulted in higher prices to the U.S. consumer. The effect of these quotas is limited to consumers on the East Coast, mostly those in New England and the Middle Atlantic states. Imports supply 80%-90% of fuel oil requirements in this area. About 90% of these imports derive from Venezuelan crude oil. If these imports were not restricted, fuel oil prices would be lower, but we cannot say by how much.

The quota for residual fuel oil, as well as for crude oil was set up in 1959 for reasons of national security. The system has been under review by the Director of the Office for Emergency Planning for some time. On December 13, he recommended an immediate relaxation of the quotas and a further relaxation by April 1. As a result, the Secretary of the Interior on December 22 increased the quotas by approximately 10% and plans further relaxations in the program, which ordinarily would have the effect of reducing prices.

Prices for residual fuel oil have been roughly stable since the beginning of the program in 1959. With the increase in quota allocations in December, these prices would have declined.

The situation has been complicated, however, by the attempt of the Government of Venezuela to increase prices charged for Venezuelan residual fuel oil in the U.S. and thus to increase its tax revenue from these sales. The method it intends to use is not yet entirely clear and the U.S. producing companies in Venezuela are currently negotiating with the Venezuelan Government to settle this and other problems.

We have already informed the Venezuelan Government of our serious concern with any actions that would result in an increase in the price of residual fuel oil to the U.S. consumer. We are exploring now with the Department of Interior whether we can influence negotiations between the producing companies and the Venezuelan Government so as to prevent any increase in residual fuel oil prices in the U.S.

Attached

~~CONFIDENTIAL~~

DECLASSIFIED

Authority State 12 6/12/78
By MDE, NARS, Date 7/17/78

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

January 17, 1966

CONFIDENTIAL

MEMORANDUM FOR MR. BUNDY

SUBJECT: Visit by Venezuelan Ministers of Interior and Mines with the President

The attached cable from Caracas describes President Leoni's intention to send his Ministers of Interior and Mines to Washington tomorrow to carry a personal message to the President.

Bob Sayre tells me that Tom Mann spoke with the President last Saturday about the proposed visit. The President agreed -- somewhat reluctantly, I gather -- to receive them.

During the course of the day we will be receiving a Rusk-to-the-President memorandum recommending that he see the visitors and enclosing briefing papers.

The matters which the Ministers want to discuss -- at least as described in the cable -- do not appear to warrant a Presidential appointment. The oil problem has been thoroughly aired with Mann, Udall and Rusk. The British Guiana border problem is not one in which we want to become involved. The arms purchasing issue is a working level matter. The only justification is that Leoni seems to be very intent on the visit and it is important that he not be rebuffed. The principal danger that I see is in giving the impression that we in any way share Venezuela's views on the BG boundary question. We must avoid getting mousetrapped on this one.

WGB
WGBowdler

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Authority State Sec 8/11/77
By smg, NARS, Date 8/19/77

Attachment

~~CONFIDENTIAL~~

70 JV 13/
per plan
call
imp. (5)

C. F.
CO 311
*PR 8-1/B**
*PR 8-1/H**
7G105

**Barrios, Gonzalo*
**Herrera, Manuel Perez*

get/ruc

RECEIVED
JAN 24 1966
CENTRAL FILES

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TO WHITE HOUSE ATTN MR BUNDY
O 151700Z
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC IMMEDIATE 709
STATE GRNC
BT
~~C O N F I D E N T I A L~~ JANUARY 15

~~CONFIDENTIAL~~

DECLASSIFIED

Authority State let. 8/16/77
By smg, NARS, Date 8/23/77

REF: DEPTTEL 569

1. SAW PRESIDENT THIS MORNING HIS REQUEST. HE ASKED THAT AN APPOINTMENT BE ARRANGED WITH PRESIDENT JOHNSON FOR GONZALO BARRIOS, MIN INTERIOR AND MANUEL PEREZ HERRERA, MIN MINES. BARRIOS TO DELIVER PERSONNEL LETTER FROM PRESIDENT LEONI. BOTH MINISTERS LEAVING CARACAS TUESDAY, JANUARY 18 AND DESIROUS SEEING PRESIDENT IF POSSIBLE ON JANUARY 20 OR 21.

2. MAIN PURPOSE OF APPOINTMENT IS GIVE PRESIDENT LEONI OPPORTUNITY FOR FIRST DIRECT CONTACT WITH PRESIDENT JOHNSON

PAGE TWO RUESRS 242 ~~C O N F I D E N T I A L~~
THROUGH BARRIOS, WHO IS MOST TRUSTED AID. SPECIFIC SUBJECTS TO BE COVERED ON THIS OCCASION INCLUDE RECENT PETROLEUM DEVELOPMENTS, VENEZUELAN CLAIM ON BRITISH GUIANA AND ARMS PURCHASE AGREEMENT ON WEAPONS FOR THE CIVIL POLICE.

3. LEONI STRESSED THAT THE RECENT PETROLEUM DEVELOPMENTS IN LINE WITH LONG STANDING VENEZUELAN ASPIRATIONS WELL KNOWN TO PETROLEUM COMPANIES THEMSELVES AND TO THE USG AND SHOULD DEFINITELY NOT BE TAKEN AS ACT OF RETALIATION OR LACK OF SYMPATHY WITH US. DISCUSSION ON BRITISH GUIANA IN LINE WITH VENEZUELAN PROGRAM OF BRINGING ATTENTION OF FRIENDLY GOVERNMENTS IN LATIN AMERICA AND HEMISPHERE. THE GOV VIEWPOINT HEADS OF VARIOUS POLITICAL PARTIES IN ANCHA BASE AS WELL AS OTHER POLITICAL PERSONALITIES LEAVING WITHIN NEXT FEW DAYS FOR THIS PURPOSE. LEONI STRESSED THAT ASIDE FROM THESE SPECIFIC PROBLEMS BARRIOS WOULD OUTLINE TO PRESIDENT JOHNSON THE GENERAL LINES OF VENEZUELAN POLICY AND ASPIRATIONS.

