

Confidential Filip

Visit of Dr Zambrano Valesco,  
Foreign Minister of Venezuela

VENEZUELA

May 1981

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>8-5-81</del>		<p><b>File Series closed</b></p> <hr/> <p><b>PREM 19/603</b></p>					
<del>4-4-81</del>							
26.6.81							

*Ch Martin*

*Venezuela FH*



10 DOWNING STREET

*From the Private Secretary*

26 June 1981

*Dear Francis*

The Venezuelan Foreign Minister, Dr. Zambrano Velasco, called on the Prime Minister at 0930 this morning. He was accompanied by the Venezuelan Ambassador, as well as Dr. La Riva and Dr. Borges. Mr. Ridley and Sir Reginald Secondé were also present.

The Prime Minister, in welcoming Dr. Zambrano, said that she felt that contacts between Ministers of the UK and Venezuela were very important. The UK had long-standing contacts with the Caribbean and Northern Latin America. Dr. Zambrano replied that he was honoured to meet the Prime Minister. He saw this meeting, and the call he was to make on Lord Carrington, as part of a series of meetings. These meetings, and the earlier visits of Lord Carrington and Mr. Ridley to Caracas, helped to forge relations between the UK and Venezuela, and to solve problems of joint concern.

Dr. Zambrano went on to say that Caribbean countries were at present facing considerable economic and political problems. Venezuela and other countries, notably Mexico, were pursuing positive schemes for co-operation in the area. These were designed to promote progress and development and to maintain democratic government in the countries concerned. There was a danger that Cuba, as a satellite of the USSR, would frustrate these aims. Cuba's destabilising policies in the Caribbean were demonstrated by its actions in El Salvador and Nicaragua. Venezuela was watching these developments with concern.

Dr. Zambrano reported that Cuba had aligned itself with Guyana in the dispute over the Venezuela/Guyana border, and Mr. Jackson of Guyana had recently made a joint statement with the Cuban Foreign Minister. There was a danger that the border dispute would now become an issue in Caribbean, and possibly international, politics. This would make a solution to the problem more difficult to find. The Port of Spain protocol to the Geneva Agreement of 1966 was due to expire in June 1982. The protocol had suspended the operation of the 1966 Agreement to which the UK was a party along with Venezuela and Guyana. Its expiry would lead to the re-establishment of the procedures set out in the 1966 Agreement. Venezuela proposed to work for a practical solution to the dispute, based on the Geneva Agreement.

/Dr. Zambrano

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*RH*

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Dr. Zambrano hoped that Guyana and the UK would be willing to work together on this basis. He had recently attended a CARICOM meeting where Guyana had put forward a motion calling on all those present to condemn the dispute. He was glad to say that the meeting had rejected the motion. He appreciated the problems Guyana faced, but he felt that Mr. Burnham was using the border dispute to divert attention from Guyana's internal problems. A settlement based on the 1966 Geneva Agreement was therefore important. Dr. Zambrano said that he would raise this question with Lord Carrington.

The Prime Minister said she was glad to hear Dr. Zambrano's views on the Guyana border dispute. She was concerned that the extensive Press reporting of this issue was making a settlement more difficult. She agreed that it was important to avoid making the dispute an issue in Caribbean politics, and she therefore welcomed Dr. Zambrano's report of the recent CARICOM meeting. She commented that there were also signs that the Cuban's internal problems were helping to divert their attention from playing an active role in Caribbean affairs. She hoped that Dr. Zambrano would have useful discussions with Lord Carrington.

*yours*  
*Wilkie Ricketts*

Francis Richards, Esq.,  
Foreign and Commonwealth Office.

