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 DE RUEAUF #15497MI 0527430
 O 211300Z FEB 79
 FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 1024

INFO AMEMBASSY CARACAS PRIORITY 227
 AMCONSUL RIO DE JANEIRO PRIORITY 224
 AMCONSUL SAO PAULO PRIORITY 3581

C O N F I D E N T I A L

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LIMITED OFFICIAL USE SECTION 01 OF 06 BRASILIA 1549
 C.O. 12065: N/A

TAGS: QVIP (MONDALP, WALTER F.), BR
 SUBJECT: VICE PRESIDENT'S VISIT: BRAZIL - Q'S AND A'S
 REF: STATE 031624

1. EVEN THOUGH THE VICE PRESIDENT DOES NOT INTEND TO HOLD A FORMAL PRESS CONFERENCE DURING HIS VISIT TO BRAZIL, FOLLOWING IS A SERIES OF QUESTIONS AND SUGGESTED RESPONSES THAT MIGHT BE USED TO GUIDE MR. MONDALE IN THE (LIKELY) EVENT THAT ONE OR ANOTHER ELEMENT OF THE AMERICAN OR BRAZILIAN PRESS POSE QUESTIONS TO HIM AS HE MOVES FROM PLACE TO PLACE. WE WOULD NOTE THAT, IN ADDITION TO THOSE ESSENTIALLY BILATERAL TOPICS COVERED IN THIS MESSAGE, THERE WILL BE INTENSE INTEREST BY THE BRAZILIAN PRESS IN THE VICE PRESIDENT'S VIEWS ON IRAN, CAMP DAVID, CHINA/VIETNAM, US-SOVIET RELATIONS INCLUDING SALT, AND OTHER GLOBAL ISSUES.

2. FOLLOWING ARE SUGGESTED Q'S AND A'S:

POLITICAL

A. Q. HAVE YOU COME TO BRAZIL TO NEGOTIATE ANY SPECIFIC ISSUES, SUCH AS THE NUCLEAR PROLIFERATION ISSUES YOU DISCUSSED WITH CHANCELLOR SCHMIDT IN BONN TWO YEARS AGO?

A. AS YOU KNOW, THE PURPOSE OF MY VISIT IS TO REPRESENT MY GOVERNMENT AT THE INAUGURATION OF PRESIDENT FIGUEIREDO. I VERY MUCH (ENJOYED/LOOK FORWARD TO) MY DISCUSSION WITH HIM AND OTHER BRAZILIAN OFFICIALS ON SUBJECTS OF MUTUAL INTEREST. HOWEVER, THESE DISCUSSIONS MUST NECESSARILY BE

***** WHSR COMMENT *****

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BRIEF, HAVE NO FORMAL AGENDA, AND ARE NOT INTENDED TO REACH ANY TYPE OF AGREEMENTS.

B. Q. WHAT IS YOUR CURRENT ASSESSMENT OF THE STATE OF BRAZILIAN-U.S. RELATIONS?

A. BRAZILIAN-U.S. RELATIONS ARE VERY GOOD, BECAUSE THE TIES BETWEEN US COVER SUCH A WIDE RANGE OF COMPLEX POLITICAL AND ECONOMIC ISSUES, IT IS INEVITABLE THAT DIFFERENCES WILL ARISE BETWEEN US FROM TIME TO TIME. HOWEVER, AS PRESIDENT CARTER SAID DURING HIS RECENT VISIT TO MEXICO, "WE ALWAYS BELIEVE IT IS BEST TO RECOGNIZE HONEST DIFFERENCES, TO ASSESS PROBLEMS REALISTICALLY, AND TO WORK IN HARMONY WITH OUR FRIENDS TO SOLVE THESE PROBLEMS AND TO TAKE ADVANTAGE OF COMMON OPPORTUNITIES." I THINK THE GOVERNMENT OF BRAZIL FOLLOWS A SIMILAR APPROACH, AND THAT BY FACING REALISTICALLY AND REASONABLY WHATEVER PROBLEMS WE MAY HAVE, WE WILL STRENGTHEN, NOT WEAKEN, OUR RELATIONSHIP. BUT RATHER THAN OWELLING ANY MORE ON DIFFERENCES, I SHOULD STRESS THAT THESE ARE OF RELATIVELY LITTLE SIGNIFICANCE COMPARED TO MANY INTERESTS AND IDEALS WE HAVE IN COMMON AND, ABOVE ALL, THE CLOSE FRIENDSHIP THAT HAS CHARACTERIZED OUR RELATIONS FOR MORE THAN A CENTURY.

C. Q. IS YOUR VISIT RELATED TO THE CONSULTATIVE PROCESS CALLED FOR IN THE MEMORANDUM OF UNDERSTANDING SIGNED BY FOREIGN MINISTER SILVEIRA AND SECRETARY KISSINGER? IS REGULAR CONSULTATION WITH BRAZIL NOW PART OF U.S. FOREIGN POLICY? (WE REMEMBER HOW BRAZIL WAS IGNORED DURING YOUR TRIP TO BONN JUST AFTER THE U.S. INAUGURATION.)