4. LEONI CONSIDERED THIS VISIT TO BE OF THE UTMOST IMPORTANCE AND EXPRESSED STRONG HOPE IT WOULD BE POSSIBLE FOR PRESIDENT JOHNS ON TO RECEIVE HIS EXISSARIES.

5. GIVEN THE IMPORTANCE ATTRIBUTED TO THE VISIT BY

PAGE THREE RUESRS 242 ~~C O N F I D E N T I A L~~
PRESIDENT LEONI, I RECOMMEND THE NECESSARY ARRANGEMENTS
BE MADE.

6. PRESIDENT ALSO SPOKE ABOUT PRESIDENT JOHNSON'S
PEACE PROGRAM. FOLLOWING OUR LAST TALK (EMBTTEL 676) HE
INSTRUCTED VENEZUELAN AMBASSADOR TEJERA TO SOUND OUT OAS
REPRESENTATIVES ON POSSIBILITIES OAS RESOLUTION SUPPORTING
PRESIDENT JOHNSON'S PEACE DRIVE. THE REACTION WAS STRONGLY
FAVORABLE FROM ALL COUNTRIES BUT ONE, WHICH OBJECTED ON
GROUND OAS SHOULD NOT BECOME INVOLVED IN PROBLEMS OUTSIDE
THE HEMISPHERE. HE THOUGHT THE REPRESENTATIVE INVOLVED
WAS THE COLOMBIAN. LEONI SUFFICIENTLY ENCOURAGED TO
INSTRUCT TEJERA TO GO FORWARD WITH THE PROJECT IN THE
BELIEF THAT ALTHOUGH NOT SPECIFICALLY SUPPORTING THE
UNITED STATES SIDE OF THE CONFLICT THE SUPPORT OF THE
IDEA OF PEACE AND NEGOTIATIONS WOULD BE OF IMPORTANCE
TO US OBJECTIVES. HE ENVISAGED THAT RESULTS OF RESOLUTION
WOULD BE MADE KNOWN TO UN, NORTH VIETNAM, SOVIET UNION,
THE POPE, ETC. ALSO UNDER WAY IS A LATIN AMERICAN
PROPOSAL FOR AN EXPRESSION OF OAS SUPPORT FOR THE POPE'S
PEACE APPEAL. VENEZUELA WILL SUPPORT THIS AND IT IS
EXPECTED THAT BOTH INITIATIVES WILL GO THROUGH. BERNBAUM
BT

NNNN

~~10/6~~

G.F. (3)

T/16/Oil
20311
FG-105
FG 11-3

14

January 6, 1966

MEMORANDUM FOR Gardner Ackley

FROM Joe Califano

Per our conversation, would you please pick this up with State Department and Interior. If you need any push from here, just let me know and I will take care of it.

Attachment

Memos from Sec. Mann
re Venezuela's action re
residual oil

EF/mc

C. F.

C0311

FB11-2

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~~SECRET~~
CONTROLLED DISSEM

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NIE 89-65
16 December 1965
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NATIONAL INTELLIGENCE ESTIMATE
NUMBER 89-65

Venezuela

Submitted by

W. R. Rabeau

DIRECTOR OF CENTRAL INTELLIGENCE

Concurred in by the
UNITED STATES INTELLIGENCE BOARD

As indicated overleaf
16 DECEMBER 1965

Authenticated:

James P. Lay, Jr.
EXECUTIVE SECRETARY, USIB

DECLASSIFIED

Authority CIA ltr 9/15/77
By MMG, NARS, Date 9/15/77

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CONTROLLED DISSEM

Nº 556

~~SECRET~~

The following intelligence organizations participated in the preparation of this estimate:

The Central Intelligence Agency and the intelligence organizations of the Departments of State, Defense, and the NSA.

Concurring:

Mr. Richard Helms, Deputy Director of Central Intelligence

Mr. Thomas L. Hughes, Director of Intelligence and Research, Department of State

Lieutenant General Joseph F. Carroll, USAF, Director, Defense Intelligence Agency

Lieutenant General Marshall S. Carter, USA, Director of the National Security Agency

Abstaining:

Mr. Howard C. Brown, Jr., Assistant General Manager for Administration, Atomic Energy Commission and Mr. William C. Sullivan, Assistant Director, Federal Bureau of Investigation, the subject being outside of their jurisdiction.

WARNING

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited.

GROUP 1 Excluded from automatic downgrading and declassification

~~SECRET~~

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VENEZUELA

THE PROBLEM

To estimate the situation in Venezuela and the prospects under the Leoni administration (until general elections in 1968).

CONCLUSIONS

A. Venezuela will probably continue to experience political stability and a favorable rate of economic growth over the next few years. However, it will still face deep-seated social problems. Most economic and social reform programs will be pushed vigorously through 1966. Thereafter budgetary restraints are likely to lead to some loss of momentum. This slowdown will almost certainly become a major issue in the December 1968 elections.

B. The government and security forces have dealt reasonably effectively with the leftist insurgency; the capabilities of the guerrillas and terrorists will probably decline further. The insurgents are not likely to pose a major threat to the government during the period of this estimate.

C. Some misgivings regarding the Leoni administration still persist among the military, but the military establishment is generally disposed to support the constitutional government. We believe that there is little chance of a successful military coup within the period of this estimate.

D. Leoni's governing coalition will probably hold together at least until the near approach of the elections scheduled for December 1968. The contest is then likely to be between two center-left parties, AD and COPEI, each claiming to be the more effective means of achieving social reform. If, in anticipation of this contest, Leoni should initiate a more radical reform program, he might thereby antagonize the military and increase the chances of a military coup.

~~SECRET~~

E. The administration will make some attempts to increase Venezuelan influence in Latin American affairs, while holding to the Betancourt Doctrine of denying recognition to governments which come to power by overthrowing constitutionally-elected ones. Manifestations of economic nationalism—and in particular resentment over US restrictions on the importation of Venezuelan oil—will probably produce frictions in relations with the US.

