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10 DOWNING STREET

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FILE TITLE:

Relations / Internal Situation

SERIES

VENEZUELA

PART:

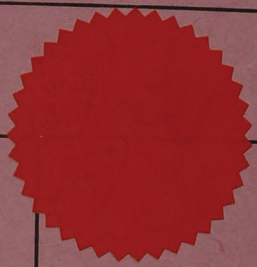
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PART BEGINS:

January '83

PART ENDS:

CAB ONE:



PREM 19 / 5478



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

18 September 1989

I attach a copy of a letter the Prime Minister has received from the President of Venezuela.

I should be grateful if you could let us have a draft reply for the Prime Minister to send, to reach us by Monday 2 October.

Dominic Morris

R N Peirce Esq
Foreign and Commonwealth Office.

O I O .

cc PL

RA(fw)pm

Embajada de Venezuela
Londres

180 180

No. 300-1-K/ 787

The Embassy of Venezuela present their compliments to the Foreign and Commonwealth Office, Protocol Department, and have the honour to enclose a letter from the President of Venezuela, Carlos Andrés Pérez addressed to the Rt. Hon. Margaret Thatcher MP, Prime Minister.

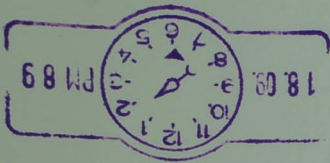
The Embassy of Venezuela avail themselves to request the Foreign and Commonwealth Office, Protocol Department to present this letter to the Rt. Hon. Margaret Thatcher MP, Prime Minister, and renew the assurance of their highest consideration.

LONDON, 13th September, 1989

FOREIGN AND COMMONWEALTH OFFICE
LONDON SW1A 2AH

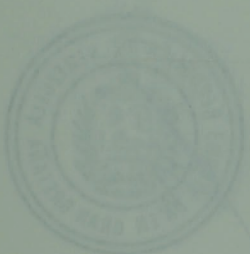


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...present their comments to the ... and ... Department, and then the ... to ... the President of
... ..

... will themselves to request the ... and ... Department to present this letter to
... ..



... ..

... ..



El Presidente de la República
de Venezuela

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T153C/19

Miraflores, 30 AGO 1989

SUBJECT CC MASTER .
OPS

Señora
Margareth Thatcher
Primer Ministro de la Gran Bretaña
Londres
INGLATERRA

Estimada Primer Ministro:

Desde el inicio de mi gobierno en febrero de 1989, se ha aplicado un exigente programa de ajuste económico, orientado a resolver los desequilibrios que afectan las posibilidades de desarrollo, mediante el funcionamiento de una economía más abierta y flexible.

Este programa empieza a dar resultados y cuenta con el pleno respaldo del Fondo Monetario Internacional y del Banco Mundial. En su apoyo, el Fondo Monetario Internacional aprobó para Venezuela 4.600 millones de dólares dentro de una facilidad extendida; y el Banco Mundial préstamos de ajuste estructural y de política comercial por 400 millones de dólares.

Para consolidar este proceso de ajuste y la pronta reactivación de la economía resulta imprescindible la negociación pronta, y en términos aceptables, de nuestra deuda externa.

Esta es la razón de que me dirija a usted. Para hacerlo participe de mi preocupación, porque las negociaciones con la banca se encuentran estancadas a todo efecto práctico.

Como debe ser de su conocimiento, Venezuela siempre ha cumplido con sus compromisos, aun cuando su situación de cuentas externas no lo aconsejaban. Durante los últimos cinco años, Venezuela le dedicó más del cincuenta por ciento de sus ingresos por exportaciones petroleras al servicio de su deuda externa. Esta actitud

../.

responsable ante la comunidad financiera internacional provocó un deterioro en sus reservas que no podrá solventar a menos que exista un apoyo decidido de la banca internacional, que nos permita efectuar una negociación global que incluya la actual situación de la deuda y su reprogramación definitiva, dentro del marco de la iniciativa Brady, para reducción de la deuda durante 1989 y consolidar así el programa de ajuste económico.