A. MY VISIT IS NOT DIRECTLY TIED TO THE MOU. HOWEVER, IN SENDING HIS VICE PRESIDENT TO REPRESENT HIM ON THIS OCCASION, I BELIEVE PRESIDENT CARTER IS DEMONSTRATING THE SAME HIGH REGARD FOR BRAZIL AND DEGREE OF INTEREST IN CLOSE TIES BETWEEN US THAT THE MOU REPRESENTS. IN FACT, WE DID SOME CHECKING AND I'M PLEASED TO INFORM YOU THAT BRAZIL IS THE
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DE RUEBZ #154979 #521438
O 211300Z FEB 79
FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 1025

INFO AMEMBASSY CARACAS PRIORITY 2279
AMCONSUL RIO DE JANEIRO PRIORITY 2220
AMCONSUL SAO PAULO PRIORITY 3582

C O N F I D E N T I A L

LIMITED OFFICIAL USE SECTION 2 OF 06 BRASILIA 1549

E.O. 12065: N/A

TAGS: OYIP (MONDALE, WALTER F.), BR
SUBJECT: VICE PRESIDENT'S VISIT: BRAZIL - Q18 AND A18
ONLY COUNTRY IN THE WORLD TO RECEIVE SEPARATE
VISITS DURING THIS ADMINISTRATION FROM THE
PRESIDENT, FIRST LADY, VICE PRESIDENT, AND
SECRETARY OF STATE. (DEPARTMENT PLEASE CHECK) THIS IS NOT TO
MENTION THE CONTINUING EXCHANGE OF VISITS OF OTHER SENIOR
OFFICIALS OF OUR GOVERNMENTS WHO ARE CONTRIBUTING
TO THE CLOSE AND IMPORTANT DIALOGUE BETWEEN US.
D. Q. THERE ARE SIGNS THAT THE U.S. IS
MOVING TOWARDS A SOFTER LINE ON HUMAN RIGHTS. IS
THIS CORRECT? HOW HAS THE U.S. POSITION EVOLVED AND
WHERE DO HUMAN RIGHTS FIT AMONG U.S. INTERNATIONAL
PRIORITIES NOW?

A. ABOUT THREE MONTHS AGO, ON THE OCCASION OF THE
30TH ANNIVERSARY OF THE UNITED NATIONS HUMAN RIGHTS
DECLARATION, PRESIDENT CARTER SAID, "AS LONG AS I
AM PRESIDENT, THE GOVERNMENT OF THE UNITED STATES
WILL STRUGGLE FOR THE ENHANCEMENT OF HUMAN RIGHTS.
NO FORCE ON EARTH CAN SEPARATE US FROM THIS
COMMITMENT." THIS IS A STRONG STATEMENT AND AN
AUTHORITATIVE STATEMENT. PEOPLE ARE NATURALLY
GOING TO INTERPRET OUR ATTITUDES OR JUDGE OUR
COMMITMENT AS THEY SEE FIT. BUT THE STATEMENT I
HAVE JUST QUOTED REPRESENTS OUR POLICY.
E. Q. THERE IS A STRONG FEELING AMONG PEOPLE IN
LATIN AMERICA THAT YOUR ADMINISTRATION HAS BEEN
EXERCISING A VERY SELECTIVE MORALITY IN REGARD

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TO THE HUMAN RIGHTS QUESTION. YOU ARE UPSET WITH HUMAN RIGHTS VIOLATIONS IN COUNTRIES SUCH AS CHILE, ARGENTINA, AND URUGUAY, FOR EXAMPLE, BUT REMAIN SILENT ABOUT HUMAN RIGHTS VIOLATIONS IN MUCH MARXIST COUNTRIES AS CAMBODIA, VIETNAM, AND CUBA. I WOULD LIKE YOUR COMMENT.

A. IT IS IRONIC THAT FOR TWO YEARS THE CARTER ADMINISTRATION WAS CRITICIZED FOR ALLEGEDLY SOFT-PEDDLING ITS HUMAN RIGHTS POLICY IN SUCH COUNTRIES AS IRAN. NOW THERE ARE CRITICS WHO BLAME WHAT HAPPENED IN IRAN ON THE APPLICATION OF OUR HUMAN RIGHTS POLICY THERE. THE POINT IS THAT OUR POLICY AND OUR DEDICATION TO IT HAS BEEN A GOOD DEAL MORE CONSISTENT THAN SOME OF THE PERCEPTIONS AND REACTIONS IT HAS PROVOKED. I'M NOT SAYING THAT WE HAVE APPLIED EVERY FACET OF OUR POLICY UNIVERSALLY, ONE-HUNDRED PERCENT OF THE TIME. THE WORLD IS TOO COMPLEX FOR THAT. IT WOULD BE IMPOSSIBLE IN HUMAN RIGHTS AND IN ANY OTHER AREA I CAN THINK OF. BUT OUR BASIC POLICY AND OUR COMMITMENT TO IT ARE FIRM AND CONSISTENT. AS FAR AS MARXIST COUNTRIES ARE CONCERNED, I SUGGEST YOU LOOK MORE CLOSELY AT THE RECORD TO SEE WHAT WE HAVE SAID ABOUT THE SOVIET UNION, CUBA, VIETNAM, AND CAMBODIA AMONG OTHERS. BETTER YET, GO BACK AND LOOK AT SOME OF THE REACTIONS OUR STATEMENTS HAVE VOKED FROM MR. BENZHNEV AND MR. CASTRO, AND I THINK YOU'LL SEE THAT NOT ONLY HAVE WE NOT SPARED THEM BUT THAT OUR COMMENTS HAVE STRUCK SOME SENSITIVE NERVES.