~~SECRET~~

DISCUSSION

I. INTRODUCTION

1. Venezuela is of special interest to the US for two particular reasons. One is its economic significance as the world's largest oil exporter and the locus of US capital investments of roughly \$3 billion. (In only two countries, Canada and the UK, are US investments higher.) The other is its political significance as a test of whether a Latin American country with a long history of dictatorial rule and an active Communist insurgency movement can reform its economic and social institutions by democratic means.¹

2. Romulo Betancourt laid the foundation of these reforms and of most present Venezuelan policies. During his turbulent presidency (1959-1964) Betancourt initiated sorely needed social and economic reform programs, survived attempts to overthrow him by extreme leftists and military rightists, and managed to instill in the citizenry a resolve to preserve its freedoms and representative institutions. In late 1963, when the Castroites and Communists sought to disrupt the scheduled elections with an intensified campaign of terrorism, some 90 percent of the Venezuelan voters defied the danger and came out to choose a new President. With the orderly succession of Leoni to the presidency in March 1964, democracy in Venezuela passed a significant test.

II. THE PRESENT SITUATION

A. Leoni, His Coalition, and His Opposition

3. The Leoni administration, in its style, complements rather than imitates its predecessor. As a long time associate in founding and guiding the Democratic Action (AD) movement, Leoni shares Betancourt's views. In contrast to Betancourt's dynamic promotion of fresh ideas and policies, however, Leoni has been the behind-the-scenes party strategist, more adept at conciliation than crusade. His administration has concerned itself more with implementing programs already begun than with devising new ones.

4. Even so, Leoni has turned his own talents to considerable account. Profiting from Betancourt's experience, he has made a point of touring the country, and in doing so has maintained frequent contact with the military. He has preserved the solid organization of his AD party. Though he did not maintain Betancourt's coalition with the next largest party, the Social Christians (COPEI), after seven months of patient negotiation he did put together an effective coalition with the center-left Democratic Republican Union (URD)

¹Venezuela, occupying about 352,000 square miles, has a population of about 8,700,000. It is rich in resources and has the highest per capita GNP in Latin America. Nevertheless, a large proportion of the population lives in dire poverty; efforts to improve this situation rapidly are complicated by the high rate of population increase (3.4 percent a year).

~~SECRET~~

and the center-right Democratic National Front (FND). In his leadership of this three party coalition, Leoni has demonstrated skill in achieving consensus.

THE VENEZUELAN CONGRESS*

	CHAMBER OF DEPUTIES	SENATE
The Government Coalition	106	34
Democratic Action (AD)	66	24
Center-left, comparable in policy to European Social Democrats and to the APRA in Peru.		
Democratic Republican Union (URD)	26	7
Vehicle of Jovito Villalba and, since the purge of its extreme leftists, close to the AD in policy.		
Democratic National Front (FND)	14	3
Personalistic party revolving around the intellectual, political scientist, Arturo Uslar Pietri, who ran first in Caracas in 1963; mostly center-right businessmen and military, but includes some far rightists.		
The Opposition Parties	73	16
Social Christians (COPEI)	39	8
A responsible opposition modeled on the European Christian Democratic movement; its youth increasingly look to the more radical Chilean PDC for inspiration.		
Popular Democratic Force (FDP)	12	2
Loosely knit conglomeration of leftists who backed Admiral Wolfgang Larrazabal in the last election; many of its present leaders were bitter adversaries of AD, but the party presently offers more responsible opposition.		
Minor Leftist Elements	7	0
Independents and Rightist Elements	15	6

* The Communist Party (PCV) and the Movement of the Revolutionary Left (MIR) were excluded from the 1963 election and are not represented in the present Congress.

5. The coalition has been operating reasonably smoothly, but there has been a gradually increasing concern within the administration, as well as among its opponents, that there is too little impetus in most governmental pursuits. One wing of the AD is particularly disturbed by this trend as well as by lack of support for the party among university students. Leoni's *modus operandi* is not styled to capture the imagination, and many Venezuelans are coming to feel that his administration is merely muddling forward when the dimensions of the country's problems are so large as to require vigorous action.

6. The principal opposition party, COPEI, has assumed a role unprecedented in Venezuelan history—that of a responsible opposition. The party's leader, Rafael Caldera, has sanctioned a line of autonomy of action—neither blind support for nor blind opposition to administration proposals. However, as COPEI has seen weaknesses in the administration, and as reconciliation with AD has come to appear more and more unlikely, COPEI is becoming more outspoken in its criticism of the government. Though COPEI lacks AD's

depth of leadership and extent of organization, it has taken encouragement from the sweeping Christian Democratic victories in Chile and regards itself as the Venezuelan party of the future. COPEI's youth wing, which is well to the left of the party leadership, competes effectively with the Communists for influence among university students. It is also trying, with some success, to compete with AD for leadership in rural areas. The principal political competition in Venezuela is coming to be primarily between two parties of the Center-Left—AD and COPEI.

B. The Insurgency Problem

7. The prestige of the FALN, the insurgent organization supported by the Venezuelan Communist Party (PCV) and the Castroist Movement of the Revolutionary Left (MIR), has declined since its dramatic failure to disrupt the 1963 elections; the insurgent movement has been badly hurt by the government's aggressive counteraction. The government has captured many of its prominent leaders, has unearthed some of its arms caches, has intercepted a substantial amount of financial aid from abroad, and has generally kept the insurgents on the defensive. Incidents of urban terrorism have greatly decreased. The number of guerrillas in the countryside has not changed substantially, but several deserters have acknowledged that the FALN field units are short of food and other supplies, and that their morale is low. The army's counterinsurgency capabilities have improved, but the difficulty of hunting down the guerrillas, particularly in western Venezuela, remains formidable. Areas have been declared cleared of guerrillas only to experience fresh attacks soon after the announcement.²

8. Important elements of the PCV and some elements in the MIR doubt that a policy of armed struggle can be effective under the present conditions in Venezuela. They have seen the Communist Party fall from its strong position in 1958-1959, when, as a legal party and a major participant in the 1958 revolution, it could count on 30,000 members and command over 180,000 votes in the national election, to its present state of penury and ostracism. The only major sphere of political support for the PCV and MIR lies within the university; they have been unable for the most part to crack the AD hold over labor and the peasantry. Hoping to help the PCV regain its former influence, a major faction has been seeking to prevail on Leoni and on the party's own militant wing to negotiate a peaceful settlement. This faction would be willing to halt the fighting if Leoni would restore the legality of the PCV and the MIR and grant amnesty to the insurgents. However, their inability to control the diehards in the guerrilla movement would make an effective ceasefire unlikely.