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VISIT OF HIS EXCELLENCY DR JOSE ZAMBRANO VELASCO  
MINISTER FOR FOREIGN AFFAIRS OF THE REPUBLIC OF VENEZUELA  
24-28 JUNE 1981

ADMINISTRATIVE PLAN

(to be read in conjunction with programme attached)

Wednesday 24 June

Arrival

When the aircraft doors open a representative of the British Airports Authority will escort the greeting party to the aircraft. The Ambassador of Venezuela will board the aircraft and accompany the Minister for Foreign Affairs to the tarmac where he will present the following (in order):-

Sir David Muirhead, Special Representative of the Secretary of State  
for Foreign and Commonwealth Affairs.

Sir Reginald Secondé, H M Ambassador to Venezuela

Mr C Taylor, Deputy Secretary, Government Hospitality Fund.

Mr N Coppel, Escort Officer.

The party will proceed to the VIP lounge.

Transport

Cars are provided for the Minister for Foreign Affairs and the members of the official suite throughout the period of the visit; car seating plans are shown at Annex 1.

NOTE: A car will depart from the Hotel at 1345 hours on 24 June to take the members of the official suite, who have already arrived in London, to Gatwick to meet the Minister for Foreign Affairs.

Interpretation

Lic. Olga Soto will interpret for the Minister for Foreign Affairs.

Mr J A Penney of Research Department, Foreign and Commonwealth Office will also act as interpreter. Both will be present on the following occasions only:

Friday 26 June

Call on the Prime Minister

Talks with the Secretary of State for Foreign and Commonwealth Affairs.

/The following

The following section of the administrative plan indicates which members of the official suite will accompany the Minister for Foreign Affairs on each occasion:

Thursday 25 June

Call on the Minister for Foreign Affairs by The Hon Nicholas Ridley MP

Venezuela

to be decided

United Kingdom

Mr P R Fearn

Call on the Secretary of State for Foreign and Commonwealth Affairs

H E Vice-Admiral F Mendoza-Acosta

Wreath laying ceremony

HE Vice-Admiral F Mendoza-Acosta  
Sir Reginald Secondé  
All members of the official suite.

Visit to the BBC

HE Vice-Admiral F Mendoza-Acosta  
Members of the official suite

Buffet luncheon at Canning House

HE Vice Admiral F Mendoza-Acosta  
Sir Reginald Secondé  
All members of the official suite

Prime Minister's Question Time

5 members of the official suite.

Friday 26 June

Call on the Prime Minister

Venezuela

HE Vice-Admiral F Mendoza-Acosta  
Dr E La Riva Aranjó  
Dr I Iribarren Borges  
Lic Olga Soto

United Kingdom

Private Secretary  
The Hon Nicholas Ridley MP  
Sir Reginald Secondé  
Mr J A Penney

/Talks with

Talks with Secretary of State for Foreign and Commonwealth Affairs

Private Session

Venezuela

HE Vice-Admiral F Mendoza-Acosta  
Private Secretary  
Lic, Olga Soto

United Kingdom

Private Secretary  
The Hon Nicholas Ridley MP  
Sir Reginald Secondé  
Mr J B Ure  
Mr J A Penney

The following will join the above named for the

Plenary session

Venezuela

All members of the official suite

United Kingdom

Mr P R Fearn  
Mr A J Payne  
Mr P R Jenkins

Luncheon Given by Her Majesty's Government

HE Vice-Admiral F Mendoza-Acosta  
Sir Reginald Secondé  
All members of the official suite.

22 June 1981

Visits Section  
Protocol and Conference Department  
FOREIGN AND COMMONWEALTH OFFICE

## CAR SEATING PLAN

Wednesday 24 JuneAirport to Hotel

Car 1            HE Dr J A Zambrano Velasco  
                  HE Vice-Admiral F Mendoza-Acosta  
                  Sir Reginald Secondé  
                  Security Officer

Car 2            Dr I Iribarren Borges  
                  Dr Sebastian Alegrett  
                  Emb.C Gomez de Sucre  
                  Escort Officer

Car 3            Dr R Chaderton Matos  
                  Dra C Basalo Balleste

NOTE: A separate car will go to London Heathrow airport with Dr R Monsalve (from the Venezuelan Embassy 1415 hours) to meet Dr E La Riva Arango arriving on flight Viasa 710 at 1545 hours, Alcock and Brown VIP Suite has been booked.

