

By KW NARA, Date 4/16/03

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF MEETING

Held on Thursday - June 4, 1970  
at 10:00 a.m.  
in the Office of the President

PARTICIPANTS - The President  
President Rafael Caldera Rodriguez of  
Venezuela  
Aristides Calvani Silva, Minister of Foreign  
Affairs of Venezuela  
Pedro Rafael Tinoco, Jr., Minister of Finance  
of Venezuela  
Hugo Perez La Salvia, Minister of Mines and  
Hydrocarbons of Venezuela  
Haydee Castillo de Lopez Acosta, Minister  
of Development of Venezuela  
Mr. Charles A. Meyer, Assistant Secretary  
of State for Inter-American Affairs  
Ambassador Robert McClintock, Ambassador-  
designate to Venezuela  
Ambassador Emil Mosbacher, Chief of Protocol  
Mr. Viron P. Vaky, NSC  
Dr. Henry A. Kissinger, Advisor

Petroleum

The President said that he wanted to assure President Caldera that with reference to the 1970 second-half petroleum quota, Venezuela would receive an increase. He was not in a position to give specific figures, since there were still some technical considerations to be worked out. However, he felt it would be a significant increase and that President Caldera would not have to apologize to anyone.

The President noted that the US would announce the second-half quotas about June 10. He said that when we had specific ranges pinned down we would inform the Venezuelan Government prior to public release.

He asked Dr. Kissinger to elaborate a little more on the proposed increases. Dr. Kissinger explained that what we had in mind was a combination of measures, involving imports of crude and No. 2 fuel

~~CONFIDENTIAL/EXDIS~~

By KW NARA, Date 4/16/03

~~CONFIDENTIAL~~

- 2 -

oil, which would result in an overall increase in Venezuela's share. He said that as soon as we had specifics we would be in touch with Ambassador Sosa.

The Minister of Mines asked, by way of clarification, if the increase would cover both crude and fuel oil. He was told it would. Asked by the President which was the more important, he said crude exports were of the greater importance to Venezuela.

The President observed that he knew Venezuela wanted parity treatment with Canada. He did not think this was possible at this point, but he wished to emphasize that the increases pushed Venezuela closer to Canada's position. He said, in fact, that he was brought a figure this morning and that he had ordered it increased. Thus the measures we would take would be clearly in the direction of bringing Venezuela closer to Canada's position.

President Caldera said that he did not want to hurt Canada, but he noted that his countrymen are infuriated when publicity and public statements indicate that Canada received preference and that Venezuela is a "second-class friend". He noted that US officials had publicly stated that Venezuela would be helped, but of course it could not receive the same treatment as Canada. This infuriates Venezuelans. Consequently he hoped that in public statements no invidious comparisons with Canada are made. The President said that was a very important point, and he asked Dr. Kissinger to be very careful in public statements that no invidious comparisons are drawn.

#### Military Assistance

The President referred to Caldera's request for US assistance in modernizing the Venezuelan armed forces' equipment. He noted the strong congressional opposition to the granting of military aid. This criticism was correct if it referred to the unnecessary diversion of resources from social and economic development or if dictators wanted flashy equipment for show. But the criticism was incorrect if it meant impeding the acquisition of equipment necessary to maintain internal security.

~~CONFIDENTIAL/EXCERPT~~

By KW NARA, Date 4/16/03

~~CONFIDENTIAL / EXDIS~~

- 3 -

The US wanted to be helpful with regard to legitimate defense needs. He would ask the State and Defense Departments to initiate discussions through normal channels with the Venezuelan Government to determine what the needs are and what we can do. President Caldera asked if this meant the Embassy in Caracas would approach his government soon, and was informed that would probably be the channel. He expressed his appreciation. He noted the low percentage (less than 10%) of his government's budget devoted to military expenditures, and observed that his government could not really spend much more. But there was a need for equipment, and hence he hoped that the US could help through perhaps selling surplus material or with similar measures.

#### CODESUR

President Caldera raised the question of the development of southern Venezuela and the development plan known as CODESUR (Conquest of the South). He noted that there were plans for transportation facilities, waterways, and economic development. He asked how and with whom his government might talk to seek US support. He noted that he had talked with President Lleras whose country had similar development plans.

The President said he was very interested in this kind of activity. He believed strongly in development of the heartland--internal highway net, waterways and similar activities. He had supported strongly the Pan American highway development project.

The President asked Mr. Meyer to undertake this task, to coordinate with AID and to discuss what we can do with the Venezuelan government.

#### Venezuela-Guyana Dispute

President Caldera asked the President to instruct the State Department to use its influence with Guyana to prevent the border dispute with that country from "heating up". He said Venezuela's intentions were peaceful, and it was trying to resolve the dispute by negotiation. In response to the President's query, Mr. Meyer said that the US lent its moral support to efforts by both sides to resolve the dispute peacefully. The President said he believed all sides should "keep it cool".

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