F. Q. HOW DOES IT FEEL TO VISIT A COUNTRY WHERE HUMAN RIGHTS ARE VIOLATED?

A. I CAN'T THINK OF A COUNTRY ON EARTH THAT HAS A PERFECT, UNBLEMISHED RECORD ON HUMAN RIGHTS. YOUR QUESTION, THEREFORE, WOULD HAVE AS MUCH RELEVANCE -- OR IRRELEVANCE -- IN THE UNITED STATES OR ALMOST ANYWHERE ELSE. I WILL ADD, HOWEVER, EVEN AT THE RISK OF VENTURING INTO AREAS OF INTERNAL BRAZILIAN CONCERN, THAT I WELCOME AND APPLAUD THE TREND TOWARD INCREASED POLITICAL LIBERALIZATION IN THIS COUNTRY. THE CHANGES IN YOUR CONSTITUTION THAT BECAME EFFECTIVE AS OF THE FIRST OF THIS YEAR ARE OF GREAT IMPORTANCE. PRESIDENT GEISEL CAN CERTAINLY LOOK WITH SATISFACTION ON HIS EFFORTS IN THIS AREA. I AM ALSO ENCOURAGED BY THE VARIOUS STATEMENTS PRESIDENT FIGUEIREDO HAS MADE INDICATING THAT HE INTENDS TO FOLLOW A SIMILAR APPROACH.

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O 211300Z FEB 79

FM AMEMBASSY BRASLIA

TO SECSTATE WASHDC IMMEDIATE 1020

INFO AMEMBASSY CARACAS PRIORITY 2200

AMCONSUL RIO DE JANEIRO PRIORITY 2221

AMCONSUL SAO PAULO PRIORITY 3583

C O N F I D E N T I A L

LIMITED OFFICIAL USE SECTION 05 OF 06 BRASLIA 1549
Q. HOW WOULD YOU CONTRAST FREEDOM OF THE NEWS MEDIA
IN YOUR COUNTRY WITH OUR RESTRICTED FREEDOM HERE
IN BRAZIL?

A. ONE OF THE VALUES WE CHERISH MOST HIGHLY IS
FREEDOM OF THE PRESS. I BELIEVE THIS ATTITUDE IS
SHARED BY THE BRAZILIAN GOVERNMENT AND PEOPLE.
BRAZIL'S PRESS IS AMONG THE MOST FREE IN LATIN
AMERICA IF NOT THE WORLD. BEYOND THAT I'M NOT IN
A POSITION TO GET INTO SPECIFIC JUDGEMENTS OR
COMPARISONS.

H. Q. IS THE U.S. SEEKING TO "NORMALIZE" ITS RELATIONS
WITH CUBA? WILL THIS PROCESS GO FORWARD EVEN THOUGH
HUMAN RIGHTS PRACTICES ARE SUBSTANDARD IN CUBA, AND
CUBAN TROOPS REMAIN IN ANGOLA?

A. THERE HAS BEEN SOME PROGRESS UNDER THIS ADMIN-
ISTRATION TOWARD NORMALIZATION OF RELATIONS WITH
CUBA. FULL REALIZATION OF THIS OBJECTIVE DEPENDS,
HOWEVER, ON A NUMBER OF UNRESOLVED AND DIFFICULT
ISSUES, AMONG THEM THE ONES YOU HAVE MENTIONED.

I. Q. THE BRAZILIAN PRESS HAS BEEN REPORTING THAT THE NEW
BRAZILIAN AMBASSADOR TO THE U.S. WILL BE AZEREDO DA
SILVEIRA. SINCE IT WAS DURING SILVEIRA'S TERM AS
FOREIGN MINISTER THAT U.S.-BRAZIL RELATIONS REACHED
THEIR LOWEST LEVEL, WILL THE U.S. GRANT AGREEMENT FOR
HIM TO BECOME AMBASSADOR IN WASHINGTON?

A. IT WOULD BE ENTIRELY INAPPROPRIATE FOR ME
TO SPECULATE ON A RESPONSE OF MY GOVERNMENT TO
SUCH A REQUEST, SHOULD IT BE MADE, BY THE GOVERN-
MENT OF BRAZIL. (IF SILVEIRA HAS ALREADY BEEN

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NAMED, THE VICE PRESIDENT MIGHT BE ASKED FOR HIS REACTION IN LIGHT OF THE STRAINS IN US-BRAZIL RELATIONS DURING SILVEIRA'S INCUMBENCY AS FOMIN. SUGGESTED REPLY: MY GOVERNMENT LOOKS FORWARD TO CONTINUING WITH AMBASSADOR SILVEIRA THE CLOSE WORKING RELATIONSHIP WE HAVE HAD WITH HIM FOR THE PAST FIVE YEARS. I CONSIDER THE APPOINTMENT OF FORMER BRAZILIAN FOREIGN MINISTER AS AMBASSADOR TO WASHINGTON AN INDICATION OF THE IMPORTANCE BRAZIL ASSIGNS TO THAT POSITION, AND TO RELATIONS BETWEEN OUR COUNTRIES.)