La banca ha reconocido un importante déficit residual de 1.500 millones de dólares en la Balanza de Pagos de Venezuela para 1989. Este déficit residual no puede ser atendido por Venezuela. La banca debe reconocer el esfuerzo que Venezuela siempre ha hecho y ayudarnos a salir adelante en la negociación. Y aun cuando sé que no es de la incumbencia directa de su gobierno, quiero agradecerle sus buenos oficios, señora Primer Ministro, para que se auxilie a Venezuela con una actitud más comprensiva de la Banca a nuestra propuesta.

El equipo negociador de Venezuela, conformado por el Presidente del Banco Central, el Ministro de Estado-Jefe de la Oficina Central de Coordinación y Planificación y el Comisionado del Presidente de la República para la Renegociación de la Deuda Externa, propondrán esa solución que rompa el impase en las negociaciones con la banca, sobre cuyos detalles informará a las autoridades monetarias de su país.

De antemano agradezco a usted su apoyo y el de las autoridades monetarias de su país, para lograr una pronta solución al problema de la deuda externa de Venezuela.

Muy atentamente,



A handwritten signature in dark ink, which appears to be "Carlos Andrés Pérez". The signature is written in a cursive style and is positioned to the right of the official stamp.

subject cc ops
master



10 DOWNING STREET
LONDON SW1A 2AA

CF
vc
cc FCO.
PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. 79/88

23 January 1988

THE PRIME MINISTER

Dear Mr. President,

I congratulate you and all the people of Venezuela on the landmark in your history that you reach today. For thirty years now Venezuela has been a working democracy, and an example to others in Latin America. I wish Venezuelan democracy continued success in the future.

Yours sincerely
Margaret Thatcher

His Excellency Dr. Jaime Lusinchi

ECL

CR



Foreign and Commonwealth Office

London SW1A 2AH

19 January 1988

Joan Charles

CR
Please type &
PM's signature
OB

30th Anniversary of Venezuelan Democracy

On 23 January Venezuela celebrates thirty years of unbroken democracy. The Venezuelans intend to treat this anniversary as a significant milestone; it is indeed a considerable achievement in a part of the continent where democracy has been fragile. The Foreign Secretary suggests that the Prime Minister should send a message of congratulations to the President of Venezuela. This would be greatly appreciated by the Venezuelans. She may wish to consider a text on the following lines:

"I congratulate you and all the people of Venezuela on the landmark in your history that you reach today. For 30 years now Venezuela has been a working democracy, and an example to others in Latin America. I wish Venezuelan democracy continued success in the future."

Joan Cur

(Signature)

(R N Culshaw)
Private Secretary

C D Powell Esq
10 Downing Street

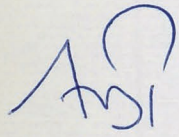
Prime Minister

(4)

MR. COLLE ✓ AS-14

VENEZUELA

The Prime Minister may be interested in the attached brief report by Dick Troughton on his visit to Venezuela. The report is interesting in itself and also provides a classic example of what an active Embassy and an imaginative British Council representative can do to restore the British position in a difficult situation.