9. Leoni has shown no inclination to enter into such a bargain. In contrast to the situation which prevailed during most of Betancourt's administration,

²Total FALN strength is estimated at 1,500. The number of activists the organization could put into the field at any one time is probably much lower. Moreover, recent FALN problems—the considerable number of arrests of members, internal dissension, financial difficulties—further limit its operational strength.

there is now little sympathy in most parties for any compromise with the FALN. The army remains strongly against any such accommodation. Leoni has kept the door slightly ajar by indicating that, in return for a cessation of hostilities, he might release some additional "soft liners" from prison or grant an amnesty to those members of the FALN not personally implicated in specific acts of terrorism. However, recent terrorist attacks on AD members and the success of the government against the insurgents has tended to harden Leoni's attitude toward the PCV and MIR.

C. The Military³

10. The armed forces remain the ultimate arbiter of Venezuelan politics. The military establishment in general never turned against Betancourt, but during most of his presidency he was harassed by military pressures, plots, and local mutinies, and the danger of a military coup was ever present. That danger receded, however, when Betancourt unleashed the armed forces against the FALN, in late 1963. Leoni can rely more confidently on military support. In general, the long-term trend in the military establishment has been toward increasing professionalism and decreasing interference in politics, as the once-dominant influence of the authoritarian Andean clique has declined.

11. Some misgivings about the government still persist among the military. Many officers resent Leoni's tendency to give preference to AD-connected officers in making key assignments. More are apprehensive lest Leoni enter into some expedient political deal with the PCV and MIR which would permit an extreme leftist political revival. A rightist residue have organized as the "Centralist Movement" which claims the adherence of 600 officers, but is well penetrated by the government. In general, the military have been reassured by Leoni's firm attitude toward the FALN, but any grant of amnesty to a considerable number of insurgents would provoke a strong reaction among those who feel that the only good insurgent is a dead one.

D. The Economy

12. Because of its vast petroleum resources, Venezuela enjoys a satisfactory economic growth rate as well as the highest per capita GNP (\$750 annually) in Latin America. Its oil income is running at over a billion dollars a year. Its balance of payments is favorable and its net international reserves are the largest of any Latin American country. Petroleum continues to provide almost 30 percent of the gross domestic product (GDP), nearly 70 percent of budgetary revenues, and over 90 percent of foreign exchange earnings. However, while petroleum export earnings continue to rise, they are increasing at a slower rate than hitherto because of the competition of lower cost producers in the Middle East and Africa. Strongly conservationist in approach and possessing limited

³ The Venezuelan armed forces consist of four services with the following personnel strength: Army 17,800; National Guard (a militarized constabulary) 12,000; Navy (including Marines) 5,600; Air Force 2,500.

reserves, the Venezuelans seek to increase returns from oil through price improvement rather than volume increases. In its efforts to stabilize the international market and increase its income from oil, Venezuela has been very active in the Organization of Petroleum Exporting Countries (OPEC), an association of Middle Eastern oil producers plus Venezuela.

13. No other segment of the economy approaches the petroleum industry in importance. Iron mining is a valuable addition to the economy, but remains distinctly secondary to petroleum. The manufacturing sector is growing rapidly, but as yet accounts for only 14 percent of the nation's output. Over one-third of the labor force is employed in agriculture, which provides only seven percent of the GDP.

14. The Betancourt and Leoni governments have made a major effort to accelerate economic diversification and to reduce Venezuela's dependence on one commodity. They have sharply expanded programs for "sowing the petroleum"—i.e., using the profits and foreign exchange obtained from petroleum to promote the development of other sectors of the economy and to carry out social reforms. Heavy investments have been made in energy, transportation, and housing. The government has expanded its state-owned banking institutions in order to make long-term development loans more readily available. Leoni has continued to uphold Betancourt's pledge to grant no more petroleum concessions and has instituted protective measures for many infant industries.

15. One of the most outstanding characteristics of the Venezuelan economy since 1958 has been the sharp rise in the influence exerted by the public sector. In addition to expanded use of regulatory powers and heavy direct investments in such basic services as electric energy and transportation systems, the state has enlarged its influence through public investments in selected manufacturing activity, most notably in the completion of a state-owned steel mill. Despite the increased participation of the state, however, private enterprise continues to dominate economic activity, both in terms of production and in the level of new investment. The Venezuelan private sector is one of the most dynamic in Latin America.

16. Despite many hindrances—an economic recession, political turmoil, active insurgency—the Betancourt administration made substantial progress toward the alleviation of Venezuela's deep-seated social maladjustments. The literacy rate has been raised from about 55 percent before 1958 to about 70 percent in 1965. Significant progress has also been made in public health services, low cost housing, and potable water systems. Caloric intake, which was well below the Latin American average in 1958, is now slightly above the average. The agrarian reform program, inaugurated in 1960, has resettled 70,000 landless families on plots 50 to 60 acres in size.

17. While the Leoni administration has continued to implement most of Betancourt's programs and has expanded some of them, it has come under criticism from various political quarters for its failure to introduce more sweeping reforms. Leoni's conciliatory political approach has not been conducive to bold new

initiatives. The need to cope with the insurgency problem has continued to divert part of the government's energies. In spite of all that has been done to date, Venezuela's high per capita GNP, as a statistic, still hides a very sharp disparity in living conditions. A large proportion of the population lives at the subsistence level, many almost completely outside the commercial economy.

18. Low-cost housing is an example of a need which grows faster than the government can meet it. Campesinos seeking a better life in town have inundated Caracas, the capital city of 1,500,000; over 300,000 people now live in its shanty towns. These illiterate and unskilled peasants are poorly qualified to find urban employment; their disappointment in this respect is accentuated by the conspicuous presence of urban affluence. Meanwhile, in the countryside the availability of desirable public lands is diminishing, and political and budgetary considerations are limiting the purchase and distribution of underutilized private holdings. Moreover, since 1962 the Venezuelan Congress has reduced the land-reform appropriation. In part this reflects the realization that more land distribution will not be of much avail until the government can move ahead with the necessary ancillary services—roads, credit, housing, schools, marketing facilities, and health services.