Q. DO YOU BELIEVE THAT PRESIDENT FIGUEIREDO WILL BE ABLE TO RESTORE FULL DEMOCRACY IN BRAZIL?

A. I WELCOME THE STATEMENTS OF INTENTION THAT PRESIDENT FIGUEIREDO HAS MADE ON THIS SUBJECT. I REALLY CAN'T GO BEYOND THAT.

Q. HOW DO YOU EXPLAIN THE DEMOCRATIC PARTY'S DEFEATS IN YOUR HOME STATE OF MINNESOTA IN THE LAST ELECTIONS?

A. (VICE PRESIDENT WOULD NEED NO GUIDANCE.)

5. MILITARY RELATIONS

Q. IN VIEW OF BRAZIL'S REJECTION OF MILITARY ASSISTANCE AND ABROGATION OF MILITARY AGREEMENTS WHICH RESULTED IN TERMINATING JBRSMC, WHAT, IF ANY, FORM DO YOU SEE FUTURE U.S. MILITARY COOPERATION WITH BRAZIL TAKING?

A. WE HAVE EXISTING SECURITY ARRANGEMENTS IN THE FORM OF THE INTER-AMERICAN TREATY OF RECIPROCAL ASSISTANCE-- THE RIO TREATY -- WHICH I THINK MEET THE BASIC CONCERN IN THIS AREA OF BOTH BRAZIL AND THE U.S. BEYOND THIS, I AM SURE THE QUESTION OF SECURITY WILL ARISE FROM TIME TO TIME IN THE ONGOING DIALOGUE BETWEEN OUR TWO GOVERNMENTS. THE QUESTION OF ANY INCREASED COOPERATION MIGHT BE ADDRESSED IN THESE DISCUSSIONS. AT THE MOMENT, HOWEVER, WE HAVE NO SPECIFIC IDEAS AS TO ANY FUTURE COOPERATION IN THIS AREA.

Q. DO YOU FAVOR CREATION OF A SOUTH ATLANTIC DEFENSE TREATY ORGANIZATION? WOULD THE U.S. PARTICIPATE?

A. AT THIS JUNCTURE, THE UNITED STATES IS NOT PREPARED TO PARTICIPATE IN OR ENCOURAGE THE FORMATION OF SUCH AN ORGANIZATION.

6. COMMERCIAL POLICY

Q. WHY IS U.S. TRADE POLICY SO PROTECTIONIST AGAINST BRAZIL, PARTICULARLY SINCE THE U.S. HAS TRADITIONALLY ENJOYED A SIZEABLE TRADE SURPLUS WITH BRAZIL?

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DE RUEBUEZ #1549704 0521446

O 211300Z FEB 79

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 1027

INFO AMEMBASSY CARACAS PRIORITY 2281

AMCONSUL RI DE JANEIRO PRIORITY 2222

AMCONSUL SAO PAULO PRIORITY 3584

C O N F I D E N T I A L

LIMITED OFFICIAL USE SECTION 04 OF 06 BRASILIA 1549
N. A. I BELIEVE THAT THE RECORD IS CLEAR THAT OUR
TRADE POLICY IS NOT PROTECTIONIST. WITH RESPECT
TO BRAZIL, FOR EXAMPLE, OVER THE PAST THREE YEARS
US EXPORTS TO BRAZIL HAVE DECLINED ABOUT \$1 BILLION
AND BRAZILIAN EXPORTS TO THE US HAVE INCREASED
BY ABOUT THE SAME AMOUNT. SO BRAZIL HAS BEEN
DOING REMARKABLY WELL IN THE US MARKET. OUR TRADE
IS IN ROUGH BALANCE.

SPEAKING MORE GENERALLY, OUR IMPORT TARIFF IS
AMONG THE LOWEST OF THE MAJOR TRADING COUNTRIES OF
THE WORLD, AND WILL BE EVEN LOWER AS THE REDUCTIONS
RECENTLY NEGOTIATED IN GENEVA GO INTO EFFECT. NOT
SURPRISINGLY, THE RAPID INCREASE IN IMPORTS BY THE
UNITED STATES IN RECENT YEARS, WHICH LED TO A TRADE
DEFICIT APPROACHING \$30 BILLION LAST YEAR, HAS BEEN
ACCOMPANIED BY INCREASING COMPLAINTS BY U.S. FIRMS
WHO FEEL THREATENED BY COMPETITION FROM IMPORTS.
IN MOST OF THE CASES INVOLVING IMPORTS FROM BRAZIL
THE U.S. GOVERNMENT HAS DETERMINED THAT
THERE WAS NO INJURY TO DOMESTIC PRODUCERS AND
THAT NO ACTION AGAINST IMPORTS SHOULD, THEREFORE,
BE TAKEN. I SUPPOSE IT IS NATURAL THAT THESE
DECISIONS FAVORABLE TO BRAZIL HAVE NOT RECEIVED
AS MUCH PUBLICITY HERE AS THOSE VERY FEW CASES
IN WHICH WE HAVE IMPOSED COUNTERVAILING DUTIES
ON IMPORTS FROM BRAZIL. IN THESE CASES, TOO, OUR
INTENTION WAS NOT PROTECTIONIST, BUT SIMPLY TO
NEUTRALIZE THE EFFECT OF CERTAIN TYPES OF EXPORT
SUBSIDIES WHICH ARE NOT PERMITTED BY THE GATT.

