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**VENEZUELA,
THE OIL ISSUE
AND THE NEW
INTERNATIONAL
ECONOMIC
ORDER**

1. VENEZUELA AS AN OIL-EXPORTER IN LATIN AMERICAN LIFE

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VENEZUELA AS AN OIL-EXPORTER IN LATIN AMERICAN LIFE

The increase in oil price that began in 1971, but especially the one that took place at the end of 1973, accompanied by the embargo that the Arab countries adopted against the industrial powers that had not accepted the proposals, drew the attention of the developed world toward an organization called OPEC, the Organization of Petroleum Exporting Countries.

This organization had already been in existence for over a decade. It was founded in 1960 with five members, namely: Iraq, Iran, Kuwait, Saudi Arabia and Venezuela. At the moment, it comprises thirteen members, seven of which are Arab: Saudi Arabia, Algeria, Abu Dhabi, Iraq, Kuwait, Libya and Qatar. Ten of the thirteen countries are Moslem: the seven aforementioned, in addition to Iran, Indonesia, and, with a relative majority, Nigeria. Two of the thirteen are in Latin America and, of the two, the oldest in the organization, and the most important in terms of volume of production and export, is Venezuela.

We cannot deny that this is the fact that has awakened greater interest in the oil-consuming nations towards our country, though in the last century we had more imposing and honourable reasons for having attention drawn to us. In the process of Latin American independence—which, incidentally, caused a great stir in the British Isles and led to the mobilization of thousands of young men from the United Kingdom and from Ireland to participate in our emancipation struggle—in that process our country had the distinction of being the cradle of Simon Bolivar, the greatest of the Liberators, Father of our homeland, and not only of Venezuela but also of five other sister republics, and the Latin American hero par excellence. Our country was also the cradle of Francisco de Miranda, the first Latin American of universal projection, a General in the Armies of the French Revolution, whose name is inscribed forever on the Triumphant Arch in the Place de l'Etoile in Paris,

whose portrait hangs in the galleries of Versailles, and whose fame is recorded in the annals of the Court of Saint James, in the Court of Empress Catherine of Russia as well as in other European courts. Miranda was the Precursor and one of the greatest inspirers of independence movements throughout the length and breadth of our continent. Venezuela also gave Andres Bello, sage, poet, philosopher, grammarian, statesman, legislator, patriarch, builder of democratic institutions and a promoter of culture, expressed in the most diverse ways and on the highest levels in his poetry and prose. Venezuela was also the cradle of Antonio Jose de Sucre, the 35-year old General who dealt the "coup de grace" in the independence wars in the Battle of Ayacucho, and of the other brilliant figures who stand out in the constellation of heroes of the great years of Independence and the formation of the Latin American nations.

Even today, it is not the mere production of oil that attracts attention to my country. At a time when democratic institutions are in crisis in the advanced countries in the South of our continent, Venezuela enjoys a stable and democratic way of life, conquered through difficulties and put to the test for the past twenty years in truly exemplary fashion.

For Venezuelans —as I had the opportunity to mention a little over a year ago in Oxford, Cambridge and London— it is a greater source of satisfaction to be called, as James Mudie Spence did, an English writer who published an interesting work on my country, "The Land of Bolivar", but we must recognize that what inspires greater interest today in getting to know our nation is the oil factor which has shaken, and shakes to the very foundations, the customs established to determine the relationship between producers of raw materials and industrialized countries in the international market.

We are, indeed, an oil-exporting country. OPEC members represent more than 90% of all the oil exported on this planet. That does not mean that we are the greatest nor the only producers of this precious source of energy. The United States and the Soviet Union continue to head the list of producers and the U.S. maintains a conservationist attitude which makes her im-

port oil to keep her reserves and make them last as long as possible. Apart from these two huge producers and consumers, that are also the greatest world powers, other countries produce oil to meet their own energy needs, totally or partially. Within the European Socialist countries, Roumania has been the main producer of the area. China is a big producer. Mexico continues to be an exporter, though on a small scale. Canada imports oil for its East Coast but exports, or has exported, to the West of the United States. Concerning the United Kingdom, according to figures recently supplied in Caracas by His Royal Highness, the Duke of Kent, oil from the North Sea will generate exports estimated at 5 billion pounds sterling by 1980.

What awakened the interest and attention of the industrial powers towards this phenomenon, however, was the fact of the price of a raw material being modified by the decision of a group of weak countries, and the circumstance of the increase occurring suddenly after holding the same levels for 30 or 40 years. At the same time, prices of all commodities, particularly manufactured goods, had increased considerably worldwide. This event has made the industrial powers resist in every way possible and express themselves sometimes in threatening language—that has induced them to term the Organization of Oil Exporting Countries an unacceptable “producers cartel” when in effect the oil market had been manipulated up to then by an oligopoly of transnational companies—was the circumstance of the power of decision being transferred from the consumers to the producers. This has caused a stir of such magnitude that oil, the history of which reads like a novel in itself, has now become a myth, a legend to which all the evils and sufferings of mankind are attributed.