A.D. PARSONS
12 July 1983

IN CONFIDENCE

THE BRITISH COUNCIL BOARD

THE CHAIRMAN'S VISIT TO VENEZUELA: JULY 1983

1. We went to Venezuela from 3-8 July. It is a very long way to go for a short visit and very demanding, with unusual hours, but it proved to be wholly worthwhile. I express my gratitude to Sir Antony Acland and to the Director-General for persuading me to go.
2. I learnt, as always, a great deal but above all I learnt what I had not even imagined - the strength of South American nationalism and the support for Argentina over the Falklands war. It seems extraordinary because Argentina is strongly disliked, arrogant and the Prussia of Latin America. But there it is. Our people, both London-appointed and locally-engaged, the Embassy, and British businessmen, and I met a lot, have all suffered severely though no one grumbles or apologises in any way for the war. Contracts have been broken, delayed or postponed, the \$200 million Hawk trainer being one of them; the very prestigious Royal Geographical Society's joint exploration into the interior being another though different postponement. The recent ECGD restrictions were regarded as spiteful rather than prudent. Perhaps it is best summed up in a more ludicrous way by the following. Venezuela, besides being easily the richest country per capita in South America and the fourth biggest oil producer in the world, is the biggest consumer per capita of Scotch whisky in the world! For a month or so all government entertaining was devoid of Scotch whisky, as an anti-British measure, by decree. They gave in in the end because far fewer people turned up at receptions and also because the Venezuelans, who are friendly and warm-hearted basically, Western orientated and one of the few democracies in Latin America, recovered some of their basic sense. But the depth of the feeling as expressed to me was a very great surprise. The French and the Germans of course had a real field day.
3. All the more surprising then has been the extraordinary turn round in the last few months. There has been some very hard work by a very determined, clever and tough Ambassador, and the same by a quite outstanding British Council representation led by the excellent John Mallon, who have pursued with unrelenting vigour the chance given by the Simon Bolivar Bicentenary to show that Britain has indestructible ties with Venezuela both in culture and business; and they have been handsomely supported by the British community and many brave Venezuelans who stood by us. I cannot speak too highly of John Mallon and his staff.
4. The Ambassador attributes this turn round, and the businessmen support him, to the stunning success of the Henry Moore exhibition in Caracas and its travelling successor, and to what the Ambassador - a man not given to extravagant or superficial expressions of opinion - described as "a social and political blockbuster", the London Festival Ballet's "Romeo and Juliet". Both these manifestations were largely supported by private funds

though the Council put some money into them and a very great deal of hard work. Twenty hours at a stretch by Council staff in the customs sheds getting scenery etc through was not in the least uncommon. The London Festival Ballet behaved with their usual professionalism. They are, as I keep reporting, model Ambassadors for Britain - punctual, professional, sober and charming!

5. Up to the last minute of the opening night of "Romeo and Juliet" no one knew whether the President would come; whether he would receive us if he did. Apart from the fact that he was an hour late, he more than made amends. We all sat in his box and retired to his private room to drink champagne; but above all our national anthem was played by the Venezuelan orchestra (and extremely well too). The house was full, and some of the British businessmen who were there said afterwards that that was the most extraordinary event of an extraordinary evening. Every Venezuelan of any importance was there - Presidential candidates included, for there is an election coming up - and among the 800 guests at the reception given by the Ambassador afterwards. We got to bed about 3 in the morning but I believe the party went on till well after 4. Plenty of Scotch was drunk, and I even found some mock Perrier Water.

6. I go on rather about this because I subsequently had a meeting with the President, which was very cordial, very constructive and he was very punctual. And I believe that both the Ambassador and John Mallon felt it was a success because it was not just a courtesy visit. The President's pleasure at the British contribution to the Bicentenary celebrations - by far the best, he said - shows too that great art is international, penetrating layers of society in a totally unexpected way. Henry Moore is indeed a world figure.

7. I will not bore you with the rest of our very busy programme - a visit to the great industrial new town of Ciudad Guayana etc etc. I will take up with the Director-General the many things which I think will interest him.

8. Finally I must say the Board would be very pleased by the Council in Venezuela. Its history has not been one of which we can in any way be proud - indecision, bad decisions, changes of mind etc - but now the convalescent period is over. If it is properly supported with commitment, understanding and money, the Council will do a very ^{great} deal to help Britain get back the industrial and commercial contracts I know are there and we have got to show, as a country, that we are in business and mean to get them. And the British Council can really help over all this, as I learnt when I addressed the Anglo-Venezuelan Chamber of Commerce, which is composed of the commercial and financial community in Venezuela. John Mallon, supported by his wife Anne, run a very impressive representation. He is clear-headed and determined, speaks excellent Spanish, and has learnt and is prepared to learn from his many and varied experiences. He is able, imaginative and has integrity, and is supported by a loyal and first class staff.