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Q. IS THE USA PREPARING TO IMPOSE ANY NEW RESTRICTIONS ON BRAZILIAN EXPORTS TO THE U.S.?

A. A GROUP OF U.S. PIG IRON PRODUCERS HAS FILED A COMPLAINT WITH THE U.S. TREASURY DEPARTMENT ALLEGING THAT PIG IRON FROM BRAZIL IS BEING SOLD AT LESS THAN FAIR VALUE IN THE U.S. AND ASKING THAT ANTI-DUMPING DUTIES BE IMPOSED. TREASURY IS INVESTIGATING THE COMPLAINT. IF IT FINDS THAT THE FACTS ARE NOT AS ALLEGED BY THE COMPLAINANTS, IT CAN DISMISS THE COMPLAINT. IF IT CONFIRMS THE COMPLAINT, THE CASE WILL BE REFERRED TO THE INTERNATIONAL TRADE COMMISSION FOR A DETERMINATION AS TO WHETHER INJURY IS BEING CAUSED TO A U.S. INDUSTRY. IF NO INJURY IS FOUND, NO RESTRICTIONS WOULD BE PLACED ON IMPORTS.

IN THIS CONNECTION I WOULD LIKE TO POINT OUT THAT IN FEBRUARY THE INTERNATIONAL TRADE COMMISSION MADE FINDINGS IN THE CASE OF COMPLAINTS ABOUT IMPORTS OF GLOVES, LEATHER JACKETS AND OF CERTAIN WOOL YARNS FROM BRAZIL. IN ALL THREE CASES THE COMMISSION FOUND THAT THEIR WAS NO INJURY TO ANY U.S. INDUSTRY.

Q. DO YOU BELIEVE THAT THE U.S. CONGRESS WILL RESTORE PRESIDENT CARTER'S AUTHORITY TO WAIVE THE COUNTER-VAILING DUTIES THE U.S. APPLIES TO CERTAIN IMPORTS FROM DEVELOPING NATIONS?

A. CONGRESS, DURING ITS LAST SESSION, DEMONSTRATED ITS WILLINGNESS TO PASS SUCH LEGISLATION, AS BOTH HOUSES PASSED, ON SEPARATE OCCASIONS, VARIATIONS OF THE WAIVER AUTHORITY BILL. THIS BILL, REINTRODUCED BY THE ADMINISTRATION IN JANUARY, HAS TOP PRIORITY AND I FEEL CONFIDENT THAT CONGRESS WILL ACT ON THE ISSUE IN THE NEAR FUTURE.

5. FINANCIAL MATTERS.

Q. BRAZIL'S FOREIGN DEBT WILL BE MORE THAN 40 BILLION DOLLARS BY THE END OF THE YEAR. IS THE U.S. CONCERNED OVER THE SIZE OF THIS DEBT?

A. BRAZIL CONTINUES TO HAVE OPEN ACCESS TO CAPITAL FROM FOREIGN INVESTORS. BRAZIL NOW RANKS CLOSELY BEHIND FRANCE IN TERMS OF DIRECT U.S. FOREIGN INVESTMENT, AND U.S. BANKS ARE PROMINENT SUPPLIERS OF CAPITAL TO BRAZILIAN ENTERPRISES. I BELIEVE THESE FACTS REFLECT THE CONFIDENCE OF THE AMERICAN BUSINESS COMMUNITY IN THE BRAZILIAN ECONOMY.

Q. IS THE U.S. CONSIDERING ANY FORM OF GENERALIZED DEBT RELIEF TO THE POOREST LDCS?

A. THE U.S. IS WILLING TO SYMPATHETICALLY REVIEW THE FOREIGN DEBT PROBLEM OF DEVELOPING NATIONS

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EXPERIENCING DIFFICULTIES AND, IF APPROPRIATE, GRANT
RELIEF ON A CASE-BY-CASE BASIS. WE DO NOT BELIEVE THAT
GENERALIZED DEBT RELIEF IS AN ANSWER TO DEVELOPMENT
PROBLEMS AND IN FACT, MAY RESTRICT THE ACCESS TO
PRIVATE CAPITAL OF DEVELOPING NATIONS THAT HAVE BEEN
CAREFUL TO MAINTAIN A REPUTATION AS A GOOD CREDIT
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O 211300Z FEB 79
FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 1028