Therefore, I thought that, in order to speak about my country, I must admit the fact that the first observation of the foreigner about us is that since we are an oil-exporting country, consequently we are a country that has had its revenues rise rapidly in the past few years, and even more so in the specific case of Venezuela, being the most important oil exporter in the American Hemisphere and one of the countries that has wielded great influence constantly and resolutely in the bosom of

OPEC. Thus, I must deal at once with some assumptions that are continually put in circulation regarding this matter of oil and OPEC, and the supposedly unjust and overflowing wealth that a country like Venezuela obtains without any merit on its part and almost by a stroke of fortune.

First of all, I must state that the present price of oil is undoubtedly fairer than the one that was maintained up to 1970. OPEC's struggle during its first ten years of existence was limited to simply keeping alive, and to putting up an agonizing resistance so that the prices of such a valuable and fundamental article as this would not drop. Manipulated by the transnational companies, OPEC countries often let themselves be led to price competition against each other, to a scramble to win over markets by taking them away from partners (as happened to Venezuela), even though the affected party belonged to the same organization. The fact of the matter is that the sums paid for oil were a niggardly recompense for this source of energy that has been the most important and the one that has contributed most to the stunning development of the industrialized countries.

If what is being paid today is the price that OPEC has set for the oil it exports, it is because oil is worth it. All the elements that classical and modern Economics recognize as decisive factors in the setting of prices exist in this case and come together to defend the prices now obtained. The necessity of this article is beyond question; its usefulness, more than that of gold (which generally is not used except in articles of ornamentation), undoubtedly constitutes an indispensable element in running factories, industries, and varied sources of production. The scarcity of the article is evident and one of the fortunate consequences of the rise in oil prices is that of drawing urgent attention of mankind to a timely investigation of alternative sources of energy that will not leave us unprepared in the event of the inexorable exhaustion of our oil deposits through wastage and inconsiderate exploitation. And as a decisive argument to lay claim to the prices demanded, the cost of

substituting each unit of energy produced by oil would be the same or even higher than the cost of oil itself. Nuclear energy, thermic energy, the use of coal for fuel—all these are on increasingly higher cost levels. And it has been OPEC's performance which has led in part to righting the terrible wrongs to which coal miners are subjected, whose remuneration was woefully out of proportion to the hardships of their work.

Last month, during a visit to London, I saw in an edition of the Sunday Times, a front page article, with figures supplied by the British Government, in which a comparison was made between the cost of some articles in 1950 and 1976, the cost being estimated in working minutes of a manual wage-earner. According to that information, which appeared on March 6th, 1977, there is a clear increase in a series of items such as interest rates, the mortgage payments—interest and principal—the price of beef sirloin, fresh cod filets, potatoes or bread. Believe it or not, according to that authorized information, the cost of five gallons of oil, which in work time in 1950 represented an estimated outlay of 308 minutes, in 1976 only required 212 minutes of work.

On that same occasion, I was trying to verify the cost of gasoline in Europe for use in private vehicles, in order to calculate the proportion that is really invested in paying for the product and the proportion that government adds on for themselves in the form of taxes. I was able to verify that in France, for example, one litre of gasoline is sold to the public at 2.32 Francs, while diplomats pay only 0.98 Francs. The difference is that diplomats enjoy tax exemption. France is not the exception; I think that, in effect, it is the general rule according to which we find that, after having paid for the oil at present rates, having remunerated the producer and paid for the work and labour of drilling, extracting, transporting, refining, the profits of intermediaries, and taxes or royalties for the producing State that total sum turns out to be even less than what the State of the consuming country adds on for its own gain in the form of taxes. This, in my view, reveals irrefutably that present prices are not considered so onerous as to have reached their maximum limits, since the State makes the product even more

expensive through fiscal levies. Perhaps the argument runs that a rise in prices may contribute to a reduction in consumption but, in any event, by recognizing that the consumer is willing to pay more than double the cost to which he is subjected by OPEC policy and all the intervening elements in the oil business, even after the price increases begun in 1971 and 1973, one is refuting the claims made against the increases decreed by OPEC. And it is to be noted that when there has been talk in OPEC meetings about further increases, it has been mentioned only as a partial compensation for the devaluation suffered by currencies through the inflationary process. This inflationary process is continuous and because of it, the value received is considerably reduced in its power of acquisition of other goods and services. As a result, there has been talk of "indexation", that is to say, of coming up with a formula whereby oil prices will maintain more or less the same level (though in effect it is always lower) as that of the varying costs of other goods and services fundamental to life.

In some lectures I gave in the United Kingdom toward the end of 1974, I asserted with the support of irrefutable statistics that for many years the injustices of the oil market were such that the outrage of the oil business does not lie in the price increases made by the OPEC, but rather in the plunder of the producer countries perpetrated by the great consumer nations. Through the capricious manipulation by the consuming countries, fair prices were not paid for oil, and with what was not paid, producer countries would have had sufficient resources to finance their own development. Moreover, if anything has been exemplary about the behaviour of the OPEC countries, it has been its willingness to cooperate with other countries in their programmes of development. International cooperation carried out by OPEC countries has surpassed in many respects that of the programmes of the great countries which have received such bombastic publicity. On the other hand, now that increases in oil prices have become effective, OPEC countries have been trying to exert their influence to secure fairer prices and a more just remuneration for other raw materials, all in favour of the

rest of developing countries; because if justice is not done to raw material suppliers through a new international economic order, lasting peace and cooperation among all nations will not be achieved. We are conscious of the need for an international justice not limited to the old commutative, interpersonal justice, transferred to international law through commercial agreements, but rather one that must function on the basis of complete social justice, in favour of the poorer countries, one that is similar to, and operates in the same way, as the one applied in all countries to the benefit of the workers vis-à-vis the employers.

