



LET US UNITE AND WE WILL BE INVINCIBLE

THE DETERMINING ROLE
OF COMMANDER HUGO CHÁVEZ
IN THE TURN OF OPEC'S OIL POLICY

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Ministry of the People's Power for Communication and Information
Final Boulevard Panteón, parroquia Altagracia, diagonal
al Panteón Nacional. Caracas
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Nicolás Maduro Moros

President of the Bolivarian Republic of Venezuela

Jacqueline Faria

Minister of the People's Power for Communication and Information

Rolando Corao

Vice-minister for Communication and Information

Felipe Saldivia

Vice-minister for Printed Media

Diagramming: Luis Cardozo Romero

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In 1999, when the barrel of oil was quoted at \$ 7,57 and the oil producing countries were suffering a budget deficit that affected the people in those nations, a proposal arose which turned the oil policy in those countries. Inspired in the goals of the Organization of Petroleum Exporting Countries (OPEC) in defense of the individual and collective interests of its partners, the keeping of the stability in the crude's price and the coordination and unification of the oil policies, the Eternal Commander Hugo Chávez began an international tour aiming at making OPEC an instrument of positive policy meant to overthrow the theories of free market applied in the late 80's and all through the 90's which meant little control on the production and prices of oil, as well as indiscipline and lack of coordination. As a result the II Summit of OPEC's Heads of States took place in the Bolivarian Republic of Venezuela in the year 2000.

“Since its birth OPEC has been, without a doubt, an instrument in the struggle for justice, liberation and transformation and therefore for peace, development and harmony. Recalling Bolívar again to illuminate the unitary strategy with his leading doctrine, let us remember his words said some time during his restless life of 47 years of struggle against domination, injustice and for equality. Once he said: ‘Let us unite and we will be invincible’. United, we will really be invincible. Because beside us, God is with us.”

*Commander Hugo Chávez
II OPEC Summit, Caracas, September 2000*

In this great Summit the member states decided to unite their efforts and turn the oil policy based on regaining the prestige of OPEC in the world of hydrocarbons honoring the words through the collective commitment of reducing oil production. Such a turn in the oil policy placed Venezuela an OPEC in the highest level before the international community and the oil world market. In this way the Supreme Commander Hugo Chávez played a leading role in the strategy of recovering oil prices and help oil producing countries overcome the budget deficit that affected their peoples. At the same time this turn was useful in encouraging none-member states to join the initiative and to recover the prices of the crude.

In the same way the Commander was a defender of just prices for oil. During the II Summit of OPEC held in Caracas, Venezuela, 26 to 28 of September, 2000, Chávez explained:

“...Economic should not mean cheap, for free, or almost for free. Economic is a concept that contains many realities and many aspects worth of being analyzed...¿ Do you know how much, forgive the free advertising, a barrel of Coca Cola is? It costs 78,7 dollars, 303 % as compared to a barrel of oil. A barrel of spring water costs 94,37 dollars, 360%. A barrel of milk costs 150 dollars. A barrel of ice-cream costs 1.105 dollars, 4.250% as compared to our poor barrel of oil. A barrel of wine, good wine, costs 1.370 dollars, 4.500%. Let us compare. This provokes laughter, but let us talks about



it and tells the world the truth. A barrel of shampoo costs 2.056 dollars, a barrel of Tabasco hot sauce costs 2.600 dollars. A barrel of tan oil to go to the beach costs 5.365 dollars. That is the gigantic proportion of 20.600% as compared to our poor barrel of oil which is a victim of all kinds of attacks in the world...”

VENEZUELA'S OIL DIVERSIFICATION

Some time ago Venezuela's oil was an instrument that only gave benefit to the big transnational companies and their business, but upon the arrival of Commander Chávez a number of national and international measures were taken aiming to turn this commodity into an agent for the development of our peoples.

.....

“OPEC is a liberating organization for the development of the peoples of Latin America, Africa and Asia”.

*Commander Hugo Chávez
Caracas, June 2006*

On the basis of that vision Commander Chávez furthered a number of cooperation and solidarity agreements among the peoples, such as: Energy Cooperation Agreement of 2000 which means the selling of oil under preferential conditions to Central American and South American countries which need it.

