

34

Def 12-5 Bray



Department of State TELEGRAM

CONFIDENTIAL 514

PAGE 01 RIO DE 01714 182018Z

47
ACTION PM-05

INFO OCT-01 ARA-12 SS-20 L-04 NSC-10 CIAE-00 INR-07
NSAE-00 RSC-01 DODE-00 ABCE-00 IGA-02 AID-28 E-15
MC-02 TRSY-11 RSR-01 /119 W
----- 038491

*Rio 1714
3/18/78*

R 181930Z MAR 70
FM AMEMBASSY RIO DE JANEIRO
TO SECSTATE WASHDC 3827
INFO AMEMBASSY BRASILIA
USCINCSO

C O N F I D E N T I A L RIO DE JANEIRO 1714

REF: A) RIO 464
B) RIO 1244

SUBJECT: BRAZIL - FOREIGN MILITARY SALES (FMS)

1. THE MINISTER OF AIR DURING HIS MEETING WITH GENERAL MATHER AND GENERAL SEITZ IN BRASILIA ON 16 MARCH DISCUSSED THE PURCHASE OF 40 HELICOPTERS AND INDICATED THAT HE WOULD LIKE TO USE THE \$15 MILLION FMS CREDIT LINE FORMERLY ALLOCATED FOR SHIP CONSTRUCTION FOR THAT PURPOSE. THE AIR MINISTER EXPLAINED THAT THE HELICOPTERS WERE PRINCIPALLY FOR SUPPORT OF THE BRAZILIAN ARMY IN ITS INTERNAL SECURITY MISSION AND THAT THE PROCUREMENT AND THE POSSIBLE USE OF THE FMS CREDIT LINE HAD BEEN FULLY DISCUSSED AND CONCURRED IN BY THE ARMY MINISTER AND HIS CHIEF OF STAFF. WE HAVE INDEPENDENTLY VERIFIED ARMY CONCURRENCE WITH ARMY CHIEF OF STAFF MURICY.

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2. THE AIR MINISTER WAS ADVISED THAT THE FORMAL IMPLEMENTING STEP IN THE USE OF FMS FUNDS WAS A FIRM REQUEST THROUGH DIPLOMATIC CHANNELS AND THAT GENERAL MATHER, IN PRINCIPLE, SUPPORTED SUCH USE BY BRAZIL OF THE FMS CREDIT LINE.

3. I HAVE ALREADY INDICATED MY STRONG SUPPORT OF THE USE

CONFIDENTIAL

46



Department of State **TELEGRAM**

CONFIDENTIAL

PAGE 02 RIO DE 01714 182018Z

OF THIS CREDIT LINE FOR APPROPRIATE EQUIPMENT FOR THE BRAZILIAN ARMY. THIS DEVELOPMENT NOW MAKES IT POSSIBLE FOR US TO MEET BOTH AN ARMY AND AIR FORCE REQUIREMENT WITH THE SAME FUNDS. I BELIEVE, AS DO THE USSOUTHCOM AND MILGR1 COMMANDERS, THAT THE AIR MINISTER'S REQUEST, CONSISTING OF A COORDINATED ARMY AND AIR FORCE REQUIREMENT, SHOULD BE GIVEN FAVORABLE AND EXPEDITIOUS CONSIDERATION.

4. IT SHOULD BE NOTED THAT THIS REQUEST COULD BE CONSIDERED BY THE BRAZILIANS TO BE IN THE NATURE OF A SHOW-DOWN AS TO U.S. INTENTIONS REGARDING THE BRAZILIAN ARMED FORCES' EQUIPMENT NEEDS AND RELATIONSHIPS WITH THE U.S. A FAVORABLE RESPONSE COULD DO MUCH TO MODIFY PRESENT AIR FORCE'S IRRITATIONS WITH U.S. AND AT THE SAME TIME REASSURE THE ARMY, WHOSE GENERALLY PRO-U.S. ATTITUDES ARE CURRENTLY BEGINNING TO REFLECT DOUBTS AS TO U.S. INTEREST AND INTENT.
ELBRICK

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