

TELEGRAM

For the Department of the United States of America

SUBJECT

INCOMING AMEMBASSY RIO

INCO COFFEE

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FEB 16 8 16 AM '68

AMERICAN EMBASSY
BRASILIA, BRAZIL

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Control: 7367

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EMBOFFICE
Brasilia

P.O.	
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ACTION:
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R 100915Z FEB 68
FM AMEMBASSY ABIDJAN
TO RUEHC/SECSTATE WASHDC 2019
INFO RUDTCR/AMEMBASSY LONDON 68
RUESUA/AMEMBASSY RIO DE JANEIRO 22
STATE GRNC
BT
UNCLAS ABIDJAN 2040

SUBJ: SOLUBLE COFFEE

IN FRONT-PAGE INTERVIEW FEB 9 FRATERNITE CAPTIONED "WILL SOLUBLE COFFEE WAR TAKE PLACE?", MINISTER AGRICULTURE SAWADOGO EXPRESSES SATISFACTION WITH PROGRESS TO DATE OF NEGOTIATIONS FOR RENEWAL INTERNATIONAL COFFEE AGREEMENT BUT ASERTS THAT SOLUBLE COFFEE DISPUTE OPPOSING US AND BRAZIL NOW ENDANGERS FUTURE OF AGREEMENT. IVORY COAST, HE SAID, FAVORS EQUITABLE SOLUTION AND HE RECALLED IVORY COAST EXPRESSION CONCERN LAST MAY THAT BRAZILIAN POLICY COULD BE SERIOUS HANDICAP FOR ROBUSTA PRODUCERS OVER MIDDLE AND LONG TERM. ONLY US COULD TAKE ADQUATE MEASURES OF AN ANTI-DUMPING NATURE. IN FACE BRAZILIAN REFUSAL ADMIT INCORPORATION IN AGREEMENT OF FORMULAE US PROPOSES, IVORY COAST WAS LED ADOPT CONCILIATORY POSITION IN ORDER PRESERCD FUTURE OF THE AGREEMENT. SAWADOGO EXPRESSES HOPE THAT CURRENT WASHINGTON TALKS WILL RESULT IN SETTLEMENT BASED ON COMPROMISE PROPOSAL RECENTLY WORKED OUBVBY SANTOS ET AL. HE WAS SURE US AND BRAZIL COULD AGREE "IF NATIONAL SENSITIVITIES OR PERSONALITY PROBLEMS" WERE FORGOTTEN. SAWADOGO CONCLUDES: "I AM NEITHER PESSIMISTIC NOR OPTIMISTIC RE SOLUTION THIS DELICATE PROBLEM, FOR I UNDERSTAND VERY WELL BOTH POSITIONS. HOWEVER, I SHOULD LIKE TO LAUNCH AN APPEAL: I SHOULD LIKE TO ASK BRAZIL AND US TO CONTINUE IN TRADITION WHICH IS THEIR OWN. IT IS DESIRABLE THAT A SPECIFIC SOLUTION IMMEDIATELY APPLICABLE BE FOUND FOR A SPECIFIC PJBLEM SUCH S THAT OF SOLUBLE COFFEE. FOR WHEN SUCH A PROBLEM ARISES, IF A GENERAL SOLUTION IS SOUGHT WHICH COMMITS THE FUTURE BECAUSE IT POSES PROBLEM OF INDUSTRIA-LIZATION OF LDC'S, THERE IS RISK THAT ONE SET OF PRINCIPLES WILL CLASH WITH ANOTHER AND LEAD TO FAILURE. I THEREFORE HOPE THAT OUR BRAZILIAN AND AMERICAN FRIENDS WILL OVERCOME THEIR DOMESTIC DIFFICULTIES, WILL SITUATE THIS PROBLEM OF SOLUBLE COFFEE IN ITS PROPER PERSPECTIVE, AND WILL ACCEPT A COMPROMISE SETTLEMENT ENABLING US TO SUBMIT "A RENEWED AGREEMENT" TO OUR GOVERNMENTS AND NATIONAL PARLIAMENTS." MORGAN

BT

12/08:45/GMA

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