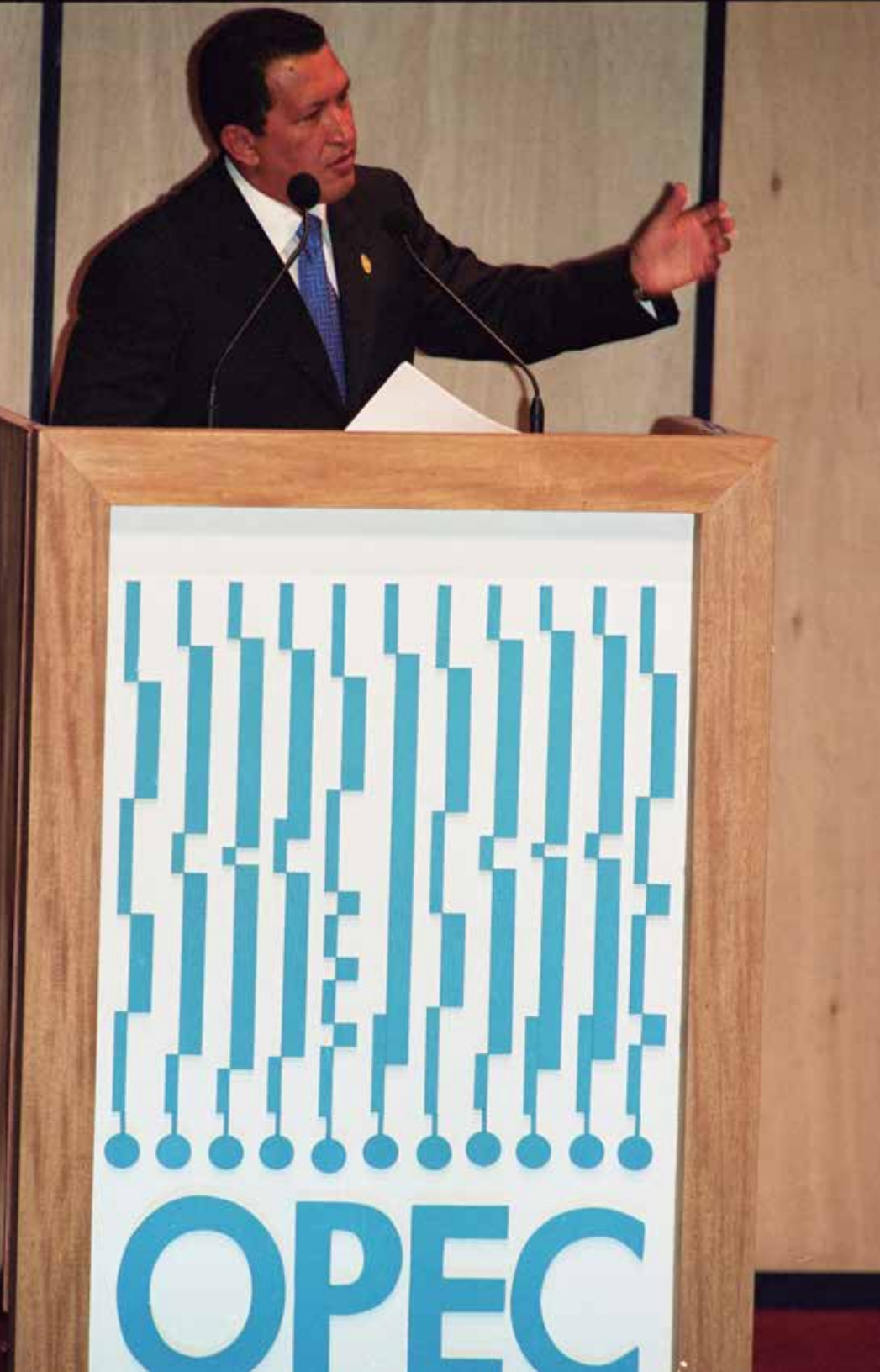
Continuing with this instrument of solidarity and complementarity, Petrocaribe Agreement emerged in 2005. This agreement became an alliance in the oil area with the Caribbean countries so as to promote the eradication of social inequality and give more benefit to those nations.

Another original and diversifying mechanism of Venezuela's relation with the world are the bilateral alliances for the benefit of nations. So a new exchange of oil for services, infrastructure and products was created, such is the case of the Chinese Fund for the financing of infrastructure and other services from China in exchange for oil.

.....

“The union not only strengthens, the unions is a successful liberating strategy, times proves it, life proves it, history proves it”.

*Commander Hugo Chávez
II OPEC's Summit, Caracas, September, 2000*



OIL SOVEREIGNTY FOR DEVELOPMENT

In the year 2001 an Organic Law of Hydrocarbons is enacted in Venezuela so as to set up a deep transformation of the oil industry. This instrument guarantees the State's sovereignty over the oil sector and bans the privatization of Pdvsa, the State-owned enterprise; the law also increased the percentage of the oil royalties from 1% to 30% whose income has been invested by the Venezuelan government mainly in social areas so as to give the Venezuelan people a better quality of life. Such a sovereign instrument provoked the oil sabotage to the oil industry in Venezuela in the year 2002 which lasted for several months. This sabotage was led by the Pdvsa's top Directing Board which by then was integrated by unpatriotic people, who yielded to foreign interests.