Thursday 25 JuneHotel to Foreign and Commonwealth Office

Car 1            HE Dr J A Zambrano Velasco  
                  The Hon Nicholas Ridley MP  
                  HE Vice-Admiral F Mendoza-Acosta  
                  Mr P R Fearn  
                  Security Officer

Foreign and Commonwealth Office to Commemorative Statue of Simón Bolívar

Car 1            HE Dr J A Zambrano Velasco  
                  The Hon Nicholas Ridley MP  
                  HE Vice-Admiral F Mendoza-Acosta  
                  Sir Reginald Secondé  
                  Security Officer

Hotel to Commemorative Statue of Simón Bolívar

Car 2            Dr E La Riva Arango  
                  Dr I Iribarren Borges  
                  Dr S Alegrett  
                  Escort Officer

Car 3            Emb.M C Gomez de Sucre  
                  Dr R Chaderton Matos  
                  Dra C Basalo Balleste

/Belgrave

Belgrave Square to Bush House , Canning House ,House of Commons and return to Hotel

Car 1 HE Dr J A Zambrano Velasco  
HE Vice-Admiral F Mendoza-Acosta  
Escort Officer  
Security Officer

Car 2 Dr E La Riva Aranja  
Dr I Iribarren Borges  
Dr S Alegrett

Car 3 as above

Friday 26 JuneHotel to 10 Downing Street, Foreign and Commonwealth Office,  
Lancaster House and return to Hotel

Car 1 HE Dr J A Zambrano Velasco  
HE Vice-Admiral F Mendoza-Acosta  
Sir Reginald Secondé  
Escort Officer  
Security Officer

Car 2 Dr E La Riva Aranja  
Dr I Iribarren Borges  
Dr S Alegrett

Car 3 Emb. M C Gomez de Sucre  
Dr R Chaderton Matos  
Dra C Basala Balleste  
Lic O Soto (to 10 Downing Street and Foreign and Commonwealth Office only).

Sunday 28 JuneDepartureHotel to London Heathrow Airport

Car 1 HE Dr J A Zambrano Velasco  
HE Vice-Admiral F Mendoza-Acosta  
Escort Officer  
Security Officer

Car 2 Dr E La Riva Aranja  
Dr I Iribarren Borges  
Dr S Alegrett

Car 3 Emb. M C Gomez de Sucre  
Dr R Chaderton Matos  
Dra C Basalo Balleste



D I S T R I B U T I O N

10 Downing Street

Private Secretary to Prime Minister (2)  
Press Office (2)

Venezuelan Embassy (10)

Foreign and Commonwealth Office

Private Secretary (2)  
Private Secretary/Mr Ridley (2)  
Private Secretary/Permanent Under Secretary (1)  
Mr D M Day (1)  
Mr J B Ure (1)  
Mr P B Fearn (1)

South American Department - Mr Jenkins (6)

News Department (3)

Heads of Mission Section, POD (1)

Sir Reginald Secondé c/o Heads of Mission Section (1)

Resident Clerk (1)

Protocol and Conference Department (8)

Miss D Lothian (1)

Government Hospitality Fund (18)



Foreign and Commonwealth Office

London SW1A 2AH

24 June 1981

*Dear Michael,*

Call on the Prime Minister by the Foreign  
Minister of Venezuela, Dr Zambrano:  
0930 hours, 26 June

The Venezuelan Foreign Minister, who is spending three days in London (25-27 June) as the guest of Lord Carrington, is due to call on the Prime Minister at 0930 on 26 June.

I enclose a brief covering those topics which could, we think, most usefully be covered in the time available: bilateral relations, the Caribbean and Central America, economic relations with developing countries, and the East/West situation. The brief provides a defensive line and background on the Venezuela/Guyana border dispute, which Dr Zambrano is certain to raise. I also attach a fact sheet on Venezuela, a background country brief, and a personality note.