9. My wife and I are shown kindness and understanding - and, in my case, patience with the impatient - by Ambassadors and High Commissioners all over the world. But nowhere more so - and nowhere have we welcomed or appreciated this more in a very tiring programme - than by the Ambassador and Mrs Carless in Venezuela.

Venezuela

GRS 440

CONFIDENTIAL

CONFIDENTIAL [cull]

FM CARACAS 2105Z FEB 83

TO PRIORITY F C O

TELEGRAM NUMBER 40 OF 4 FEBRUARY

AND TO ROUTINE WASHINGTON

MY TELNO 28: VENEZUELAN FINANCIAL SITUATION AND OVERSEAS VISITS BY FINANCE MINISTER

1. SUMMARY. DOMESTIC DIFFICULTIES HAVE DELAYED THE FINANCE MINISTER'S VISIT TO INTERNATIONAL BANKING CENTRES.

2. THE LOCAL SITUATION, INCLUDING TECHNICAL DIFFICULTIES IN CLEARING UP THE CORPORACION VENEZOLANO DE FOMENTO DEBT DEFAULT POSITION, POLITICAL CONTROVERSY AND SCANDAL OVER THE INTERVENTION OF THE BANCO DE LOS TRABAJADORES AND WHETHER IT CAN OR SHOULD BE SAVED FROM LIQUIDATION, AND LOOMING FINANCIAL DIFFICULTIES IN OTHER INSTITUTIONS, HAVE DELAYED FINANCE MINISTER ARTURO SOSA'S PLANS FOR VISITS TO NEW YORK AND EUROPE.

3. SOSA IS NOW PLANNING TO LEAVE FOR NEW YORK NEXT WEEK AND MAY BE ACCOMPANIED BY CENTRAL BANK GOVERNOR DIAZ BRUZAL. HE EXPECTS TO BE IN LONDON ON TUESDAY 15 AND WEDNESDAY 16 FEBRUARY. HE HAS ASKED IF WE COULD ARRANGE MEETING WITH GOVERNOR BANK OF ENGLAND ON TUESDAY 15 FEBRUARY, WITH FALLBACK ON 16TH IF TUESDAY INCONVENIENT. SHOULD A TREASURY MINISTER WISH TO SEE SOSA NO DOUBT HE WOULD WELCOME MEETING, BUT HE HAS NOT ASKED FOR THIS.

4. OUR FINANCIAL CONTACTS ARE INCREASINGLY CONCERNED OVER APPARENT INABILITY OF THE VENEZUELAN GOVERNMENT TO VIEW THEIR CURRENT PROBLEMS REALISTICALLY AND TO GET THEIR ACT TOGETHER. THE GOVERNMENT SEEM TO HAVE FALLEN VICTIM TO THEIR PROPAGANDA THAT VENEZUELA'S ECONOMIC POSITION IN TERMS OF BALANCE OF PAYMENTS RESERVES AND DEBT ARE DIFFERENT FROM MEXICO AND BRASIL. THIS MAY BE TRUE IN THE LONGER TERM BUT IT HAS INDUCED A COMPLACENCY AND REFUSAL TO GRAPPLE RESOLUTELY WITH A SERIOUS SHORT TERM POSITION WHICH LOOKS LIKE COSTING THEM DEARLY AND MAY YET JEOPARDISE LONG TERM ECONOMIC STABILITY.

5. THERE IS GOOD WILL TOWARDS ARTURO SOSA BUT A FEELING THAT THE ADMINISTRATIVE MACHINERY AROUND HIM HAS NO REAL DEPTH OR ABILITY TO COPE WITH THE PROBLEMS BEING FACED. THE APPOINTMENT OF THE LAW FIRM (? ARNOLD AND PORTER) OF FORMER US SECRETARY OF STATE, WILLIAM ROGERS, AS ADVISERS ON THE FOREIGN DEBT POSITION AS A POSITIVE STEP. NEVERTHELESS, WE ARE TOLD THAT SOSA WILL GET A HARDNOSED REACTION FROM NEW YORK BANKERS WHO WILL EXPECT A CLEARLY WORKED OUT STRATEGY BEFORE GIVING HIM THE BACKING HE SEEKS.