E. Foreign Policy

19. The dominant feature of Venezuela's foreign policy is the Betancourt Doctrine which holds that recognition should be denied to any regime which comes to power by overthrowing a constitutionally elected government. Venezuela's sensitivity on this point reflects its own experience of military dictatorship and the Betancourt administration's vulnerability to a military coup. Leoni invoked the Betancourt Doctrine to justify his boycott of the November 1965 Inter-American Conference at Rio de Janeiro because the Brazilian government had assumed arbitrary powers which sharply reduced its constitutionalist character. Venezuela has also been highly critical of the US unilateral intervention in the Dominican Republic, observing that Communist participation in Venezuela's democratic revolution of 1958 was far greater than that among the Dominican rebels in 1965. Furthermore, the AD party feels an affinity with the Dominican Revolutionary Party as a party of the "democratic left" and gives it limited financial support. Nevertheless, Venezuela contributed medical and other supplies for the use of the Inter-American Peace Force and was one of the first nations to recognize the provisional government of Garcia Godoy.

20. Venezuela has sought to promote greater cooperation among Latin American states and to play a larger role in inter-American affairs. Despite some strident opposition from private industry, the administration has announced its intention to join the Latin American Free Trade Area (LAFTA). The Leoni government has also expressed a desire to become more active in and to strengthen such institutions as the Latin American Parliament.⁴ It has advocated

⁴ An association of Latin American parliamentarians from countries in which the legislative branch plays a significant role. Apart from promoting closer political ties between Latin American countries, it also seeks to strengthen the legislative branch in all of them.

a reformulation of the OAS Charter in order to emphasize economic and social assistance. While the Leoni government rejects the concept of a permanent Inter-American Peace Force, it concedes the possible need for the use of an *ad hoc* one should a crisis arise.

21. Venezuela continues to assert a claim to some two-thirds of British Guiana, alleging that the international arbitration of 1899 which established the present boundaries was fraudulent. The Leoni government has pledged itself to a "non-violent" solution, however, and is seeking to arrange a settlement with the UK before independence is granted to British Guiana.

III. THE OUTLOOK

22. Venezuela, in part because of the sustaining effect of its oil income, will probably continue to enjoy political stability and economic prosperity during the period of this estimate. Nevertheless, patterns now beginning to emerge, particularly on the economic side, make longer range prospects somewhat less favorable.

23. There is likely to be increasing impatience on the part of many Venezuelans over the Leoni administration's failure to move as quickly and effectively as they think desirable in social and economic reform. This disenchantment is not likely to reach a level or to take a form which threatens Leoni's hold on power, but it will almost certainly be a major issue in the December 1968 elections. Leoni will probably manage to hold his coalition together at least until the near approach of the elections. If the center-rightist FND were to leave the coalition, an AD-URD combination would still have a working majority in Congress.⁵

24. The period immediately before the elections is likely to be one of much political turbulence and little governmental accomplishment as the various party leaders vie for the favor of the electorate. As the election draws closer, Leoni may attempt to push through reform legislation in order to create a rejuvenated party image for the AD candidate.⁶ By this time COPEI will almost certainly have departed from its posture of responsible opposition and have begun a free-swinging effort to establish that it is indeed Venezuela's coming party.

25. The capabilities of the FALN insurgents and guerrillas will probably decline to some extent, although it is unlikely that the Leoni administration can completely solve the insurgency problem. Sporadic acts of violence will probably occur, but we believe that the insurgents will pose no major threat to the government during the next few years. Moreover, the line that Leoni takes on this issue will probably continue to be resolute enough to satisfy the Venezuelan

⁵ Although the FND is motivated to remain in the coalition for reasons of immediate political advantage, some party members contend that its continued participation will only hurt its chances in 1968. As the election approaches, and especially if Leoni's policies alienate some military or business elements, these voices could prevail.

⁶ Leoni is constitutionally ineligible to succeed himself.

military. Indeed, a gradual further improvement is likely in the relationship between the administration and the military. For these reasons we regard a military coup as unlikely.

26. The economy, while not meeting the goals for expansion set by the government, is likely to grow at the rate of about six percent annually. It will be paced by the rapidly expanding industrial sector, which will probably offer a widening variety of consumer goods. Despite further government investment in certain industries, the pattern of state participation in the economy will probably not change significantly.

27. Overall government spending on social and economic reform programs, which rose sharply in 1963, will probably continue to grow considerably through at least 1966. Subsequent increases in the level of such expenditure are likely to be limited. By 1967, reduced annual rates of increase in government revenues will force Venezuela to choose among the alternatives of reducing investments and social welfare expenditures, incurring budgetary deficits, or increasing taxes—perhaps on foreign oil interests. Some combination of all three prospects seems most likely. The agricultural reform program, in particular, will probably lag. It is clear, moreover, that even with rapid increases in economic activity and spending on social reform programs, most pressing social strains will persist.

28. Growth in income from petroleum exports will be only moderate. Compared with some of the Middle Eastern and African production, Venezuelan oil will continue to be high-cost in many markets, and world supplies of oil are likely to remain so plentiful as to make difficult any major expansion of Venezuelan sales. Moreover, the government's policies with respect to taxes, new concessions, and service contracts for development will tend to inhibit outside investment in the petroleum industry.

29. There will almost certainly be some intensification of economic nationalist sentiment in Venezuela during the next few years, but this will probably fall short of the same tendency in many other Latin American countries (Mexico or Chile, for example). Except in some aspects of petroleum development, Venezuela is likely to continue to welcome most private foreign investment so long as it benefits and complements local investment efforts. In this regard, the Venezuelan government may put pressure on foreign investors to undertake joint ventures with Venezuelan capital.

30. One factor conducive to the growth of economic nationalistic feeling is Venezuelan resentment over US policies on the importation of crude oil. Since prices paid in the protected US crude oil market are far above world market prices, the Venezuelans have long desired a substantial expansion of their sales in the US. They have asked for the same favorable treatment as that accorded to Canada and Mexico; over the past year or two they have come to expect some concession to their point of view. However, the decision on US oil import policy announced in December 1965 contained no significant concession to Venezuela, although the door was left open for further consideration of the subject.