Having dealt with the claim about the so-called injustice of the oil prices —for if they rose suddenly it was only because they had been frozen and blocked for too long a time— I should now like to describe some aspects of the actual situation of my country, so as to refute any allegations to the effect that the flood of petrodollars is so great that it surpasses our requirements and needs.

My first observation is that wealth accruing from oil is not only, of necessity, temporary (even though the reserves have increased with the discoveries as that of the Orinoco oil-bearing Belt, the largest find in the Western hemisphere and exploitable technologically and economically) but also it is an economic source that produces money but not permanent jobs. In Venezuela, the percentage of the active population engaged in activities related to oil is less than 0.5% of the whole. This gives rise to an exceedingly grave problem: how and with what to provide sufficient economic activity for the remaining 99.5% of the population. Since the oil industry began to be developed in my country, it redounded negatively on agriculture. Production costs became artificially high, and this kept pushing us off the world market as exporters of agricultural products. When oil development started, we were not a wealthy country, it is true, but we were exporting progressively larger amounts of coffee, cacao, and other vegetable items, cattle and animal articles—in other words, economic activity that offered job opportunities to the majority of the population. With the exploitation of oil that situation changed substantially. On the other

hand, development problems are becoming more serious day by day. An examination of the figures relating to Venezuela's income per capita shows that it is lower than that of European countries not generally considered rich. For example, it is estimated that in 1976 income per capita in Venezuela was \$2,542. According to the Spanish press, income per capita in Spain, a country considered relatively poor by normal standards, was \$2,612 for the same period. In that year, Italy's income per capita, which stood at \$2,706, was 11% more than that of Spain; and France's at \$5,061, was almost double that of Italy.

And, with regard to fiscal revenues, the idea that we have too large a volume depends on how one looks at it. The German Federal Republic, with a population five times that of Venezuela, has a budget 6.5 times larger than ours, but, in addition, it has the high revenues earned by each of its States. Similar comparisons could be made with other countries, but it is necessary to point out that the fiscal revenue of Venezuela sustains, not only the whole country —organized along the lines of a federal Republic but also each of the entities that constitute it, and each of which receives a part of the national budget because their own revenue is precarious. It must also be noted that the budget of every developed country is invested in attending to the needs of the community in the form of services that the State must provide. In our case, we have to deal with increasing expenditure in education, with the cost of public health care —now in not altogether satisfactory conditions— with the carrying out of public works of infrastructure, and with investments, which the public is demanding on an increasingly larger scale, in the creation of sources of wealth, such as the construction of petrochemical plants, iron and steel works, electricity plants, workshops and factories that, in the case of the developed countries, exist through private initiative.

Venezuela covers about one million square kilometres, of which half still shelters very little population. The total population is approaching 13 million. When petroleum started to be an important item in the economy, the population was about 3

million, afflicted by such tropical scourges as malaria, and decimated in the course of almost a century of civil wars. Nearly 80% of the population lived in the country and only 10% in the cities. Illiteracy climbed to about 80%. By 1936, 61% of those over 15 years were still illiterate and over 80% of the children of school age did not attend school. Constant effort has been made to accommodate in the urban areas, the great masses of population that have been migrating from the country to the city. At the moment, almost four-fifths of the population lives in urban centers with more than 3000 inhabitants, and the majority in cities that are growing continuously, to such an extent that, at this time, there are about 20 urban centers with more than, or around, 100,000 inhabitants each. In the year 1975-1976, a certain amount of illiteracy still existed but the total number of pupils enrolled in the different branches of education was in excess of 3.5 million, and this figure is increasing rapidly, especially in the secondary and higher levels, as the number of primary school graduates increases. The housing deficit is around 800,000 units. This requires a very great effort, mainly on the part of the State, and the deficit must be met to a great extent with what is earned through oil. This has to be done quickly enough to cover the increasing needs created by demographic growth, and to reduce the shortage substantially so as to solve the problem in a reasonable period of ten to fifteen years.

Thus, we cannot speak of an excess of resources since the needs to be satisfied are greater than the income produced by petroleum. I cannot deny that in both the private and public sectors there has not been a correct order of priorities in spending, nor can I deny that the sharpness of the increase in revenues has produced an unhealthy tendency towards unnecessary and un-productive spending. But this is an issue that we try to discuss and handle through democratic debate, and it does not alter the basic fact that the revenues obtained, not only are not excessive, but wisely and correctly invested, are hardly sufficient to solve the grave problems and meet the pressing needs of the majority of the population. Nor does it change the fact that we need technological and financial

cooperation of the more advanced countries to accomplish our development.

It is evident that if we make a statistical comparison between ourselves and other developing nations, we may seem to be in a privileged position. Between Venezuela's per capita income—over \$2,500—and that of Bolivia (\$341), or Haiti (\$331), there is a considerable gap. But that is not due to excessive wealth on our part, but rather to the painful poverty that prevails in many sister countries.

For that reason, in setting the topic of this lecture, my intention has been to outline Venezuela's position as an oil exporter within the Latin American context.

