

DEPARTMENT OF DEFENSE INTELLIGENCE INFORMATION REPORT

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1. COUNTRY: BRAZIL
 2. SUBJECT: (U) 200 Mile Territorial Sea Declaration
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 13. PREPARED BY:
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15. SUMMARY: (C) This IR concerns a conversation with a retired Brazilian Navy officer with known access to the Brazilian Navy hierarchy about Brazil's recent extension of its territorial sea. A desire to tax foreign fishing interests in conformity with other South American countries, especially Argentina, is claimed as the reason behind extension. The Ministers of Industry and Commerce and of the Treasury are identified as the proponents of this decree. The Navy Minister agreed to the decree, although others of the hierarchy in general did not support this extension.

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1. GENERAL: (C) During a dinner party on 3 April at the home of VADM FARIA LIMA, the subject of Brazil's decree law extending its territorial waters to 200 miles was briefly touched upon. The Admiral's assistant, Carlos BALTHAZAR de Silveira, was also at the party and suggested that this subject might be worth discussing with RO at a more appropriate time and place. The suggested conversation took place over a private lunch on 7 April and source stated that he had discussed subject at length with FARIA LIMA who, he pointed out, was considered to be quite knowledgeable in this area. Source has daily access to VADM FARIA LIMA. Although FARIA LIMA is currently "agregado" as a Director of PETROBRAS, it is known that he has easy access to the Navy Minister and to other senior admirals of the hierarchy. (COMMENT: (C) RO believes suggestion of 7 April conversation was on source's initiative, although FARIA LIMA may have been behind suggestion. Admiral FARIA

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LIMA was one of the Brazilian Navy's delegates to the Seapower Symposium held at the U.S. Naval War College, Newport R.I. 17-20 November 1969. The brochure reporting the highlights of this symposium reflects the intense interest of the Committee on the South Atlantic and Eastern Pacific, with which FARIA LIMA was associated, in the expansion of territorial water jurisdiction. Although RO has not seen more detailed reports of the symposium, it can be inferred that FARIA LIMA was probably then current on Brazil's thinking about this subject and that he gained valuable insights into the thinking and attitudes of others in this region.

2. REASONING BEHIND DECREE: (C) The predominant reason for extending the territorial waters to 200 miles was to obtain an income from the foreign fishing off the coast of Brazil. Source stated that Argentina has had such a claim in force and that the Japanese, Russian and Norwegian ships now fishing her claimed waters are paying "rent" for the privilege of using these waters. He then pointed out that off Brazil, almost adjacent to Argentina's waters, there had been a "free zone" where the same countries catching the same fish were paying nothing. Brazil needs income and this simple extension of her claimed waters would achieve this goal in an easy manner by bringing Brazil into conformity on this subject with almost all other South American nations. Source stated that 200 miles was of no particular significance to Brazil. It was the limit decreed by Peru for specific reasons of the Humboldt Current, etc., and other countries have just followed for ease of conformity. Source denied that there was any Navy and perhaps only minor ocean resource research/development motivation behind the decree.

3. PROPOSERS OF DECREE: (C) Source stated that the Ministry of Industry and Commerce and the Ministry of the Treasury were the advocates of this decree. RO pointed out it was unlikely that the President would have issued decree without Navy Minister's concurrence. Source stated that in general the Navy hierarchy did not favor this extension; one argument against was that of the significantly greater enforcement problem now when they were previously in difficulty enforcing a 12 mile limit. Source speculated that the Navy Minister had agreed to this decree with the idea that this would result in added impetus to the need for fleet modernization and perhaps expansion. (COMMENT: (C) Source's statement that the Navy in general did not agree with this extension agrees with other information gained by RO. On 30 March, RADM Paulo GITAHY de Alencastro, Directory of Hydrography and Navigation told RO that he had recommended to Navy Minister that this extension not be agreed to. It is now known that RADM GITAHY had been given the task of studying this decree law and reporting his evaluation and recommendation to ADM NUNES.)

COMMENT: (C) RO believes that a desire to tax and control fishing was one of the major motivating forces behind decree. However, it is difficult to believe that a desire to preserve other ocean and seabed resources for exploitation by Brazil was not another major consideration. Brazilians read the Wall Street Journal, Forbes, etc., and foreign publications which have featured a rash of articles in recent months on this subject and therefore they should know what is at stake. Admiral NUNES might well have calculated that agreeing to this decree could give him advantages in improving the Navy. However, RO considers him to be sufficiently nationalistic to agree to extension solely on this basis.

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