Dr Zambrano will be accompanied by the Venezuelan Ambassador and by the two senior members of his delegation, Dr La Riva (Chairman of the Senate Foreign Policy Committee, and Dr Iribarren Borges (a former Foreign Minister and Ambassador in London). Mr Ridley will join the Prime Minister, as will our Ambassador at Caracas, Mr Reginald Seconde, and an interpreter (Dr Penney of the FCO).

*Yours ever,*  
*F N Richards*  
(F N Richards)  
Private Secretary

M O'D B Alexander Esq  
10 Downing Street  
London SW1



CALL BY THE FOREIGN MINISTER OF VENEZUELA: 26 JUNE

POINTS TO MAKE

Bilateral Relations

1. Our bilateral relationship developing well. Dr Zambrano's visit, and frequency of Ministerial visits in both directions since 1979, sign of vigour of our relations. Importance of regular exchange of views on political issues.
2. Visit of Venezuelan Ministers for investment seminar in May gave positive impetus to our commercial relations. Want to collaborate in the development projects envisaged in Sixth National Plan.

(If raised) Venezuela/Guyana Border Dispute

3. Recognise that this is important and sensitive issue for both Venezuela and Guyana. Hope it will not become source of tension/instability in Caribbean, Lord Carrington ready to have full discussion with Dr Zambrano later in the morning. Prefer not to pre-empt this.

Caribbean and Central America

4. Conscious of Cuban ambitions in the area. Election victories by moderates in Eastern Caribbean, and Cuba's recent difficulties, encouraging. But no grounds for complacency. Central problem economic. Substantial UK aid programme. Venezuela/Mexico oil facility helpful factor for stability.

5. Evidence of communist support for guerrillas in El Salvador disturbing. Hope Duarte successful in organising elections and that political solution can be found.

Economic Relations with Developing Countries

6. Recognise gravity of current world economic situation and problems facing developing countries, especially poorest. Economic recovery in industrialised countries should reinforce



growth in developing world.

7. Looking forward to Mexico Summit. Opportunity for free and spontaneous exchanges between key countries of industrialised and developing worlds. See no merit in expanding present list of participants.

East/West Relations

8. Sound relations must be based on stable balance of forces and agreement to exercise restraint in international arena. No sign Russians genuinely accept this. We recognise need for more concerted Western actions to counter Soviet expansion in third world. Determined to stand by friends in South America and Caribbean.

9. Polish situation continuing cause for concern. Important that Poles left alone to find solution. Soviet intervention, especially after Afghanistan, would be challenge to fundamental UN principles.



CALL BY THE FOREIGN MINISTER OF VENEZUELA: 26 JUNE

ESSENTIAL FACTS

1. This is Dr Zambrano's first visit to London as Foreign Minister, and is in return for Lord Carrington's visit to Caracas in August 1980. Our objectives are to underline the importance we attach to our relations with Venezuela by maintaining the momentum of Ministerial exchanges; and to carry forward a dialogue on international issues (particularly the Caribbean and Central America). There may also be an opportunity to further our commercial interests, although Dr Zambrano has made it clear he does not see this as a trade promotion visit. Dr Zambrano's own principal objective will be to set out the Venezuelan position on developments in the Venezuela/Guyana border dispute.

Bilateral Relations

2. There are otherwise no major problems in our bilateral relations. The frequency of Ministerial visits in both directions since May 1979 has been relatively high and well balanced. Apart from Lord Carrington (August 1980) and Mr Ridley (twice) four British Ministers have been to Caracas: Mr Parkinson (September 1979), Mr Walker (September 1980), Mr Howell (September 1980) and Mr Clarke (June 1981). (HRH The Prince of Wales paid a private visit at the end of April 1981). Venezuelan Ministers of Finance, Development and Planning attended Seminar on Investment in Venezuela in London in May.