On July 2008, the Commander explained:

“All our oil ended up in the United States, that is the empire, that is colonialism. That is why the coup d' état: for oil (...) Venezuela has a lot of oil, not for sharing with the empire, but the peoples of Latin America who need it (...) so as to achieve energy security for all the peoples in this continent”.



THE SOWING OF OIL FOR OUR PEOPLES

The strategy of the oil policy fostered by Commander Chávez aimed at social investment, was regarded as one of the most advanced policies in the world which raised the Human Development Index in Venezuela, reduced extreme poverty, eradicated illiteracy, improved basic services and health, among others.

On June 2006 the 141st Extraordinary Meeting of OPEC was held in Caracas with the participation of representatives from the partner countries of the organization as well as from oil producing countries. In that opportunity Venezuela proved to be a leading country in the development of an oil policy that assert and rescue the principles on which OPEC was founded, the policy of Total Oil Sovereignty.

.....

“One of the greatest revolutionary deeds, from my standpoint, in the history of the Third World countries, was the birth of OPEC”.

*Commander Hugo Chávez
Caracas, June 2006*

EXCERPTS OF THE SPEECH BY COMMANDER HUGO CHÁVEZ AT THE II SUMMIT OF OPEC

CARACAS, SEPTEMBER 26, 2000

Brothers, you have arrived at the epicenter of the New world, at this Caribbean, Andean, Atlantic and Amazonic Venezuela, the one which, Simón Bolívar, Liberator of America, dreamed of as the heart of the universe, and anfictionic core of the biggest region in the world, as he well said, “not for its natural resources and wealth, but for its liberty and glory”.

Brothers, you have just arrived in this country in times of revolution, at the time of the resurrection of a courageous people that today steers again the ship of its own history with the Bolivarian banners flying in the wind, a people that opens up its arms to offer you its heart to tell you in an endless chorus that goes beyond the winds: Be welcome sons of Allah, followers of Mohammed, “Ahlan wa sahan”, “Marhaba”, “Assalam Aleykum”. Caracas, the cradle of the Liberator. It was precisely here, in Caracas where the Statutes of the Organization of Petroleum Exporting Countries were enacted, back on January 1961. I was almost at birth, almost. That was after the resolutions of the Constitutive Conference had been drawn in Bagdad, on the banks of the Tigris on September 14, 1960.

...



OPEP
SEGUNDA CUMBRE



28 de Septiembre Caracas - Venezuela



The birth of OPEC was the result of a long process that began almost with the turn of the XX century, in the context of an irrational oil exploitation what was fashioning, bringing about again and consolidating economic models which were typically colonialist.

So as to have a clear view of this terrible historical reality, my brother, at least in the Venezuelan case, let us see some data taken precisely from the papers of one of the founders of OPEC, the illustrious Venezuelan Juan Pablo Pérez Alfonzo, who may God have in his glory. Pérez Alfonzo wrote in his Memoirs that the first oil shipments left Venezuela from the San Lorenzo Terminal on the Lake of Maracaibo in 1917 and, in 1928 Venezuela had become the first world oil exporting country. Well, my brothers, the revenues of the country in those 12 years were only 8 million dollars having produced an amount of 266 million barrels which, by the prices at those times, reached 245 million dollars. Venezuela only got 8 million dollars, that is, barely 3% of that fabulous sum of money in twelve years. It is in the midst of that terrible situation of injustice where the idea of a union as a liberating strategy emerges, because the union not only strengthens, the union is a liberating strategy, successful, centuries prove it, life proves it, history proves it. And that idea was nesting in the minds of many people, but I am only going to mention two who, in those years, became Quixotes struggling for that unity which afterwards took shape in the OPEC, I am referring to the

Venezuelan I already mentioned, Juan Pablo Pérez Alfonzo, and the Saudi Abdullah Al –Tariki.

When OPEC was constituted, history began to change somehow. Since its birth OPEC has been, undoubtedly, and instrument of struggle for justice and liberation, for transformation and therefore for peace, development and harmony. Recalling Bolívar again to illuminate the unitary strategy with his leading doctrine, let us remember his words said some time during his restless life of 47 years of struggle against domination, injustice and for equality. Once he said: “Let us unite and we will be invincible”. United, we will really be invincible. Because beside us, God is with us.

...

Today, in the II Summit, we are taking up again, reassuring, consolidating and relaunching this main objective of the Organization. But as President Buteflika also remarked, we need to adequate our Organization to this new era we are living, to this world context we are immersed in, at this time of globalization which is an opportunity, but also brings about terrible threats for our peoples, for our states, for our nations...