Under the name of Latin America, sometimes used as mere convention since it includes countries to which, strictly speaking, the term Latin is not applicable, under this name fall those countries South of the United States or, to be more precise, South of the border between the USA and Mexico, covering a surface area of more than 27 million square kilometres, and with a population probably exceeding 350 million. Latin America is not an homogeneous mass but there are a number of factors that determine its unity. To my mind, it is a region sufficiently well-defined through circumstances of origin, history, destiny, economics and culture. But at the same time, I believe that regional integration must be accomplished through an increase in the process of sub-regional integration, an experiment that the Andean countries have undertaken with great likelihood of success. One can observe several sub-regions potentially existent in the Latin American sphere: to the North, Mexico and Central America that could constitute one or two sub-regions; the Andean sub-region which takes in those countries on the Andean Range, from Chile to Venezuela; Brazil, since its surface area of 8.5 million square kilometres and its population of 110 million, make up about one third of the whole, and since it has maintained linguistic and political unity in the unified structure of the former Portuguese colonies, constitutes a strong sub-regional entity by itself, even though it includes areas as different as the densely industrialized ones of the

State of Sao Paulo and the semi-jungle areas of the Amazon to the North; the countries of the Plata Basin: Argentina, Uruguay and Paraguay, could form another sub-region; and the countries of the Caribbean and the West Indies which are moving towards closer relationships since it has not been possible to establish unitary forms of organization.

Venezuela is situated both in the Andean region and in the Caribbean zone. It has over 1,600 kilometres of coast on the mainland and an insular domain formed by a series of islands between which a straight base line clearly defines an inland sea. Our entry into the group of countries of the so-called Cartagena Accord, conducted through the Lima Consensus of February 13th, 1973, reaffirms our solidarity with the Andean countries but does not exclude our solidarity and exchange with the countries of the Caribbean.

In population, we are the sixth in Latin America after Brazil, Mexico, Argentina, Colombia and Peru. In area, we are seventh because, besides the above mentioned countries, Bolivia's territory is slightly larger than ours. Thus, we are blessed with a series of circumstances that favour our vocation as mediator, harmonizer, and as a country ready to contribute to the harmony and integration of other countries. As regards international policy, we believe in Latin American integration. This goal is written into our political Constitution, and this obliges us to work towards it. We also think that the condition of oil-exporting country that has befallen us must be geared as far as possible, to the service of those aspirations of integration of the great Latin American family. Our vocation for integration took root in the very days of the Independence struggle. Under the guidance of Bolivar and of the leaders of our Emancipation, our people lost lives on an incredible scale (the estimate runs from 20 to 25% of the population) and they accompanied those heroes in those days of glory when the land, formerly under a colonial regime, was sown with free nations.

When Ecuador began to discover rich oil deposits, we offered her our experience and expressed our willingness to help. We promised her that all we had achieved would be hers also and

that the knowledge acquired over 50 years of experience in the oil business, would be at the complete disposal of our brothers so that they would not have to undergo the same circumstances we had to. We set ourselves the task of creating the Latin American Energy Organization (OLADE), because we think that the energy problem is fundamental and that an inventory of resources, and a mechanism of cooperation among all of us is indispensable to ensure the future and the development of the countries of the continent.

We are, then, a developing country, with all the problems, difficulties, and needs that this implies. Our petroleum, a valuable resource for which we owe thanks to Providence, is a factor that can help us to launch out on our development, but it is no panacea, nor does it put us out of reach of dangerous side-effects.

We are in the Third World and, therefore, we must show our solidarity with the peoples that form it, but we know that our destiny is centered in Latin America, the unity and harmonious development of which is fundamental to us and indispensable to humanity.

In summing up my observations, I would like to state these conclusions:

First, the struggle for the increase in the prices of oil should not be seen as an isolated fact, but rather as an opening up of immense possibilities of change in the international economic order, through the recognition of a just redistribution to countries producing raw materials, and through their unification to maintain a better balance at the negotiation table. The swiftness of the increase in oil prices was due to the freezing for an incredibly long time of the unfair prices that had been set previously and manipulated through artificial competition contrived by the transnational companies that constituted a veritable oligopoly and still dominate the market to a great extent.

Second, the rise in oil prices was not the determining factor of the great inflationary movement that struck the world in the past five years. Quite the contrary. For some countries, as the head of the French Government, Mr. Raymond Barre, express-

ed to me concerning the case of France, oil, far from being an inflationary factor, is quite the opposite, because it drains a bit of the excessive cash in the hands of the public.

In any case, the 1973 increase represented, at most, only 10% to 20% of the rise in prices experimented by the industrial countries.

Third, the OPEC countries do not plan to impose further real increases on the prices of oil, but intend to compensate, at least in part, for the high level of inflation that has the effect of reducing the real value of the prices obtained.

Fourth, in the case of Venezuela, fiscal wealth accruing from petroleum must not become an excuse for squandering or useless and un-productive expenditure, but must be efficiently invested in development plans and in satisfying urgent needs felt by the majority of the population. For this reason, there are many Venezuelans like me who recoil in distaste at the reputation of "nouveau riche" that we are gaining in the world because of gestures or attitudes which suggest that we are forgetting that our needs greatly surpass our financial possibilities.