3. Venezuela is our fourth largest market in Latin America, after Brazil, Mexico and Argentina. As elsewhere in region, we have only marginal (3.2%) share. Our exports have fallen since 1978 from £188m to £132m, but balance remains slightly in our favour. We have won no major projects for some years. The most promising of our current project interests is Hawk (not to be raised with Dr Zambrano). The Venezuelan Air Force appear to have decided to purchase about 48 aircraft worth up to £250m. The purchase now awaits clearance by government committees and Presidential approval.



4. Venezuelan government have yet to publish the Sixth National Development Plan 1981-85. Decisions on whether to go ahead with a number of major public sector projects are being delayed on this account.

Venezuela/Guyana Border Dispute

h 5. Dr Zambrano will have in the front of his mind the question of the Venezuelan claim to a large area of Guyana, which is at present a major issue in Venezuelan politics. From his point of view, the primary objective of his visit is to give an account of the current Venezuelan position on the dispute, and, almost certainly, to press for British involvement.

6. The dispute originated in the nineteenth century when newly independent Venezuela laid claim to two-thirds of British Guiana. In 1899 an international arbitration tribunal made an Award setting up the existing frontier: this was accepted by the UK and Venezuela as a final settlement. But in the 1950s Venezuela revived its claim, alleging that there were reasons to consider null and void the 1899 Award. In 1966 the UK and Venezuela signed the Geneva Agreement, providing for a Mixed Venezuelan/Guyanese Commission to seek a solution; this left the way clear for Guyanese independence in 1967. The Mixed Commission did not produce a settlement, and on the expiry of its mandate in 1970, Venezuela, Guyana and (at the request of both) the UK signed the Protocol of Port of Spain, freezing the dispute for an initial period of 12 years (until June 1982). The border dispute has remained a sensitive domestic issue in Venezuela, and in response to a build-up of nationalistic pressures (exacerbated by the failure of border negotiations with Colombia) the Venezuelan government has decided not to allow renewal of this Protocol when it expires in 1982, and to press its claim again. Both parties will then be required by the Geneva Agreement to seek a peaceful settlement in accordance with Article 33 of UN Charter. Virulent press campaigns have meanwhile been mounted in both Venezuela and Guyana.

7. The Venezuelans will want to persuade HMG that we remain committed to playing an active part in the hope that we will / bring



bring pressure to bear on the Guyanese for a compromise. Our object is to stand aside. Neither the Geneva Agreement nor the Protocol oblige us to take further action. We do not want to prejudice our commercial interests in Venezuela; but on the other hand we are historically committed to the view that the 1899 Award was valid. Moreover, we have to reckon with widespread support for Guyana from other Commonwealth countries, particularly in the English speaking Caribbean. Lord Carrington will therefore be seeking to persuade the Venezuelans that it would not be in their own interest to press us to become further involved.

#### The Caribbean and Central America

8. In the past 18 months there have been moderate election victories in Dominica, St Vincent, St Kitts-Nevis, Antigua and most notably in Jamaica. Cuba had a bad year in 1980, economically and politically, and this year has fallen out with several Latin American countries, notably Costa Rica, Colombia, Ecuador and Panama.

9. UK aid amounted to £25m in 1980/81, and £28m spending is planned for 1981/82. The UK also contributes nearly 19% of European Development Fund allocations for the Caribbean.

10. The Venezuelans fear the spread of Cuban influence in the Caribbean area and seek to bolster moderate leaders through political support and economic aid. Their principle aid vehicle, launched in August 1980, is a joint Mexican/Venezuelan programme of soft loans for purchase of oil. Caribbean beneficiaries are Barbados, Jamaica and the Dominican Republic.

