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PROGRAMME OF ACTION ON THE ESTABLISHMENT OF A NEW
INTERNATIONAL ECONOMIC ORDER

Letter dated 30 September 1974 from the Chargé d'Affaires a.i.
of the Permanent Mission of Venezuela to the United Nations
addressed to the Secretary-General

On instructions from my Government, I have the honour to transmit to you the text of the message sent by the President of Venezuela, Carlos Andrés Pérez, to the President of the United States of America in connexion with the latter's address to the General Assembly on Wednesday, 18 September 1974. 1/

I should be grateful if, as a matter of urgency, you would have the text of the above-mentioned message circulated as an official document of the General Assembly under agenda item 98.

(Signed) Adolfo R. TAYLHARDAT
Ambassador, Alternate Representative
Chargé d'Affaires

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ANNEX

Letter from the President of Venezuela addressed to the
President of the United States of America

I have read with careful attention and particular interest the unofficial version of your speech to the United Nations General Assembly. I hasten to inform you that your words hold a clear significance for Venezuela because our country has been an indefatigable and resolute defender of international petroleum prices over the last 15 years and has not failed to involve itself in the just controversy over the world raw materials situation in order to defend the position of our countries in respect of the so-called terms of trade. The great world forum in which you chose to present the views of the Government of the United States on the most important issues which today affect or preoccupy all the peoples of the world makes it possible and advisable for me to communicate with you publicly and directly, rather than through the customary diplomatic channel, in order to inform you of my Government's reaction to the views expressed by the United States Government.

For many decades, we in Latin America have persistently demanded just and equitable treatment by the developed countries and primarily, of course, by our neighbour and traditional friend, the United States of America. We have repeatedly pointed to the impoverishment of our countries as dependants of the North American economy. Before the energy crisis and before petroleum prices reached the levels at which they stand today, the raw materials produced by our countries were purchased year after year at prices which were never in proportion to or in equilibrium with the prices of the manufactured goods which our countries require for their development and which have been purchased largely in the United States, not only for geographical reasons but also because of the credits tied to the United States economy that have traditionally been made available to us.

Each year we, the countries which produce coffee, meat, tin, copper, iron or petroleum, have been handing over a larger amount of our products in order to obtain imports of machinery and other manufactured goods, and this has resulted in a constant and growing outflow of capital and impoverishment of our countries.

In Latin America, as in the other developing countries, we can assert that the developed countries have been taking advantage of the fundamental needs of the Latin American, Asian or African man. To cite the particular case of Venezuela, petroleum prices showed a steady decline for many years, while our country was obliged to purchase manufactured goods from the United States at ever-higher prices, which, day after day, restricted even further the possibilities of development and well-being for Venezuelans.

The establishment of the Organization of Petroleum Exporting Countries (OPEC) was a direct consequence of the developed countries' use of a policy of outrageously low prices for our raw materials as a weapon of economic oppression. In a sense, this fact demonstrates the truth of your statement to the United Nations that any attempt by a country to use a product for political purposes will inevitably tempt

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other countries to use their products for their own purposes. At this very time, we are seeing how the refusal of the developed countries, including the United States of America, to agree to just and fair prices for coffee has resulted in the inaction of the International Coffee Organization, which was established precisely to achieve a satisfactory and just equilibrium between producers and consumers. The coffee-producing countries of Latin America and Africa will lose roughly 30 per cent of their foreign-exchange earnings, while manufactured goods from the developed nations have doubled or tripled in price.

The world food crisis is a consequence, inter alia, of the high prices at which the developed nations sell us agricultural and industrial machinery and other inputs essential to agriculture and the growth of our economies.

My Government shares the view which you expressed before the United Nations General Assembly, that a world of economic confrontation cannot be a world of political co-operation. The economic confrontation has been created by the major Powers, which refuse to allow the developing countries equal participation in the search for an indispensable balance in the terms of trade. Within the Organization of Petroleum Exporting Countries (OPEC), Venezuela has not used and will not use its energy resources as a political weapon because that is not and never has been the purpose for which that organization was established; rather, its purpose was to protect the basic wealth extracted from our subsoil at prices that have never compensated for the costs of our imports and of the technology needed for our development.