Fifth, within Venezuela's development programme, we are firm and clear in our belief that we cannot, and must not, attain our development except through Latin American integration. We are integrationists. We defend in Latin America a nationalism that is not expressed in the fragmented pride of each of the States existing on our continent; but rather, a nationalism that tries to defend and exalt the Latin American way of being, and the common interests of Latin America, without aggressive intentions, but with the desire to contribute effectively to peace and understanding among all nations, among all peoples.

Sixth, we believe in integration, not as an end in itself, but as a means of achieving our development. We consider development, not as a simple increase in wealth, nor as access to industrial systems of production, but as a process of making the optimum use of our natural, human, and financial resources, put at the service of all of man (as spirit and matter) and of all

of men, incorporating the great number of dispossessed that exist in our societies. We are aware of the differences that exist among the Latin American countries, differences accentuated at the moment by the different forms of government and the differing political systems. But these differences must not stand in the way of unity. We think that we must look for the things that draw us together and not dwell on what sets us apart from each other. Hence, we support the thesis of pluralistic solidarity, that is to say, the thesis of unity among all our countries without disregarding or ignoring the differences and without stressing what divides us. This ideal of integration serves the great interests expressed by our Liberators. On an occasion when the problem of the consciousness of nation in Latin America was under discussion, I invoked a statement made by Bolivar which I consider particularly apt: "We must make of our America a nation of Republics". In other words, national unity as regards feelings, performance, and goals, but comprising sovereign republics, each one jealously guarding its own peculiarities and its sovereignty.

That integrated Latin America, master of its own destiny, in possession of financial and technical resources that permit it to take advantage of its own natural resources satisfactorily, has the imperative duty to form a community of free people contributing to the consolidation of peace and the strengthening of liberty all over the world.

It is to our interest —and that of the world— that Europe see us in this light, as we are, as we wish to, and must, be.

I cannot but express my pleasure at seeing the growing interest in a deeper knowledge of Latin America in university circles in Europe, and particularly in these British Isles. Throughout our history, many a Briton has come to us without prejudices, with the willingness and desire to understand us, and endowed with a great capacity for understanding. Latin America comprises a human group full of promise and possibilities, above all in its function of representing universal man, ecumenical man, of serving as a bridge between the countries of Old Europe which bestowed on us its culture, and the Third World countries, which, in many respects, are in condi-

tions similar to ours. Carrying out this role, contributing to the development of Latin America and to its attainment of greater distinction in the world, is a worthwhile task of great significance. My hope is that the generations of university youth of this great country will grant this goal the importance it so well deserves.

2. THE NEW INTERNATIONAL ECONOMIC ORDER

**ADDRESS AS HEAD OF THE VENEZUELAN
DELEGATION TO THE 11th SPECIAL
SESSION OF THE UNITED NATIONS
GENERAL ASSEMBLY
New York, August 25, 1980**

THE NEW INTERNATIONAL ECONOMIC ORDER

Despite the growing and justifiable worldwide skepticism of the North South dialogue, the duration of which has not been in accord with its actual achievements, this 11th Special Session of the United Nations General Assembly (for the Third Decade of Development) has attracted notable attention from some important quarters. To begin with, the Organization's persistent search for the true road to peace through understanding does it honor; but while we cannot forget that peace is inseparable from development, the latter will not be attained without substantial changes in the terms of the international economic system.

This Special Session of the Assambly meets at a particularly critical moment which makes even more essential its success in achieving the goals for which it was convened: assessing the progress achieved in the search for a new international economic order; launching on the clearest terms the global negotiations aimed at a concerted and effective direction for the North-South dialogue; and adopting the new International Development Strategy so that the countries of the Third World can guarantee to their people an assured opportunity, described in Lebret's oft-quoted words, to develop their own personality — of the whole human being and of all human beings.

My country, Venezuela firmly believes in the dialogue and, while aware of its limitations, is prepared in complete good faith to contribute to that dialogue whatever may be needed to produce satisfactory results. As a developing country, Venezuela finds itself in a peculiar situation, which some will not and others cannot understand, wherein it enjoys financial resources described as extraordinary and derived from the sale of one of the most important of all energy resources, but whose nonrenewable nature raises in the sharpest terms the prospect of its depletion in the not too distant future, and whose operational aspects imply consequences which hinder the very process

of development and require harmonious consideration within the framework of appropriate international understanding, it is well-known that the majority of petroleum-producing countries face fundamental shortages in the most essential aspects of human life; that, while the hydrocarbon industry generates financial resources, it offers only minimal opportunities for direct employment; that its very profitability tends to raise the cost of other productive endeavors, especially agriculture; and that under a regime of civic freedoms, it promotes with alarming speed the phenomenon of urban concentrations, to the point that the problem of marginality becomes enormously difficult to solve. Yet at the same time, these petroleum-producing countries have shown, to an extent never before equalled in the history of international relations, their active willingness to cooperate economically with the other developing nations who see their own problems worsen with the rising price of an energy source that has been squandered and taken at unbelievably low prices for the industrial development of the richest and most powerful nations of the world.