11. Fighting continues in El Salvador. Following the US announcement of evidence of substantial communist arms supplies to the guerrillas, and the suspension of US aid to Nicaragua, the flow of arms appears to have dwindled. But some military supplies continue to get through. President Duarte has announced his intention of holding elections in 1982. He and the Salvadorean military have rejected offers of mediation. The Venezuelans favour a political and democratic solution. Their sympathies



lie with the Christian Democrat civilian members of the Junta. President Duarte was in exile in Venezuela from 1972 to 1979.


#### Economic Relations with Developing Countries

12. The Venezuelans play a key role in North/South fora. Venezuela has sought a special bridging role between OPEC surplus oil producers and energy deficient developing countries. At the same time it shares many of the attitudes and interests of Latin American newly industrialised countries: and is openly critical of the position of the developed Western countries. It has just (13-19 May) hosted a successful South/South conference to promote economic cooperation between developing countries. Venezuela will participate in, but is not a sponsor of, the Mexico summit.

#### East/West Relations

13. Venezuela's sympathies lie with the West. But it prefers to avoid overt alignment, and is not active in the UN or elsewhere on major East/West issues (eg Afghanistan). It argues that the Caribbean region should not be turned into an arena for super-power conflicts. It also argues that East/West issues tend to distract the West from more pressing North/South problems.





VENEZUELA: FACT SHEET

Land

912,030 square kilometres.

Population

13.5 million (mid-1979 estimate). Average rate of growth (1970-79): 2.9%.

Constitution

Federal Republic: comprising Federal District, 20 States, 2 Federal Territories. Legislative power vested in Federal Congress. Executive power vested in President. Both President and members of Congress elected for 5 year terms by universal suffrage.

Political Parties

COPEI (Partido Social Cristiano)  
AD (Accion Democratica)  
MAS (Movimiento al Socialismo)  
plus various fringe groups.

Head of State

President Luis Herrera Campins (since March 1979). Member of COPEI.

Congressional Forces

Senate: COPEI 21, AD 21, MAS 2.  
Chamber of Deputies: COPEI 84, AD 88, MAS 11, Others 16.

/Economic



## Economic Activity

GNP (1979): \$45.2 billion (\$ 3.130 per capita) of which petroleum and mining 27.2%, manufacturing and construction 18.5%, government 11%, agriculture 5.9%.

## Exports

\$14.2 billion (1979) of which petroleum and derivatives 96.7%, iron ore 0.9%.

## Imports

\$10.8 billion (1979) of which machinery and transport equipment 47.2%, manufactured goods 26.5%, chemicals 10.3%, foodstuffs 9.3%.

## Major Markets

In 1979 USA (37.8%), Netherlands Antilles (17.6%), Canada (10.2%), EC (9.2%).

## Major Importers

In 1979 USA (42.8%), Japan (8.5%), Canada (6.7%), West Germany (6.4%).

## Trade Balance

\$120 million (+) (1979)

## Official Foreign Currency Reserves

\$6.62 billion (mid-1980)

## Public External Debt

\$14.2 billion (end-1979 est)



UK Exports

£131 million (1980) of which beverages £45 million, transport equipment £9 million, specialised machinery £8 million.

UK Imports

£117 million (1980) of which petroleum, petroleum products and related minerals £104 million.

