

subjects: oil. He insisted on a meeting of oil producers and consumers being organized by President Pérez, which would lead to the creation of a supranational institution to replace OPEC.

This viewpoint was also expressed by the president of Venezuela's state oil company, *Petróleos de Venezuela, S.A. (PDVSA)*, Andrés Sosa Pietri, who insists that OPEC should be solely an advisory body to member nations, and should neither fix production quotas nor involve itself in questions of price.

Following his intervention at the foreign advisory committee meeting, Kissinger told reporters, "I will write an article on my position, which is along the same lines as that of President Pérez."

While the Pérez government prepares to sabotage of OPEC, it is also elaborating the legal mechanisms at home by which it will "internationalize" Venezuelan oil activity, without having to confront the political crisis that would be entailed in trying to change the oil nationalization law.

For example, in order to exploit Venezuela's natural gas wealth—an activity reserved by law for the state—a multinational company has been created to carry out the Christopher Columbus project, in the Gulf of Paria oil zone. A PDVSA affiliate, Lagoven, will join in association with Exxon, Shell Oil, and Mitsubishi, with 31%, 30%, 30%, and 9% respectively. In order to avoid violating the spirit of the law, the participating companies will undertake a division of labor: Lagoven will do the drilling, Shell and Exxon will be in charge of the processing, and Mitsubishi will handle the transportation of the gas.

This arrangement is establishing a precedent for even broader such associations. According to the March 5 *Economía Hoy*, Lagoven has already "taken its questions to the Supreme Court, to try to determine whether the project falls within the guidelines established by Article 5 [the nationalization law], and at the same time to explain any possible clash with, in this case, the nationalization law."

The government's intention, clearly, is to win the endorsement of the Venezuelan Supreme Court, by establishing jurisprudence that would permit the creation of other similar companies that would serve as entry points for the return of the oil multinationals into the country. With the Supreme Court's approval, the Christopher Columbus Project will be presented to the National Congress.

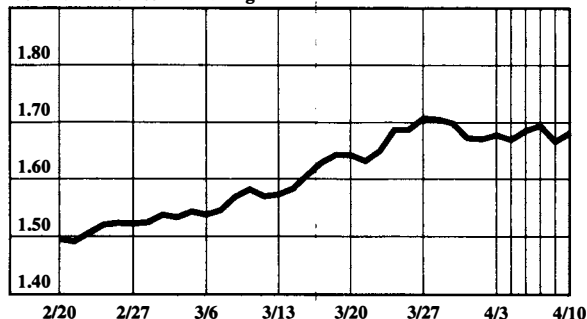
PDVSA itself is also opening the way for return of the oil multinationals to Venezuela. It is currently taking bids on the reactivation of 55 oil wells that are currently closed, with the intention of increasing production beyond those quotes established by OPEC. For the first time since the 1975 oil nationalization, these oil wells will be given in concession to private companies.

According to the March 21 *El Diario de Caracas*, 53 multinational companies will participate in the bidding, including Exxon, Amoco, Texaco, and Shell.

Currency Rates

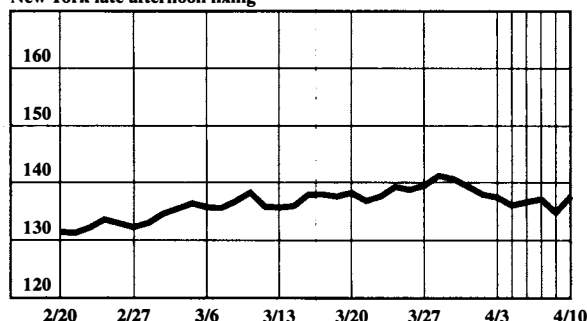
The dollar in deutschemarks

New York late afternoon fixing



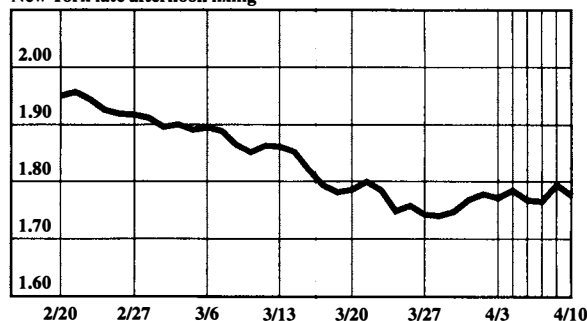
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