CONFIDENTIAL

16.

CONFIDENTIAL

6. THE OUTFLOW OF FUNDS HAS MODERATED IN THE LAST TWO WEEKS WITH DAILY SALES TO THE COMMERCIAL BANKS HOVERING AROUND US DOLLARS 60 MILLION (CF US DOLLARS 100 MILLION EARLIER) BUT CENTRAL BANK RESERVES CONTINUE TO FALL AND STOOD AT US DOLLARS 9521 MILLION ON 28 JANUARY. THERE ARE SERIOUS LIQUIDITY PROBLEMS THROUGHOUT THE LOCAL BANKING SYSTEM.

CARLESS.

FINANCIAL

SAMD

THIS TELEGRAM
WAS NOT
ADVANCED

2

CONFIDENTIAL

SUBJECT

Venezuela

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 4/83

ALV 014/1		
RECEIVED IN REGISTRY NO.		
18 JAN 1983		
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GRS 187

RESTRICTED

FM FCO 171545Z JAN 83

TO IMMEDIATE CARACAS

TELEGRAM NUMBER 9 OF 17 JANUARY

AND REPEATED FOR INFORMATION TO ROUTINE GEORGETOWN
YOUR TEL 500, FCO TEL 2 TO GEORGETOWN AND GEORGETOWN TEL 4 TO
FCO (COPIED TO YOU) : MESSAGE ON ANNIVERSARY OF VENEZUELAN
DEMOCRACY

1. GRATEFUL IF YOU WOULD ARRANGE FOR FOLLOWING MESSAGE TO BE PASSED FROM THE PRIME MINISTER TO VENEZUELAN PRESIDENT: BEGINS: I HAVE MUCH PLEASURE IN SENDING YOU MY CONGRATULATIONS AND BEST WISHES ON THE 25TH ANNIVERSARY OF VENEZUELAN DEMOCRACY. IT IS PARTICULARLY APPROPRIATE THAT THIS ANNIVERSARY SHOULD FALL IN THE YEAR WHICH ALSO MARKS THE BICENTENARY OF THE BIRTH OF SIMON BOLIVAR WHO BROUGHT ABOUT THE INDEPENDENCE OF SO MANY OF THE SOUTH AMERICAN COUNTRIES. ENDS.
2. GEORGETOWN: IF YOU STILL CONSIDER IT APPROPRIATE TO INFORM THE GUYANESE ABOUT THE SENDING OF THIS MESSAGE, YOU MAY LET THEM KNOW INFORMALLY PROVIDED THAT THIS IS NOT DONE BEFORE 24 JANUARY IN ORDER TO ALLOW ADEQUATE TIME FOR THE MESSAGE TO BE CONVEYED TO THE VENEZUELAN FIRST.
3. YOU WILL ALSO BE RECEIVING SHORTLY THE TEXT OF THE SPEAKER'S MESSAGE TO THE PRESIDENT OF THE VENEZUELAN CONGRESS.

PYM

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PS/MR ONSLOW

MR GIFFARD

MR URE

Venezuela

Democratic Govt.

Can 83

PERSONAL MESSAGE

SERIAL NO. 74/83



File 12

10 DOWNING STREET

From the Private Secretary

14 January 1983

VENEZUELA

Thank you for your further letter of 12 January. In the light of your advice, Mrs. Thatcher now agrees that the proposed message from herself to the President of Venezuela may be despatched, though the words "I look forward to maintaining and improving the relations between our two democratic countries" should be deleted.

I see no objection to you letting the Guyanese know on an informal basis after the event that the Prime Minister had sent a message to the Venezuelans.

BF // In message.

