ORIGIN/ACTION DEPARTMENT OF STATE E2 BRAZE RM/F REP AF Original to be Filed in . Decentralized Files. FILE DESIGNATION EUR ARA FF 5 NEA CA-4877 UNCLASSIFIED HANDLING INDICATOR INR 5 TO Amembassy, RIO DE JANEIRO : BRASILIA, BELEM, BELO HORIZONTE, CURITIBA, PORTO ALEGRE, INFO 2 RECIFE, SALVADOR, SAO PAULO AN 2 3 REC'D FBO 3 DATE: JAN 15 2 37 PN '68 BELEM, PARA, BRAZIL AGR FRB FROM Department of State 8 2 LAB TAR SUBJECT : ECONOMIC REPORTING: Alert List - BRAZIL 3 2 XMB AIR REF CERP Section D ARM CIA NAVY 5 The Inter-agency Task Force on Economic and Commercial Reporting placed OSD USIA NSA particular emphasis upon alert reporting. Among the recommendations, the Task Force called for an annual review of each mission's CERP D SA HEU instructions to identify "...priority subjects on which alert reporting should concentrate ... ". The priority subjects identified as CERP Section D. Part II, were submitted to Embassy Rio de Janeiro under cover of CA-4793, of December 28, 1966. CERP D Part I, a more comprehensive check list of subjects of continuing interest, also was included with CA-4793. The Foreign Reporting Division (E/CBA/REP) recently conducted the prescribed annual inter-agency review of Part II of the alert list. Each end-user was asked to reappraise Part II, deleting, adding or redirecting items to identify precisely the current priority interest. The information requirements established through this review process are enclosed REP - 5as a revision of CERP Section D, Part II for Brazil. INThe enclosed listing of subjects identified by Washington end-users for INFO ACT Mpriority alert reporting, is being sent under cover of separate airgram V masmuch as the listing for each post has been individually developed 44 close collaboration with the various end-users and with country desk officers. In many instances it has been decided to sacrifice compre-A.A. hersiveness because it would be redundant to list subjects clearly USIS recognized by the pattern of current post reporting or adequately covered by the general check list in Part I. Additionally, the clear evidence of a post's alertness in reporting often, but not in all instances, has been recognized in deletion of subjects identified by end-users as C: YE Th requiring priority attention. USE ONLY **UNCLASSIFIED** FOR DEPT. FORM DS-323 In V Out Drafted by Drafting Date: 1/12/68 Contents and Classification opproved by: E/CBA/REP:HCWilliamson x5415 E/CBA/REP:EJBash Clearances:

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The Department would appreciate comments and recommendations from the post on the enclosed Part II listing. Full reaction will be welcomed.

No revision of the Section D Part I general check list is being made at this time. It is planned, however, to consider whether Part I and the alert listings in Chapter 10 of the Foreign Affairs Manual should be reviewed. Washington end-users generally have favored maintenance of the comprehensive check list nature of Part I and 10FAM, although some doubt the usefulness of the broad listings inasmuch as reporting officers share the appreciation of the critical importance of alert reporting. Posts are invited to express their comments and recommendations with respect to Part I and the alert reporting check list of 10FAM, in terms of both current usefulness and suggestions for future changes in presentation and content.

The Embassy's continuing support and cooperation are greatly appreciated by U.S. Government agencies having need for information provided through alert reporting on significant economic developments in Brazil.

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PART II - PRIORITY SUBJECTS - BRAZIL

EXTERNAL AFFAIRS

- LAFTA ACTIVITIES (Ref. CA-2727 of October 9, 1967); developments looking toward creation of subregional arrangement with Argentina.
- COFFEE Developments on important issues on renegotiation of the International Coffee Agreement, e.g., selective adjustment of quotas, preferences, processed coffee.
- 3. UNCTAD Reactions and policies resulting from the UNCTAD II meeting.
- GATT Attitudes and policies affecting tariffs and trade barriers; new problems.
- 5. IMPORTS Developments related to import liberalization program.
- MARITIME MATTERS Measures of the Brazilian Government to direct commercial cargoes to Brazilian flag vessels.

INTERNAL AFFAIRS

 STABILIZATION - Progress in implementing, and results of the GOB stabilization plan.

3.

 COFFEE - Developments in the soluble coffee industry including levels of production, price of coffee to soluble producers, new investors in soluble industry, tax or other incentives or disincentives to soluble coffee production.

INVESTMENTS - Fiscal and other policies affecting investment climate.

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