INFO AMEMBASSY CARACAS PRIORITY 2202
AMCONSUL RI DE JANEIRO PRIORITY 2223
AMCONSUL SAO PAULO PRIORITY 355

C O N F I D E N T I A L

LIMITED OFFICIAL USE SECTION 5 OF 6 BRASILIA 1549

6. NORTH-SOUTH ISSUES

B. Q. WHY ISN'T THE US MORE FORTHCOMING REGARDING THE DEMANDS MADE BY THE LDCS ON MAJOR NORTH-SOUTH ISSUES?

A. I HAVE TO DISAGREE WITH THE THRUST OF YOUR QUESTION. I BELIEVE THE UNITED STATES, PARTICULARLY UNDER THE CARTER ADMINISTRATION, HAS MADE STRONG EFFORTS TO NEGOTIATE WORKABLE SOLUTIONS TO THE ISSUES RAISED IN THE NORTH/SOUTH DIALOGUE. FOR EXAMPLE, THE US ALONG WITH OTHER DEVELOPED NATIONS, HAS PUT FORWARD A COMPREHENSIVE SET OF COMPROMISE PROPOSALS THAT WOULD LEAD TO THE ESTABLISHMENT OF AN EFFECTIVE COMMON FUND UNDER THE INTEGRATED COMMODITY PROGRAM IN UNCTAD. THERE IS ALREADY BROAD AGREEMENT ON THE OUTLINES OF AN AGREEMENT ON DEBT RELIEF. IN MY OPINION, IF THE DEVELOPING NATIONS CAN SHOW AS MUCH FLEXIBILITY AS THE DEVELOPED NATIONS HAVE ALREADY DEMONSTRATED, AGREEMENTS CAN BE QUICKLY REACHED ON MOST OF THE ISSUES RAISED IN THE DIALOGUE.

7. NUCLEAR MATTERS

T. Q. WHY IS THE US TRYING TO BLOCK BRAZIL'S NUCLEAR PROGRAMS?

A. THE USG IS NOT ATTEMPTING AND HAS NOT ATTEMPTED TO BLOCK THE BRAZILIAN NUCLEAR PROGRAM. IT IS FOR THE BRAZILIAN PEOPLE TO DETERMINE HOW THEY WISH TO ALLOCATE THEIR ENERGY INVESTMENTS AMONG THE AVAILABLE OPTIONS, AND NUCLEAR POWER IS A VALID OPTION. THE USG, BETTER THAN MOST, CAN UNDERSTAND THE PROBLEMS POSED BY DEPENDENCE ON IMPORTED ENERGY SUPPLIES, BECAUSE WE FACE A SIMILAR SITUATION OURSELVES. THE USG DOES HAVE, AT THE SAME TIME, A STRONG GLOBAL COMMITMENT TO THE NON-PROLIFERATION OF NUCLEAR WEAPONS, WHICH, ON THE BASIS OF STATEMENTS BY THE GOB, I BELIEVE THE GOB SHARES. WE WILL CONTINUE TO DISCUSS WITH ALL PARTIES

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INVOLVED SITUATIONS IN WHICH WE FEEL PARTICULAR ASPECTS OF PARTICULAR POLICIES OF PARTICULAR GOVERNMENTS INCREASE THE RISK OF NUCLEAR PROLIFERATION, WHICH IS A RISK THAT AFFECTS ALL OF US IRRESPECTIVE OF NATIONALITY.

U. Q. BY WHAT RIGHT DOES THE UNITED STATES INTERFERE IN THE BRAZIL-FRG NUCLEAR AGREEMENT, WHICH IS THE RESULT OF THE ACTION OF TWO SOVEREIGN COUNTRIES AND THEREFORE NO BUSINESS OF THE US?

A. THE USG DOES NOT CONSIDER IT INTERFERENCE, MAKING ITS VIEWS KNOWN ON VERY SERIOUS WORLD ISSUES. IT IS ONLY BY SUCH EXCHANGES THAT WE CAN COME TO FULL KNOW AND UNDERSTAND EACH OTHER'S POSITIONS.

V. Q. DOES THE US INTEND TO CONTINUE TO PUT PRESSURE ON BRAZIL TO MODIFY ITS AGREEMENT WITH THE FRG?

A. THE USG HAS AND WILL CONTINUE TO CONDUCT ITS RELATIONS WITH BRAZIL ON THE BASIS OF OPEN, FRIENDLY, AND FRANK EXCHANGES OF VIEWS, IN WHICH THE CONCEPT OF PRESSURE HAS NO PLACE.

W. Q. SPOKESMEN FOR THE BRAZILIAN AND GERMAN GOVERNMENTS HAVE FREQUENTLY SAID THAT US OPPOSITION TO THE GOB-FRG AGREEMENT IS BASED ON COMMERCIAL GROUNDS, THAT IS, THAT THE USG AND AMERICAN COMPANIES WERE FURIOUS THAT THE GERMANS GOT THE BUSINESS. WOULD YOU COMMENT?

A. I SERIOUSLY DOUBT THAT AUTHORIZED SPOKESMEN FOR EITHER THE FRG OR THE GOB HAVE MADE THE STATEMENT YOU SUGGEST, BECAUSE THE LEADERS OF BOTH COUNTRIES ARE MUCH BETTER INFORMED ABOUT THE NATURE OF USG POLICY THAN YOUR QUESTION INDICATES.

X. Q. THE US HAS EXPRESSED CONCERN ABOUT HORIZONTAL PROLIFERATION. WHAT HAS THE US DONE SO FAR, IN PRACTICAL TERMS, TO CURB ITS OWN VERTICAL PROLIFERATION?