~~SECRET~~

All the nationalistic elements in Venezuela, and particularly the opponents of the Leoni administration, will exploit this disappointment, condemning alleged US discrimination against Venezuela and complaining that Venezuelan economic progress is subject to the whims of US Government policies and foreign oil interests, and that the Leoni administration has proved incapable of changing this situation. The AD party's public reaction has been to emphasize that further consideration may lead to some US concession to Venezuela next year. Under continuing criticism on this issue, however, the Leoni government will probably be forced to become more critical of US policies than it has been hitherto, and might eventually find it necessary to take some retaliatory action against US companies operating in Venezuela. In any case, this is an issue which the Venezuelans will keep raising with the US Government, and one which will continue to produce frictions in the US-Venezuela relationship.

31. In other respects Venezuelan foreign policy is not likely to change much. The Leoni government will press to make the OAS more responsive to Latin American social and economic needs. It will probably participate in LAFTA, but will seek at the same time to maintain protection for its infant industries. Venezuela will keep the boundary dispute with British Guiana alive, but will probably become less vociferous about it when that country becomes independent and will almost certainly fail to achieve any settlement. However, if a pro-Communist government were to come to power in Guyana, Venezuela would become more assertive on this question.

32. All things considered, we regard the outlook for Venezuela as reasonably favorable. It has and will continue to demonstrate for Latin America the strength and resourcefulness of the democratic left. Of particular significance is its success in resisting the immediate insurgency threat of the extreme left while maintaining representative institutions and pursuing the kind of reform programs necessary to meet the worst of its social and economic shortcomings.

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16 *Hand* *(2)*
G.F.
v TAG/Oil
7G 105
CO 311

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EXDIS

EXDIS

FOR BALL FROM THE SECRETARY

TOSEC 59

IT SEEMED OBVIOUS FROM MY TALKS IN CARACAS THAT NO FORMULA IS IN SIGHT WHICH OFFERS A SOLUTION REGARDING VENEZUELAN OIL. SIMPLY AS A MATTER OF COURTESY, I WOULD HOPE WE COULD HAVE SOME KIND OF CONSULTATION WITH THE VENEZUELAN GOVERNMENT FOLLOWING MY VISIT TO INDICATE THAT WE HAVE BEEN UNABLE TO FIND A SOLUTION BEYOND THOSE ALREADY SUGGESTED AND IT WILL BE NECESSARY NOW TO PROCEED WITH THE ISSUANCE OF A PROCLAMATION. I LOOK UPON THIS AS DIPLOMATIC COURTESY TO LET THEM KNOW THAT THEIR DISCUSSION WITH ME HAD NOT BEEN IGNORED. PROBABLY DEPARTMENT'S 431 TO CARACAS FULLY MEETS THIS REQUIREMENT. DO NOT BELIEVE THIS ISSUE WILL AFFECT RIO CONFERENCE SIGNIFICANTLY.

RUSK
BT

~~SECRET~~

EXDIS

NNNN

DECLASSIFIED
Authority State ltr 6/12/78
By MDE, NARS, Date 2/7/78

OUTGOING TELEGRAM Department of State

C.F. 11033

INDICATE: COLLECT
 CHARGE TO

~~CONFIDENTIAL~~

TAG/Oie
76105
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Origin

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Info

ACTION: Amembassy RIO DE JANEIRO
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TOSEC PRIORITY

59

Nov 19

7 20 PM '65

~~XXXXXXXXXXXXXXXXXXXX~~

- BUNDY-SMITH
- BATOR
- BOWLER
- CHASE
- COOPER
- JESSUP
- JOHNSON
- KEENE
- KOMER
- MOODY

Udall has informed Mann that time for issuance of proclamation covering period January-June 1966 is fast running out and is pressing for issuance of proclamation which would not meet Venezuela's position. Puerto Ricans also urging prompt action for different reasons.

Udall states if proclamation is not issued soon we will have to postpone issuance until some time prior to July 1, 1966. I understand he is personally committed to domestic industry to make some minor changes in present proclamation.

Would appreciate knowing whether your conversation with Leoni reported in Caracas 542 contemplated personal conversation with President and Udall before final decision reached. Problem has as you know been under review for several months and even Solomon proposal which is unacceptable to the Venezuelans was opposed

Drafted by: M:TCMann/ps 11/19/65

Telegraphic transmission and classification approved by: M - Thomas C. Mann

Clearances:
E - Mr. Solomon
S/S - Mr. Merriam

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FORM 8-63 DS-322

DECLASSIFIED

Authority: State ltr 6/12/78

By: MDE NARS, Dave 7/17/78

galy

✓

G. F. ⁽¹⁴⁾

THE WHITE HOUSE
WASHINGTON

TA 6/Oil
76145
76105
CO 43
CO 311

November 15, 1965
8:30 pm

Mr. President:

Lee C. White has requested an appointment with you this week to discuss the Canadian/Venezuela oil import program.

Yes _____ No _____

If yes, Lee would like to bring in Secretaries Udall and Mann.

Yes _____ No _____

Lee says that all departments are geared for a decision soon.

Marvin

Let Lee write memo to Pres with his recommendations.

Rec'd
9-5-65
9:26 P.
Gah

MEMORANDUM

A

THE WHITE HOUSE
WASHINGTON

G. F. (4) 19

TAG/Oil
76145
CO 43
CO 311
PR 8-1

September 4, 1965
Saturday 1:30 p. m.

FOR THE PRESIDENT
FROM Lee White *lu*

Secretary Udall's meeting with the Canadians on the oil import situation last week apparently was perfectly harmonious, but did not reach any agreements. Udall was not authorized to make any commitments, even tentative ones, pending an opportunity to discuss this with you.

Tom Mann has called requesting an opportunity to discuss the matter with you and I believe that the time has come when it would be desirable for you to meet with a very small group to take a look at what has been developed by Interior and State. The attached memos lay out the broad outline of the proposal and it seems to me to be a good job. It does take into account the desire of the domestic producers to reduce the import levels -- although they are not monumental reductions they are at least significant. At the same time I think that the Canadian-Venezuelan adjustments can be achieved with a minimum of bad feeling all the way around.