Venezuela agrees there is need for a new international economic order based on a clear philosophical concept: that of International Social Justice which I have been advocating for over 30 years. We consider that, as Social Justice has entered into domestic relationships like those between employers and workers, landlords and tenants, creditors and debtors, so it must decisively enter the realm of International Law which is still seen in most cases as simply a set of commutative norms in which the obligations of some states to others are measured on strictly equivalent terms. The Government of Venezuela has maintained that International Justice must become imbued with a firm sense of Social Justice; that economic cooperation does not consist of simple acts of benevolence and, even less, of paternalism, but must be based on a full awareness of the duty of each and all nations to all other nations in support of the international common good.

Relations among countries, rich and poor, powerful and weak, cannot be measured in terms of mathematical equality.

Law —and not an alleged generosity— imposes upon the ones that have greater duties and does not grant them greater privileges.

Regarding the New International Economic Order, we have heard from developed countries two repeated assertions with which —if properly understood— we of course agree: that it is negotiation rather than confrontation that must resolve the serious questions which divide mankind; and that it is better to aim for solutions that emphasize economic exchange rather than circumstantial cooperation, namely that we should aim at more trade and accordingly less aid. But because we do believe in negotiation, we maintain that it must be entered into with a willingness to give up certain privileges, to accept just solutions, and to change those rules that produce deplorable results; and while we agree that trade is better than aid, we contend that trade must be just and equitable, without hindrances or impositions that convert into a mechanism of exploitation what should be a source of mutual benefits and an open road along which the poor and the weak can find ways to carry out their urgently needed plans for development.

The United Nations Organization believes in dialogue, and this Assembly Session gives renewed proof of that belief. But it is crucial that the parties that hold a privileged position in the international order be prepared to prove that dialogue is truly an effective way to straighten roads and to stamp out injustices. The problems that confront the world are many and varied. They involve nutrition, trade, energy, technology, money, finance, environment, and ethics itself without which all the other undertakings lose their validity and their effectiveness. I want to give special emphasis to certain aspects for the reasons that I will now refer to.

In July of 1979, there took place in Rome the World Conference on Agrarian Reform and Rural Development, promoted and sponsored by the F.A.O. and other international organizations. With the participation of over one hundred and fifty countries, a document containing a Declaration of Principles and a Program of Action was adopted. No political confrontations took place at the Conference, a rare occurrence in the dif-

difficult international climate in which we live. There were few reservations, and a strong faith in the adoption of fundamental steps became evident, both from each country's internal viewpoints and from a general external viewpoint. The document was the result of a considerable amount of work that included contributions from numerous technical organizations and important regional conferences. The prominence that must be accorded to rural development and agrarian reform in development plans, justifies the insistence we place today on raising the subject at this plenary meeting of the world's nations. Without rural development, the attainment of which is inseparable from any just program of national agrarian reform, the development of the Third World countries cannot succeed.

The Declaration of Principles of the World Conference on Agrarian Reform and rural Development—which I had the honour of presiding over—defines a coherent set of norms by reaffirming as guiding framework, for the Third Decade the need to improve—individually and socially—the standard of living of the rural population to make possible the unfolding of its potential; and to redistribute economic and political power. Within this pattern, greater internal resources must be assigned to rural development, promoting the equitable distribution and efficient utilization of land, water, and other productive resources in order to preserve ecological balance, protect the physical environment, integrate diversified agricultural activities with new industries in rural areas, and guarantee the participation of an organized rural population in which the role of women shall rank equally with that of men. In international relations, it is necessary to overcome the inequities and the instability that exist in the trading of agricultural commodities; to guarantee world food security, a matter of particular importance to the developing countries; and to further cooperation by increasing the flow of financial and technical resources devoted to development.

The Program of Action provides clear directives for structural changes in land tenure, popular participation, integration of women, the availability of inputs, markets, and services, the

promotion of non-agricultural rural activities, agricultural education training, and extensive services, elimination of barriers to agricultural commodities in international trade, cooperation among developing countries, government guarantees regarding external investment, financial and technical development assistance, and in the activities of the specialized agencies of the United Nations system.

One of the main objectives that has brought me here is —I repeat— to insist on the fundamental importance of the above mentioned Declaration of Principles and Programme of Action adopted by such a large consensus at the Rome World Conference in 1979.

On the other hand, it is appropriate to bring to this meeting of qualified Government Representatives the proposals adopted by the representatives of Parliaments in whose hands will rest the adoption of the legal rules and the authorization and approval of measures intended to insure that the New International Economic Order and the International Development Strategy will become realities. As President of the Council of the World Interparliamentary Union, I am also grateful for the opportunity offered to me by my Government, on whose behalf I speak, to bring before the plenary of this Special Session of the General Assembly the recommendations approved by the IPU Council in Oslo, in April of this year which were considered of such urgency that it was decided to convey them to the United Nations General Assembly even before the holding of the next meeting of the Interparliamentary Conference scheduled to take place in Berlin this September.