A. THE USG IS ENGAGED IN DETAILED AND FAR-REACHING NEGOTIATIONS, INVOLVING THE PRINCIPAL NUCLEAR WEAPONS STATES, FOR FURTHER LIMITATIONS ON STRATEGIC ARMS. I WILL NOT COMMENT ON THE SPECIFICS OF THESE NEGOTIATIONS BUT CALL YOUR ATTENTION TO THE LIMITATIONS ON STRATEGIC ARMS WHICH ALREADY HAVE BEEN ACHIEVED IN PREVIOUS SUCH TALKS AND TO THE

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O 211300Z FEB 79

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 1029

INFO RUEBUEZ:AMEMBASSY CARACAS PRIORITY 2203

AMCONSUL RIO DE JANEIRO PRIORITY 2224

AMCONSUL SAO PAULO PRIORITY 3586

C O N F I D E N T I A L

LIMITED OFFICIAL USE SECTION 06 OF 08 BRASILIA 1549
EFFORTS BEING MADE IN GOOD FAITH BY NUCLEAR
WEAPONS STATES TO CURB VERTICAL PROLIFERATION.
Y. Q. DOESN'T THE INTENTION EXPRESSED BY THE U.S. TO
BECOME A "RELIABLE SUPPLIER," AS WELL AS ITS
POLICY AIMED AT PREVENTING OTHER COUNTRIES FROM
DEVELOPING THEIR OWN NUCLEAR TECHNOLOGY,
REPRESENT A COLONIALIST APPROACH AND A DESIRE ON
THE PART OF INDUSTRIALIZED COUNTRIES TO MAINTAIN
THE STATUS QUO?

A. NO. THE INTERNATIONAL FUEL CYCLE EVALUATION
(INFCE) MEETINGS ARE CONTINUING, AND I EXPECT THAT
AFTER THEIR CONCLUSION THE QUESTION YOU POSE WILL
BE EVEN LESS VALID THAN IT IS NOW. AS YOU ARE ALL
AWARE, THERE ARE NUMEROUS ALTERNATIVE SOURCES OF
SUPPLY FOR NUCLEAR TECHNOLOGY, AND AS I UNDERSTAND
IT, BRAZIL ITSELF EXPECTS TO BE SUPPLIER OF
REACTOR COMPONENTS IN THE NEAR FUTURE.

2. Q. WHAT KIND OF ADDITIONAL GUARANTEES DOES THE U.S.
EXPECT TO OBTAIN FROM BRAZIL, CONSIDERING THAT THIS
COUNTRY HAS SIGNED NOT ONLY THE TLAELOLCO TREATY
BUT ALSO A TRILATERAL SAFEGUARDS TREATY WITH THE
IAEA WHICH CONTAINS INNOVATIVE SAFEGUARD FEATURES?

A. THE U.S. RECOGNIZES AND SUPPORTS THE POSITIVE
ATTITUDE BRAZIL HAS SHOWN TOWARDS THE ACTIVITIES OF
THE IAEA AND TOWARDS THE APPLICATION OF INTERNATIONAL
SAFEGUARDS TO PEACEFUL NUCLEAR ACTIVITIES. WE
RECOGNIZE THAT BRAZIL HAS STATED THAT IT WILL
NOT ACT CONTRARY TO THE PROVISIONS OF THE
TLAELOLCO TREATY PENDING ITS ENTRY INTO FORCE.

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AND WOULD HOPE THAT THE GOB WILL WORK WITH US
IN AN EFFORT TO ACCELERATE ITS ENTRY INTO FORCE.
SIMILARLY, THERE ARE SPECIFIC STEPS WHICH WE HOPE
BRAZIL WILL TAKE TO FACILITATE HANDLING OF EXPORT
APPLICATIONS UNDER U.S. LAW, WHICH ARE A MATTER
OF BILATERAL CONVERSATIONS THAT I AM NOT IN A
POSITION TO GO INTO AT THIS TIME.
SAYRE
BT

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VP TRIP TOSO AMERICA

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C O N F I D E N T I A L CARACAS 1822

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E.O. 12065: GDS 2/21/85 (FRECHETTE, MYLES R. R.) OR-P
 TAGS: DVIP (MONDALE, WALTER F.) VE
 SUBJECT: (C) VICE PRESIDENT'S VISIT - CARACAS - LETTERS FROM
 PRESIDENT CARTER TO PRESIDENTS PEREZ AND HERRERA
 REF: CARACAS 1330#36

1. (C-ENTIRE TEXT)

2. EMBASSY RECOMMENDED IN THE REF THAT VICE PRESIDENT MONDALE
 DELIVER A LETTER FROM PRESIDENT CARTER TO INCOMING PRESIDENT
 HERRERA DURING THEIR BREAKFAST MEETING ON MARCH 13. EMBASSY
 ALSO SAID IT WOULD SUBMIT SOME IDEAS FOR INCLUSION IN THAT
 LETTER.

3. EMBASSY NOW RECOMMENDS STRONGLY THAT VICE PRESIDENT
 MONDALE ALSO DELIVER A LETTER FROM PRESIDENT CARTER TO
 OUTGOING PRESIDENT PEREZ. THIS COULD BE DONE AT THE DINNER
 WHICH PRESIDENT PEREZ IS HOSTING FOR THE VICE PRESIDENT THE
 EVENING OF MARCH 11. THE COOPERATION GIVEN THE US BY THE
 PEREZ ADMINISTRATION AND THE PERSONAL RELATIONSHIP BETWEEN
 THE TWO PRESIDENTS HAS BEEN SUCH THAT THE ABSENCE OF A
 LETTER WOULD BE A GRATUITOS SLIGHT, ESPECIALLY IF HERRERA
 GETS ONE. ACCORDINGLY, EMBASSY SUBMITS DRAFTS OF PROPOSED
 LETTERS FROM PRESIDENT CARTER TO BOTH PRESIDENTS HERRERA
 AND PEREZ.

