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Venezuelan Government Leads Multilateral Action To Protest U.S. Oil Import Tax

by John Neagle
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According to media reports from Caracas on Oct. 5-6, the Venezuelan government is leading a multinational joint action against the recently approved US oil import tax. Shortly before leaving for Europe on Oct. 5, Venezuelan President Jaime Lusinchi told reporters that the decision by a US congressional bipartisan commission to levy taxes on oil imports constitutes a protectionist measure which contradicts Washington's proclaimed trade liberalism, and seriously threatens the economies of oil-producing and exporting nations. Lusinchi said the US government and congress had been notified of his government's rejection of the oil import tax. The US congressional commission approved an 11.7 cents per barrel tax on imported oil, vis-a-vis an 8.2 cents tax on domestic oil. The new measure is expected to become effective in January 1987. The president met with ambassadors from Mexico, Canada, Ecuador and Trinidad and Tobago on Oct. 5 at the Miraflores Palace to discuss joint actions to counter US protectionism applied to petroleum. Venezuela exports approximately 700,000 barrels of oil per day to the United States, from a total 1.5 million barrels exported on a daily basis. The other four nations are also major exporters to the US market. According to Cuban news agency PRENSA LATINA, the US congressional decision took local officials by surprise. Apparently, US Ambassador Otto Juan Reich had assured them that the import tax would not be approved.

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