COUNTRY BRIEF: ESSENTIAL FACTS

Political

1. A Spanish colony for over 300 years. Effectively liberated by Simon Bolivar in 1821. Achieved independent national status in 1830 when Republic of Greater Colombia disintegrated.
2. Long periods of military dictatorship mark Venezuela's history. But stable multi-party democracy since 1958. Two parties have dominated the scene: Accion Democratica (AD), founded in 1931 by Romulo Betancourt and exiled former members of the Venezuelan Communist Party - and the Christian Democrats (COPEI), founded in 1946 by Rafael Caldera and pro-clerical conservatives. AD has moved to right since its inception and COPEI to left. Both now occupy middle ground with COPEI marginally more concerned with social reform than AD. Both Betancourt and Caldera are still active in politics (Caldera is a possible COPEI presidential candidate in 1983; he called on the Secretary of State in London in January 1980).
3. Present COPEI government, headed by Dr Luis Herrera Campins dates from March 1979; the second COPEI Administration since 1958. Lacks a majority in Congress and depends on support of other smaller parties for passage of legislation.
4. Administration enjoys dwindling popular support. Blamed (unfairly) for a stagflationary economy. Mishandling of corruption issues, and lack of political judgment have contributed to poor image. Seen to lack energy and drive. Has done little to tackle growing problems of urban congestion (40% of population now live in the Caracas area) and deterioration in law and order. Unpopularity has given rise to talk of military intervention, but experienced observers consider this unlikely. Administration expected to see out its term of office (March 1984). While democracy in Venezuela should not be taken for granted, it looks more firmly rooted there than anywhere else

in South America.

### Economy

5. Production of oil, nationalised since 1976, began in 1917. Has transformed economy, and is basis of prosperity. Accounts for some 90% of export earnings, 70% of state revenues, and 30-40% of gdp. Production levels in 1981 were around 2.2 mbd until end of May OPEC decision to cut production (2 mbd now the target). Reserves of light crude dwindling, but heavy oil reserves, notably in Orinoco basin, vast and now being developed. Also large reserves of iron ore, bauxite and coal.

6. Conscious of present dependence on oil, Venezuelans have been trying to widen the base of the economy. Large investments in heavy industrial plant and in production of consumer goods. Results mixed. Steel industry proving a drain on government funds, and standards of efficiency in most industrial enterprises low.

7. Economic prospects sound in medium and long-term, but there are short-term problems. Pursuit of high growth in seventies (1974-78 rate was 12% per annum) led to build-up of inflationary pressures. External debt, particularly short-term, has been rising sharply. Herrera administration has responded by introducing tight fiscal and monetary policies. Inflation now under control but growth has stopped. Now plan to give a major stimulus to the economy through public spending (which should improve prospects for British exporters after two lean years). Priority sectors to include housing and agriculture (much neglected in recent years). Substantial external borrowing will probably be required.

### Foreign Relations

8. Venezuela's interest and influence on international affairs has been growing. Active policies on several fronts: OPEC, North/South, and Central America/Caribbean.



9. Founder-member of OPEC, exercises a moderating influence on prices. Present oil minister, Dr Calderon Berti, is an energetic representative and does his best to ensure Venezuela's voice is heard in Arab oil-producing circles. In North/South fora Venezuela projects itself as a leader of developing world. Dr Perez Guerrero, Presidential Adviser for International Affairs, was a co-chairman of the abortive 1976 Paris North/South Conference. Venezuela will attend projected October summit in Mexico. It has observer status at meetings of Non-aligned.

10. In Central America and Caribbean Venezuela sees spread of Cuban/Soviet influence as threat to its vital interests. Fears possibility of Cuban 'encirclement' and Cuban subversion within Venezuela. Seeks to counter Cuban influence by developing political ties with moderate pro-democratic leaders (while maintaining links with Sandinistas in Nicaragua and Bishop in Grenada) and by promoting economic development of region. Since August 1980 it has provided several countries with soft credits for the purchase of oil (a scheme in which Mexico is a partner). While avoiding overt cooperation with West it consults over developments in area with the UK, USA, Canada, France, Italy and the Netherlands. Has recently been trying (without much success) to interest Mexico, Brazil, and Argentina in a closer concentration of regional policy.

11. Relations with US are close and better than Venezuelan rhetoric might suggest. Countries of Western Europe and Japan growing in importance as trading partners. Frontier disputes sour relations with Guyana (brief no 4) and act as an irritant to relations with Colombia. Jealousy and suspicion colour Venezuelan attitude to Brazil. Venezuelan membership of the Andean Pact (a pro-democratic regional common market also including Colombia, Ecuador, Peru and Bolivia) is increasingly unenthusiastic.