I recommend that any meeting you have be extremely small and with individuals where you can be candid. I would propose Udall, Tom Mann, Tony Solomon and Charlie Schultze.

Should we set up such a meeting
this week?

Yes No

John

C.F. (4)

20

THE WHITE HOUSE

WASHINGTON

August 23, 1965

PR 18-3
CO 37
~~CO 311~~
CO 51
SP 3-103

MEMORANDUM FOR BILL MOYERS

FROM JOE LAITIN

State phoned to say we have received permission from the respective governments to release:

- 1) Telegram from the President of Brazil
- 2) Telegram from the President of Venezuela
- 3) Letter from the President of Columbia

I believe Thomas Mann hand-carried the texts to you.

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C.F. (2)
TAG/Oil
CO 311
FG 105

TO:	NAME OR TITLE	ORGAN. SYMBOL	ROOM NO.	BLDG.	INITIALS	DATE
1.	Mr. Leigh White	✓ WH				
2.	Mr. Francis Bator	WH				
3.						
4.						
5.						

DE

APPROVAL	NOTE AND FORWARD
AS REQUESTED	NOTE AND RETURN
COMMENT	PER CONVERSATION
FOR YOUR INFORMATION	PREPARE REPLY
INITIAL FOR CLEARANCE	SEE ME
NECESSARY ACTION	SIGNATURE

REMARKS OR ADDITIONAL ROUTING GPO 874886

The attached note entitled "Influence of US-Venezuelan Oil Trade on Venezuelan Political Stability" was prepared by the Department's Venezuelan office in response to your request to me this morning.

ues to finance 65 per-
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favorable treatment
an issue is favorably

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FROM (NAME AND ORGANIZATION)	ROOM NO. AND BLDG.
E/OR - George E. Jacobs	3529 NS
SIGNATURE	PHONE NO.
	182 x 2031

resolved, it will continue to hamper the ability of the Leoni Government to carry out badly-needed programs of social and economic development.

It will also make the Government more vulnerable to attempted over-throw by either right- or left-wing elements, who will naturally seize upon its inability to obtain improved treatment from the U.S. to discredit it by charging that it is impotent and lacks U.S. support. In this connection, President Leoni recently described the oil problem as the

only

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Authority State 17 6/12/78
by WDE Date 7/17/78

gah/

OFFICE OF THE SPECIAL REPRESENTATIVE
FOR TRADE NEGOTIATIONS
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON

(5)
C. F.
TA 6/Oil
CO 43
CO 311
7G 105
7G 145
7G 11-10

22

June 1, 1965

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MEMORANDUM FOR

MR. LEE WHITE

I have examined the joint proposal of the Departments of State and the Interior to amend the present oil import program in order to permit parity of treatment between Canada and Venezuela.

The legality of this proposal under the GATT is a problem that I believe can be handled. GATT obligations concerning actions justified as national security measures impose almost no practical limitations. It is difficult for one country to challenge the assertions of another country concerning its national security. Thus, even though the national security rationale for our present oil program is regarded by most observers as specious, that program has never been formally challenged under the GATT. An equally tenable rationale could be developed to support the proposed preference for Western Hemisphere oil under the present program.

The effects of this preferential arrangement will be felt with regard to trade policy rather than legal obligations. It would appear that only one GATT member country, Kuwait, might seriously claim trade damage. This Office is not in a position to judge what the reaction of Kuwait is likely to be. As for our other trading partners, it is to be expected that they will perceive the real purpose of this preferential arrangement and that they will use it as an example or a precedent whenever it suits their purposes. Furthermore, it should be recognized that the national security exception in GATT is an openended exception, and that the

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Authority *State 11/19/78; NSC 12/15/78*
By *Slip* NARA. Date *6/22/92*

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

May 5, 1965

G.F. ¹⁰⁰
PR8-2/F*
CO 54
CO 311
ST 51-2
PR8-1

23

MR. PRESIDENT:

I have talked with Bundy. It seems that after seeing ^{MARIN} Munoz today,

^{Pomulo} and ^X Betancourt the other day, we have to see ^X Jose ^X Figueres -- the final one of the Big Three of the elder statesmen. Particularly, since we hope to use Figueres in our current problem.

Can I work out a time to bring in Figueres tomorrow (Thursday)?

Yes _____ No _____

Jack Valenti

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no press report to in file

RR WTE10
DE WTE 10F

W. G. G.

For 102240Z

C.F.

ND 19-3/Co 311

Co 311

Co 312

FROM MCGEORGE BUNDY
TO VALENTI FOR THE PRESIDENT IF WANTED
CITE CAP64259

~~SECRET~~

~~SECRET~~

VERY LITTLE NEWS TODAY. EVERY EFFORT CONTINUES
TO LOCATE AND RESCUE COLONEL SMOLEN IN VENEZUELA.
PRECAUTIONS HAVE BEEN TAKEN TO PREVENT THE EXECUTION OF
QUID-PRO-QUO TERRORIST IN SAIGON WHILE HUNT FOR SMOLEN
CONTINUES

102230Z

DTG: ~~QPWWEZ~~ OCT 64

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Authority *NSC 17 11/19/80*
By *MJE*, NARS, Date *1/13/81*

THE WHITE HOUSE
WASHINGTON

25

April 18, 1964

The original was sent to Mr. Dungan
who, I understand, is out of town for
the week end.

Bromley Smith

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APR 29 1964
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*See say, April 21
5:30*

gh/mc

*Tuesday 530p
April 21-64
Loren*

2013
25a

*4/16
J. F. Kennedy*

C. F.

Co 311

DECLASSIFIED

Authority State Dec 8/16/77
By mg, NARS, Date 8/23/77

APR 15 1964

MEMORANDUM FOR THE PRESIDENT

**Subject: Request for Appointment for
Rómulo Betancourt, Former
President of Venezuela**

Recommendation

I recommend that you receive Rómulo Betancourt, former President of Venezuela, during his two-day visit to Washington April 20 and April 21.