Venturing to interpret the policy of OPEC, I would assure you that it is the hope of our petroleum-producing countries that an agreement between the countries producing raw materials and the industrialized countries which will be equitable and bring international justice can be reached, through a world body such as the United Nations, with a view to striking a proper and acceptable balance between the prices paid to us for the labour of the men and women of our poverty-stricken countries and those paid by our economies for the imports we require.

This policy of our country - which is supported by all parties and all segments of opinion and by our people - has been developed as part of our national education which conveys and disseminates the conviction that Venezuela is an oil country producing and selling an increasingly valuable, scarce and strategically vital commodity. We see no other way to confront the economic totalitarianism that has been coming to the fore in business and world trade and portends as much evil for the world as was threatened by political totalitarianism in the form of Nazi fascism, against which your great country fought, rendering the world a heroic and splendid service that earned the gratitude of all mankind.

The World Food Conference which FAO is preparing to hold in November will not be able to achieve its lofty objectives if we in the developing countries do not succeed in guaranteeing remunerative prices for the raw materials we produce, prices that are in the necessary and fitting balance with the prices of the manufactured goods we import.

I would remind Your Excellency that in the various international forums that have been set up to study the great inequalities and injustices prevailing in international trade, the developed countries have undertaken to contribute 1 per cent of their national product to the developing countries. This target has never been achieved. Our country is prepared, as it has consistently demonstrated, to make its economic contribution, but we demand and hope that the powerful countries will provide the co-operation to which they have committed themselves. It is our countries that have always borne the unacceptable burdens of international trade. Our complaints and demands have never been heeded, and our legitimate aspirations have been frustrated. It is a well-known fact, confirmed by figures provided by organizations of recognized and indisputable authority in the world, that oil prices account for only a tiny percentage of production costs in the United States and the other developed countries.

My Government has a sincere interest in maintaining the most cordial and fruitful relations with your Government, and to this end we engage in co-operative efforts in keeping with the interests of our country and the protection of our economy, particularly with regard to the management of our natural resources. On a previous occasion, on 15 July 1974, replying to a memorandum from the United States Embassy in Caracas, I gave instructions to the Venezuelan Ministry of Foreign Affairs to dispatch a memorandum of reply which is being made public today and in which my Government expressed the concerns that I have recapitulated in the present message, namely, the lack of understanding between the major developed countries, including your own, and our countries in regard to the need to arrive at satisfactory formulas for equal treatment and mutual respect in economic matters with a view to safeguarding the interests of each country in ensuring the well-being of its people.

In view of your important statement in the United Nations, I wish to place on public record this statement of Venezuela's position and the willingness of my Government to work in an international forum to establish a balanced relationship between the raw materials produced by our countries and the manufactured goods and technology which are possessed by the developed countries and are the essential and sufficient reason why over half of mankind continues to live in conditions of economic marginality and growing poverty. Venezuela perforce takes a sympathetic view of any attempt at finding solutions to the great problems of our time in global terms, but only if a global perspective does not mean that the large countries will prevail over the small countries. It would be dangerous, ineffective and harmful for global and universal solutions to lose sight of the fact that the world includes us as well. It cannot be supposed, Mr. President, that consumers are limited to one part of the world. I share Your Excellency's hope and wish that petroleum-producing and petroleum-consuming countries will arrive at broad, sensible, sound, lasting and equitable agreements. It is my aim in this message, Mr. President, to convey my thoughts and feelings to you in all candour, which cannot and should not be interpreted, by any means, as a hostile reaction to what you said in your important message to the United Nations. However, it seems to me, as President of Venezuela, that I am contributing to good relations between our countries in sending you the clearest and most representative statement of our Latin American perspective, which is not incompatible or in conflict with the national interest of your country or of any other nation that wishes to act within the true limits of international justice and not those of unilateral domination.

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You may count on the co-operation and support of Venezuela, a country with a history of long and continuing friendship for your own, in seeking to achieve the above-mentioned objectives.

Accept, Sir, the assurances of my highest consideration.

Carlos Andrés PEREZ
President of the Republic of Venezuela