Literal b) of the above mentioned Statutes reads: “The Organization will have means to ensure the stability of prices in the oil world market with the purpose of eradicating the prejudicial and unnecessary fluctuations”. ¡How visionary those men were! That is what we are doing today. We are articulating all possible means to



attain the stability of prices, because even though it is true we are not after a limitless escalation of the price of our oil, it is also true we really are joining efforts to close the gaps and thus prevent the price of oil from coming down to almost zero again as it happened in the previous years until just a year and a half.

Stability, just prices for our oil.

...

In the last 25 years it was not possible to hold a meeting like this. In the 40 years OPEC has existed, this is the second meeting of its head of states and governments. Just that fact means a lot for the present and the future of our peoples.

...

We must indeed continue supplying oil to the world, but we must tell this world, first we giving the example, we must tell the world of consumers that keeping the ecological balance is essential, for instance. We cannot keep on polluting the water in the lakes, the water in the rivers, the water in the sea; we cannot keep on destroying nature in such a savage way. On what and where are our grandchildren's grandchildren going to live? Let us think about them for a moment, let us think about them for a second.

To use the oil resources not to destroy the other industrial, economic and social activities, but a lever for

a comprehensive development which is what we are beginning to do in Venezuela (...) together, using the revenues from our oil, let us boost our peoples to the top of happiness, stability and quality of life. Together we can move on at a much faster pace and with a better efficiency than the one we have achieved so far. We will do it, we surely will.

...

One hundred years supplying oil to the world. With big inequality, of course. In the industrialized world they consume 20, 40 times more than in the countries in the South. Above wars, disasters, world wars, civil wars, social and natural tragedies, we have been delivering for almost a century now. But in this case OPEC, 40 years of steady and opportune supply of oil to the world for its development, for its support, for its advance.

...

I am right. Someone could say: you have to sell me cheap oil. No, I would say, hold on a second. Economic should not mean cheap, for free, or almost for free. Economic is a concept that contains many realities and many aspects worth of being analyzed. I am going to refer to only some of them.

Economic: the price of a commodity, in this case oil, must be in proportional relation with its cost of production, and it is well known that each day there are more demands for us to produce oil. Reserves occasionally collapse.

...

Do you know, for example, that a barrel of oil, let us give it the average price of oil this year in Venezuela, 22,6 dollars a barrel, average price this year for Venezuelan oil. Let us take that as a reference. Do you know how much a barrel of unleaded gasoline cost? A barrel has 159 liters. As we know a barrel of unleaded gasoline 30,6 dollars without taxes, and with taxes 54,14 dollars, that is, a hundred percent more than what a barrel of oil costs in the Venezuelan case.

Do you know how much, forgive the free advertising, a barrel of Coca Cola is? It costs 78,7 dollars, 303 % as compared to a barrel of oil. A barrel of spring water costs 94,37 dollars, 360%. A barrel of milk costs 150 dollars. A barrel of ice-cream costs 1.105 dollars, 4.250% as compared to our poor barrel of oil.

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...

Compare it to the humble barrel of oil we hardly produce which we have been producing, exploiting and selling for 100 years (...) the heads of state in Algiers stated the following: "The Sovereigns and the heads of state declare that the cause of the present world economic crisis originates mainly from the profound inequalities in the economic and social process of the peoples. 25 years ago in Algiers, today, Caracas 2000. Unfortunately we must say that the causes not only remain, but have deepened such as stated by almost all heads of state and Government in the recent Summit of the Millennium in the United Nations.

...

The elementary question, the big question of today in the whole world is the following: How are we truly going to overcome this historical crisis, this universal labyrinth?

Allow me to say, brother and comrades in this endeavor, that only the unity of our efforts, that only the unity of our peoples, our cultures, our economies, and our sovereign political will, can allow us to solve such a difficult and complex enigma, and, what is more, help the world, somehow, humbly, to find the solution.



*You (the right) had ruined the oil industry,
had destroyed the OPEC, had totally given away the
Venezuelan oil sovereignty, and then the Commander
came and recovered the oil sovereignty;
that is why he had to withstand coup d'état,
counterattacks and sabotage, but he prevailed.
You could not defeat him as you will not be able
to defeat us (...)*

*That is the legacy of Chávez, the strengthening
of OPEC and besides he built non-OPEC alliances
around a strategy that has worked and will
continue to work.*

Nicolás Maduro Moros

President of the Bolivarian Republic of Venezuela

Caracas, Miraflores Palace, November 19, 2014



Ministerio del Poder Popular
para la Comunicación y la Información