Approve _____ Disapprove _____

Discussion

Mr. Betancourt, whose term of office as President of Venezuela ended on March 11, 1964, is in the United States on a four-month vacation and has requested an appointment with you. He is at the peak of his prestige as one of the outstanding leaders of the democratic reform movement in Latin America. Your receiving Mr. Betancourt would demonstrate our recognition of the importance of the Venezuelan triumph of democracy over communism and our support of that country's enlightened leadership which has put it in the vanguard of the Alliance for Progress. Some suggested talking points and background information are enclosed, should it be possible for you to receive Mr. Betancourt.

1s/ George W. Bush

Acting Secretary

Enclosures:

1. Talking Points and Background.
2. Biographic Sketch.

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APR 23 1964
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to files 4/30/64*

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SUGGESTED TALKING POINTS
AND BACKGROUND INFORMATION

Item for You to Raise: It is suggested that you congratulate Mr. Betancourt for the progress his Administration brought to the people of Venezuela, and for the great courage and tenacity with which he demonstrated the feasibility of democracy in Latin America.

Items which Mr. Betancourt may Raise and Suggested Responses:

(1) Non-Recognition of Dictatorships: He may advocate that the United States support Venezuela's policy of non-recognition of Latin American governments that take power by overthrowing democratic, constitutional governments.

Suggested Response: We deplore coups d'état and unrepresentative government. However, in the absence of a consensus in the OAS on these matters, we continue to believe it in our interest to consider each case on its merits and to exert whatever influence we can to encourage earliest restoration of democratic government.

(2) Inter-American Sanctions against Cuba: He may urge strong, unqualified and public United States support for Venezuela's initiative in the Organization of American States for the adoption of sanctions against Cuba for its aggression against Venezuela.

Suggested Response: We are in complete accord with Venezuela on this matter and are giving the kind of support he desires.

(3) Non-Discrimination in U. S. Oil Import Restrictions: He may plead for equal treatment with Canada under the United States Oil Import Program by exempting Venezuela from import quotas or by hemispheric preferences for both.

Suggested Response: Venezuela's favorable position in our oil market has not been prejudiced by Canadian imports. Venezuela's vital interests will continue to be recognized in the administration of the Program. It is our policy to cooperate closely with the Government of Venezuela in seeking solutions to any problems arising from the marketing of Venezuela's oil through meetings of high-level government as well as technical level representatives.

Background:

~~CONFIDENTIAL~~

DECLASSIFIED
Authority State let 8/18/77
By RMG, NARS, Date 8/23/77

~~CONFIDENTIAL~~

- 2 -

Background: In Venezuela where dictatorship has been the rule, Mr. Betancourt's Administration (1959-64) was a spectacular victory not only for Venezuelan and Latin American democracy but also for the Alliance for Progress. This was so because the survival of Venezuelan democracy — despite conspiracy and insurgency by Communists and, earlier, by the extreme right — resulted primarily from the practice of progressive economic and social policies that were pursued hand in hand with the maintenance of political liberties. Mr. Betancourt has earned a place in history by his brave refusal to surrender either his office or his principles in fighting for democracy in his own nation in a period of critical world ideological conflict.

Mr. Betancourt understands some English but does not speak it. Subject to your approval, Mr. Mann will accompany Mr. Betancourt during his call on you.

~~CONFIDENTIAL~~

BIOGRAPHIC SKETCH OF ROMULO BETANCOURT
(Pronounced: Beh-tahn-COHR)

Former President Betancourt is a skillful, decisive and confident political leader who recently became Venezuela's first popularly-elected president to complete his term (1959-1964). A classic example of a leftist political revolutionary for many years who turned evolutionary reformer, he is Venezuela's best-known politician and the principal leader of the largest political party, Democratic Action (AD). At first he was regarded with distrust and hostility by many sectors but today has the admiration of the majority of Venezuelans. His present acceptance is due to his moderation and caution in governing, and to his conscientious effort to consider the viewpoint of various elements of Venezuelan society. His breadth of view put him above AD partisan interests and permitted him to visualize broader national interests in governing.

He tended to exercise strong, one-man control over the governmental decision-making process. His moderate, evolutionary approach to economic and social reform and his tendency to reserve policy decisions for himself was partly responsible for two splits in the AD Party since 1960. His survival as President was due largely to an unerring ability to judge all elements of the Venezuelan political situation. He was devoted to the preservation of Venezuelan constitutional democracy and showed himself willing to take the necessary firm action to preserve it from the threats of Left and Right subversives.

He proved to be a staunch friend of the United States and of the West and a vigorous partner in the Alliance for Progress. He is an outspoken foe of communism and Fidel Castro. He also espoused the "Betancourt Doctrine" to oppose recognition of dictatorships and governments brought into power by the forceful overthrow of legitimate governments. During his term he refused to establish relations with seven Latin American governments which came to power through military coups.

He was a communist during his student days, but broke with communism in the early 1930's. His active leadership in a student revolt against dictator Gomez in 1928 led to the first of several long periods of exile. He organized his first political party in 1936 and founded the AD in 1941. In 1945, as a result of a coup engineered by young military officers and AD, Betancourt headed a revolutionary government until 1948. In June 1960 he barely escaped assassination and received severe hand injuries from which he still suffers. The 56 year old Betancourt is married to the former Carmen Valverde, a native Costa Rican. His only child is a daughter, Virginia. He understands some English but speaks very little.

ROE/mc

C.F. ①

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THE WHITE HOUSE
WASHINGTON

ND 19-3/20311
CO31K

December 3, 1963

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Venezuela -- Colonel Chenault
X

The attached cable gives a situation report as of 1800 hours last evening on the Chenault incident. It can be summarized as follows:

1. We do not have positive information regarding Chenault's condition, although there is reason to believe that he is alive and well.
2. Venezuelan authorities, together with elements of our own agencies in Caracas, are doing everything feasible to find Chenault and free him.

I will stay on top of this and will explore today other means which we might employ to secure Chenault's immediate release.

Ralph A. Dungan

THE WHITE HOUSE
WASHINGTON

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To: Ralph Dungan

He saw it.

Ray Meyer