#### Anglo-Venezuelan Relations

12. Britain closely associated with Simon Bolivar's struggle for independence. This is still remembered with gratitude;



British troops have unique privilege of marching with fixed bayonets.

12. From 19th century relations deteriorated as result of unpaid Venezuelan debts and our refusal to acknowledge Venezuelan claims to a large part of British Guiana. Gradual improvement during 20th Century. Guyanese independence in 1967 removed an obstacle to good relations. In recognition of Venezuela's growing international influence, capacity to act as pro-Western force in Central America and the Caribbean and commercial opportunities created by its oil wealth, our present objective is to strengthen and consolidate relations in all fields.

13. We have been developing a dialogue on Central America and Caribbean and Venezuela has been receiving considerable Ministerial attention. Visits by Secretary of State (August 1980); Mr Walker and Mr Howell (September 1980). Dr Carlos Andres Perez, then Venezuelan President visited UK in 1976, and various Venezuelan Ministers have followed him, among them the Ministers for Finance, Development and Planning who attended an investment seminar in London in early May.

14. Venezuela no longer receives British aid. British Council represented in Caracas, and concentrate on promotion of British expertise through training and consultancy arrangements paid for by Venezuelans, as well as English language teaching and cultural exchanges. Between 2,000 and 3,000 UK passport holders reside in Venezuela.



ZAMBRANO VELASCO, Dr Jose Alberto

Minister of Foreign Affairs

Born 1930 in Merida. Graduated in Law from the Central University of Venezuela (UCV). Became Professor of Law and, more recently, Professor of History at the same University. Juridical Consultant to the Ministry of Justice, 1960-63. Supreme Court, 1965. Director-General of the Ministry of Foreign Affairs during the previous COPEI Administration, 1969-74. Head of the COPEI foreign affairs transition team, January-March 1979.

A quiet 'academic' type who did not expect to be appointed Foreign Minister. The 1979 Nicaraguan crisis proved something of a baptism of fire for him and his handling of Venezuelan policy won him respect at the time, but failure of border negotiations with Colombia has since damaged his reputation. He has to compete for influence over Venezuelan foreign policy with Dr Calderon Berti, Mines and Energy Minister, and Dr Perez Guerrero, Presidential Adviser for International Economic Affairs.

A rather colourless personality. Married to Leonor Garcia de Zambrano Velasco. Three children. Speaks only a little English.



FILE

Venezuela  
VLB

SAF 2/16

15 May 1981

Visit by the Foreign Minister of Venezuela

The Prime Minister has seen your letter to me of 8 May about the visit by Dr. Valesco. She would be prepared to see Dr. Valesco at 1000 on 26 June. I should be grateful if you would let me have a brief the previous day.

MICHAEL ALEXANDER

R. M. J. Lyne, Esq.,  
Foreign and Commonwealth Office.

Venezuela



(1)

Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

Agree 30 minutes on

26 June?

Phd - 13/5

8 May 1981

Dear Michael,

Yes  
no

Lord Carrington has invited the Foreign Minister of Venezuela, Dr Zambrano Valesco, to visit London from 25 to 27 June, and the invitation has been accepted.

The visit is in return for that which Lord Carrington made to Venezuela last August, and will provide an opportunity for an exchange of views on international issues of mutual concern, notably developments in Central America and the Caribbean. It will also contribute to the maintenance of good relations with Venezuela, which, as a pro-Western democratic country, is a force for stability in Latin America and the Caribbean, and, as a major oil-producer, has considerable potential as a market for British exporters.

When Lord Carrington visited Caracas as Dr Zambrano's guest he was accorded a short call on the President of Venezuela. Dr Zambrano would certainly appreciate a call on the Prime Minister. I am therefore writing to ask whether the Prime Minister could agree to see Dr Zambrano for half an hour of talks, on the morning of 26 June.

yours ever,

Roderic Lyne

(R M J Lyne)  
Private Secretary

M O'D B Alexander Esq  
10 Downing Street