A.J. COLES

John Holmes Esq
Foreign and Commonwealth Office



Prime Minister:

Foreign and Commonwealth Office

London SW1A 2AH

You ~~asked~~ asked about the effect on Guyana of sending a message to Venezuela (see attached). Agree to send message on the basis outlined below

12 January, 1983

Last sentence deleted
ms

Dear John,

JH 12/1

Message from the Prime Minister to the President of Venezuela

You asked in your letter of 7 January what effect such a message from the Prime Minister would have on our relations with Guyana.

We believe there is little chance of the Guyanese authorities taking this amiss. Our High Commissioner Georgetown sees no objection to such a message. We are in fact likely to be only one of a number of countries sending such congratulatory messages. We hope that the Guyanese would themselves accept that any actions designed to buttress democracy in Venezuela should be welcome since this gives the best guarantee of sensible policies being followed by Venezuela.

It would clearly not be right to let the Guyanese know in advance of any message; it seems prudent to avoid giving them any suggestion that they might have some form of sanction over our relations with Venezuela. And if the Venezuelans got to hear of any such action we could end by doing more harm than good by sending the message. Nevertheless, there could be some advantage in letting the Guyanese know on an informal basis after the event that the Prime Minister had sent a message on this occasion to the Venezuelans. Unless you see objection, we should therefore propose to do this if the Prime Minister does give her agreement to the message itself.

Yours ever

(J E Holmes)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street

Venezuela

Jan 83

POSTAGE AND COMMUNICATIONS

POSTAL SERVICE

1 JAN 1983





SP
Venezuela

10 DOWNING STREET

From the Private Secretary

7 January 1983

MESSAGE FROM THE PRIME MINISTER
TO THE PRESIDENT OF VENEZUELA

Thank you for your letter of 6 January. The Prime Minister has enquired what effect such a message would be likely to have on our relations with Guyana. I should be grateful for your advice, in the light of which we will consider further the possibility of a message to Dr. Campins.

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.



Foreign and Commonwealth Office

London SW1A 2AH

6 January 1983

Prime Minister

Agree message?

A.F.C. 6.

L. J. Hunt on Guyana?
mt

Dear John

Message from the Prime Minister to Venezuelan President

HM Ambassador in Caracas, Mr Carless, has suggested that the Prime Minister might like to consider sending a message of congratulations to the President of Venezuela, Dr Luis Herrera Campins, on the anniversary, due to take place on 23 January 1983, of 25 years of democratic government in Venezuela. The Venezuelans are organising a number of events around the anniversary including nationwide festivities on the day itself and a special session of Congress on 20 January. Mr Carless has also suggested that the Speaker might wish to send a message to the President of the Venezuelan Congress; we are following this up separately.

Such a message would be welcomed by the Venezuelans who, like many other nations, regard Britain and its Parliamentary institutions as setting a standard in democratic government. They attach considerable importance to the continuance of democratic rule in South America and a return to democracy of those countries, including Argentina, who at present continue to be administered by military regimes. A message would clearly also be of help to us in the context of our bilateral relations. The Venezuelans would particularly appreciate a message from the United Kingdom on this occasion since ~~last~~ this year is also the bicentenary of the birth of Simon Bolivar, who liberated Venezuela and other South American countries from Spanish rule. As you know, British troops played a significant part in these campaigns.

/If the



/ If the Prime Minister agrees to send such a message, it will need to reach Caracas by 20 January, the date of the special meeting of Congress. I enclose a draft, which we would despatch by telegram.

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

DRAFT MESSAGE FROM THE PRIME MINISTER TO THE VENEZUELAN
PRESIDENT

I have much pleasure in sending you my
congratulations and best wishes on the 25th Anniversary
of Venezuelan democracy. It is particularly
appropriate that this anniversary should fall in the year
which also marks the bicentenary of the birth of
Simon Bolivar who brought about the independence of so
many of the South American countries. (~~I look forward~~
~~to maintaining and improving the relations between our~~
~~two democratic countries.~~)