The Resolution adopted by the World Interparliamentary Union on the Third International Development Decade is annexed to this statement. I will only mention here that the Interparliamentary Union calls upon Parliaments and Governments to act with a high sense of responsibility for the present and future of all mankind, so that the new United Nations Development Decade may lead to the attainment of the objectives of the New International Economic Order; to commit themselves to actively participate in the global negotiations on international economic cooperation for development; to set up

machinery to secure greater stability for the exports of developing countries; to step up the discussions aimed at revising the international monetary system; to take steps to lessen the burden of external debt that weighs on the developing countries; plus a series of additional goals, compatible with the strategy to be carried out and relating to the training of personnel, cooperation among developing countries, accelerated industrial development, integration of the population in all development programs, more active participation of women, environmental protection, the solution of the world energy problem, health care, educational development, in particular elementary education. It earnestly recommends an increase in financial, material, and technical assistance, and asks for assurances that the developing countries will have ample access to modern technology; it further asks that all the parties involved play an active role in defining and implementing the International Development Strategy, highlighting rural development, industrialization, changes in the structure of world production and trade, training programs and the formulation of policies aimed at expanding the level of productive employment and the well-being of the entire population, taking into account the needs and the specific problems of those least developed and most seriously affected countries by their critical situation.

The Resolution approved by the Interparliamentary Union insists explicitly on calling to the attention of the appropriate organs of the United Nations the desirability of incorporating, within the spirit of International Social Justice, the previously mentioned Declaration of Principles and Programme of Action of the World Conference on Agrarian Reform and Rural Development into the Strategy and programs to be carried out during the Third Development Decade.

Parliaments have the duty of being the best exponents of public opinions. It is therefore, to a certain extent, world public opinion the one expressed through the Interparliamentary Union.

These goals are not mere theoretical speculations but impas-

sioned aspirations founded on the right of all nations to offer all an opportunity to lead a truly human life. But since experience shows that good will on the part of any one Government is not enough, nor is a best effort —no matter how sincere and fervent— sufficient to enable a developing country to meet the goals which it has a right to seek, for what is essential are changes in a series of eroded and unjust structures in the international order, we therefore believe in exhausting all means of insuring that the long North-South dialogue follows a path of frank sincerity and that the agreements essential, if mankind is to be offered genuine hope, will in fact be reached. The excuse that the economic situation is difficult cannot be accepted because it is precisely the current difficulty that makes altogether more urgent a search for solutions that are not just temporary palliatives for the most acute problems, but solutions that build solid foundations so that the world community can leave behind the anguish and uncertainty that afflicts it.

Venezuela, conscious of its condition of small country, believes that all small countries must play as important a part in the new phase of the dialogue as they did in the earlier ones. My fellow delegate, Dr. Manuel Perez Guerrero, the source of many of the ideas which I am expressing, has undertaken to interpret in earlier meetings the feelings of the developing people and their aspirations for a harmonious concertation with the developed countries: the Government of Venezuela is fully aware of the value of his contribution and has granted him its full confidence so that he may continue to lend his ability and his experience to this transcendental task. The importance of these global negotiations is magnified by the fact that the strategy of the last decade was left mostly unfulfilled for want of monitoring and follow up mechanism such as will become available during this decade; but these negotiations must now make a decisive contribution to a new turn in economic relations within the framework of international social justice, and they must impart real validity to the new Strategy.

There has been ample opportunity to inspire wills to move toward these goals. The creation of this state of awareness must be encouraged. The world situation is such as to stimulate a

sense of urgency, and surely not such as to lend support to an argument for letting this zone of turbulence go by before undertaking the negotiating process. The difficulties that confront the world can only be overcome through the concerted efforts of the entire international community, as was emphasized by Resolution 34/138. It has been proven that the most powerful industrial nations of the world, gathered at the highest level, could not until now impart a healthy and lasting impetus to the world economy. They have not envisaged the required fundamental changes, but have limited themselves to isolated solutions to immediate and short-term problems. Under such conditions, the life of these problems can become prolonged and even perpetual for lack of thorough attention, if not faced squarely, without delay nor hesitation.

It is impossible to resign oneself to the fact that developing countries continue to lose ground in international trade. It is an optical illusion that the only countries that appear to be in a comfortable position are those selling their non-renewable natural resources at a rate exceeding that indicated for their economy and their desirable development, and that are doing so to meet the still excessive demand of the big consumers, namely at the expense of their main material asset. In the final analysis, it is not in anybody's interest for this to happen. The continued economic growth of the industrialized world requires as a condition the economic growth of the Third World, and the Third World is conscious that no one would escape the effects of an economic catastrophe in the industrialized countries. In this age of economy globality and interdependence among nations, no one must attempt to enrich himself through the impoverishment of others, lest the resulting undertow end up undermining the basis of his own wealth. We all know that in a sea of misery, islands of prosperity will not survive. As stated in the Philadelphia Declaration adopted by the 26th World Labor Conference in 1944, poverty anywhere jeopardizes prosperity of all.

Having failed to avail ourselves, through misfortune or irresponsibility in earlier opportunities, it would not be sensible

to pass up this new opportunity. There have been some successes, like the Agreement on a Common Fund within UNCTAD, and this should help stimulate the progress of the North-South negotiations now envisaged. One of the risks of acting in slow motion is the potential loss of what little has been gained, through growing disagreements due to the lack of both a coherent common basis and reinforcing linkages between the respective fields.