4. DRAFT LETTER TO PRESIDENT PEREZ FOLLOWS:
 BEGIN QUOTE HIS EXCELLENCY,
 CARLOS ANDRES PEREZ
 PRESIDENT OF THE REPUBLIC OF VENEZUELA
 CARACA
 DEAR MR. PRESIDENT:

***** WHSR COMMENT *****

IND, GATES, VP
 EOR:PAST

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AS YOUR TERM IN OFFICE ENDS, I WANT TO EXPRESS MY DEEP, PERSONAL SATISFACTION OVER THE CLOSE AND VALUABLE ASSOCIATION WHICH HAS MARKED RELATIONS BETWEEN OUR TWO COUNTRIES DURING YOUR PRESIDENCY. TOGETHER OUR COUNTRIES HAVE PURSUED COMMON GOALS, AND PERSISTED IN THE PURSUIT OF PEACE, DEMOCRACY, HUMAN RIGHTS AND SOCIAL JUSTICE. BUT YOU AND I SHARE SOMETHING MORE THAN GOALS AND THE COMMON STRUGGLE. WE HAVE BECOME GOOD FRIENDS.

WE HAVE NOT ALWAYS SHARED THE SAME PERSPECTIVE ON ISSUES, AND FOR THAT REASON, I HAVE VALUED AND RESPECTED YOUR VIEWS AND ADVICE. IN PARTICULAR I AM GRATEFUL FOR YOUR MEASURED AND INCISIVE COUNSEL DURING THE DIFFICULT PERIOD OF THE PANAMA CANAL TREATY NEGOTIATIONS. I BELIEVE OUR COOPERATIVE EFFORTS IN DEALING WITH PANAMA, NICARAGUA AND THE DOMINICAN REPUBLICAN SERVE AS AN EXAMPLE AND GUIDE FOR BUILDING LASTING HEMISPHERIC RELATIONS BASED ON SHARED RIGHTS, RESPONSIBILITIES AND MUTUAL RESPECT. I WISH YOU CONTINUED SUCCESS AS YOU LEAVE THE PRESIDENCY. CERTAINLY YOU WILL CONTINUE TO MAKE YOUR VOICE HEARD ON WORLD AFFAIRS AND TO PLAY A MAJOR ROLE IN THE POLITICAL LIFE OF VENEZUELA. I SHALL CONTINUE TO LOOK TO YOU FOR ADVICE AND SUPPORT.

SINCERELY,

JIMMY CARTER END QUOTE

5. DRAFT LETTER TO PRESIDENT HERRERA FOLLOWS:
BEGIN QUOTE HIS EXCELLENCY

LUIS HERRERA CAMPINS

PRESIDENT OF THE REPUBLIC OF VENEZUELA
CARACAS

DEAR MR. PRESIDENT:

I HAVE NOT HAD THE OPPORTUNITY TO MEET YOU YET, BUT I THINK I CAN SHARE WITH YOU TODAY, AS FEW PEOPLE CAN, THE PRIDE AND AWE I KNOW YOU MUST FEEL UPON ASSUMING THE LEADERSHIP OF A DEMOCRATIC NATION. MY BEST WISHES AS YOU ASSUME THE RESPONSIBILITIES CONFERRED ON YOU BY A FREE PEOPLE EXERCISING THEIR TRUST IN THE DEMOCRATIC PROCESS. NEITHER OF US UNDERESTIMATES THE PROBLEMS WE FACE.

WE MAY SOMETIMES DIFFER ON HOW WE RESOLVE THE PROBLEMS WE SHARE. YET, IT IS MY FAITH, REINFORCED BY EXPERIENCE, THAT WHAT JOINS SISTER DEMOCRACIES IS FAR GREATER THAN WHAT DIVIDES THEM.

THEREFORE I LOOK FORWARD WITH SPECIAL ENTHUSIASM TO WORKING WITH YOU ON COMMON PROBLEMS WHICH CONFRONT OUR TWO NATIONS. I AM COMFORTED BY THE KNOWLEDGE THAT WE SHARE A COMMON SET OF ASSUMPTIONS ABOUT THE INDIVIDUAL, ABOUT HUMAN DIGNITY AND THE PROCESS BY WHICH THESE FIND EXPRESSION IN A DEMOCRATIC SYSTEM.

I HOPE YOUR PRESIDENCY WILL BE MARKED BY THE BLESSINGS

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OF PEACE, PROSPERITY AND THE INCREASED WELFARE OF THE
VENEZUELAN PEOPLE. I OFFER YOU MY FRIENDSHIP AND
SUPPORT.

SINCERELY,

JIMMY CARTER END QUOTE

6. EMBASSY RECOMMENDS THAT LETTER TO PRESIDENT HERRERA BE
DATED MARCH 12, 1979, THE DATE OF HIS SWEARING IN.

7. EMBASSY ALSO RECOMMENDS THAT, IF TIME PERMITS, BOTH
LETTERS BE ACCOMPANIED BY OFFICIAL TRANSLATIONS INTO
SPANISH.

CROWLEY

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