Moreover, there is a set of problems that cannot be solved sequentially: the reasonable approach is to simultaneously tackle a certain number of interrelated goals, without giving an unrealistic or exaggerated precision to this simultaneity, yet so as to allow progress on a wide enough front; not only because global negotiations must allow for a flexible and constructive course and for attention to various interests when such interests do no conflict—as is rarely the case—but because we are dealing above all with a reality that we cannot miss seeing so long as our eyes are open, our minds are clear, and our dispositions are ready to perceive it. Just as it would not be sensible to try to solve everything at once, neither would it be sensible not to link matters that are so intimately related that a solution to one requires a solution to the other in order to complete a task which would otherwise break down for lack of support. For example, to act as if trade and money could be confined to separate, watertight compartments, and to treat one as independent of the other, would be like building on sand: a pure fiction. Is it not evident that protectionism, whether visible or disguised, rests above all on a lack of coherent solutions in one section and another?

Resolutions 34/138 sets a pattern by stating in its first operating paragraph that “such negotiations should be action-oriented and should proceed simultaneously to insure a coherent and integrated approach to the matters under negotiation”. This means that such an overall view should prevail from the time that subjects of negotiations are selected until the time that end results are defined.

Furthermore, it is inherent in the nature of the United Nations system that the central organ must rely on the support of

the specialized bodies. In this regard, the previously mentioned resolution requests in its third operative paragraph that the negotiations should involve no interruption of negotiations in other United Nations forums, and should instead reinforce and draw upon them. A practical formula must be possible.

We of the Third World, the developing world, have also come to better perceive the reality of our interdependence and complementary with its rich and varied potential for mutual advantage. We are determined to utilize this potential through concrete steps to rely more on our own resources. The Meeting of the ad-hoc Intergovernmental Group on cooperation among developing countries, which took place in Vienna, was a highly encouraging step toward that goal.

It is not a question of turning our back on the developed countries, with which we desire more mutually fruitful relations than those which in the past dragged chains of underlying dependency that had their roots in an earlier time. In conclusion, this is a goal whose progressive achievements will meet the truly human aspirations of the partners in this great enterprise. It is what Venezuela and Mexico had as their goal when they recently launched their programme of energy cooperation for Central America and the Caribbean, welcomed with great appreciation, which we value.

I cannot leave out the message that comes out of the Brandt Commission's report, whose conclusions and observations prove that there are firm grounds for mutual understanding and concerted action. Nor can I forget that the European Economic Community and various authorized spokesmen for the world's most important countries have issued declarations and adopted initiatives that are samples of good will for the goals of the dialogue. And as to the discussions concerning energy of the seven industrial countries which recently met in Venice (June 22 and 23, 1980) —and I am not speaking on behalf of OPEC because this would require a specific authorization, but as a citizen of an OPEC country— I wish to say that we are in full agreement with the need to conserve petroleum, to avoid wasting it, to investigate more actively all possible sources of

energy, and to take steps aimed at avoiding a world energy crisis. We have had all of this in mind when oil prices increase, prices that are still below those of any substitutable source of energy. Where we disagree is when OPEC is blamed for situations caused by the mistaken policies of the industrial countries. Petroleum is not the cause of inflation, nor have its prices risen artificially; on the contrary, they had been kept artificially low for a very long time. Nor does all of the high price that users pay for fuel go to the producing countries: the major portion goes to the tax exactions of consuming countries and to intermediaries that mercilessly speculate with the situation. Moreover, OPEC members countries —individually as well as through the Organization— have set an extraordinary example with their constantly renewed initiatives for cooperation with the other developing countries. This is a truth that even the most intense propaganda cannot destroy; nor can the people of the Third World be convinced that petroleum is the only import whose prices have gone up, when the cost of goods manufactured by the industrialized countries as well as the cost of capital and technology have risen, and are still rising, continuously.

In conclusion, we pursue the practice of social justice at the national as well as at the international level. We are prepared to acknowledge our own mistakes in domestic policy, but we cannot mute our call for the correction of the mistakes —the serious mistakes— made on the international stage. We know that it is difficult in either field to reach the projected goals with the speed demanded by problems which are causing mankind such anguish and suffering, especially those which affect the people who live under sub-human conditions; but it is crucial that we set out on our path with urgency and seriousness. The world has become conscious of its integrality, but it still has a long stretch to go before it is ready to practice a solidarity so often proclaimed in rhetoric, yet so often neglected in deed.

There is much for all of us to do, and only together can we succeed as each of us assumes his proper responsibility. We are

not trying to reach all of our goals at once so as to rejoice in the success of this common enterprise; setting out boldly on the road to these goals would be cause for general satisfaction. It would affirm a valid and exalted goal for mankind's efforts. Many obstacles will doubtless arise on the way, but the only valid option is to face them and overcome them.

Venezuela, like other countries, is determined to play the modest role that benefits it; to remind all—but especially the richest among us, since it is they who bear the greatest responsibility—that what is at stake is the world's faith in negotiation as the method that can solve its problems. Those who, for reasons not always unobjectionable, find themselves in a position of advantage and are thus expected to make important decisions, must keep in mind that not only the whole human race as it exists today rides on their actions: the eyes of History of this century is being played by its actors. When it is finally written, it will be implacable toward those whose shortsightedness or niggardliness made them incapable of yielding some of their privileges to serve the universal community in the light of reason and justice.

Let us hope that those who will write history in future times may be able to say that finally present generations were capable of avoiding catastrophe doing what they were called upon to do by moral imperatives as well as in pursuit of their own survival.

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