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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name BAILEY, NORMAN: FILES

File Folder SOUTH AMERICAN POLICY (SEPTEMBER-DECEMBER 1982)

Box Number 2

Withdrawer

KML 8/30/2011

FOIA

M10-353/1

DENNISON

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
117604	LETTER	PRESIDENT REAGAN TO PRESIDENT JOAO BAPTISTA DE OLIVEIRA FIGUEIREDO OF BRAZIL <i>R 5/18/2015 M353/1</i>	3	9/15/1982	B1
117606	MEMO	WILLIAM CLARK TO THE PRESIDENT RE REPLY TO LETTER <i>R 5/18/2015 M353/1</i>	1	9/14/1982	B1
117607	LETTER	PRESIDENT JOAO BAPTISTA DE OLIVEIRA FIGUEIREDO OF BRAZIL TO PRESIDENT REAGAN <i>R 5/18/2015 M353/1</i>	4	ND	B1
117609	MEMO	ROGER FONTAINE TO WILLIAM CLARK RE REPLY TO LETTER <i>R 5/18/2015 M353/1</i>	1	9/3/1982	B1
117610	MEMO	L. PAUL BREMER TO WILLIAM CLARK RE RETRANSMITTAL OF TEXT <i>R 5/18/2015 M353/1</i>	1	8/28/1982	B1
117611	LETTER	PRESIDENT REAGAN TO PRESIDENT FIGUEIREDO <i>R 5/18/2015 M353/1</i>	4	ND	B1
117612	LETTER	PRESIDENT REAGAN TO PRESIDENT FIGUEIREDO (WITH NOTATIONS) <i>R 5/18/2015 M353/1</i>	4	ND	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name BAILEY, NORMAN: FILES

Withdrawer

KML 8/30/2011

File Folder SOUTH AMERICAN POLICY (SEPTEMBER-DECEMBER 1982)

FOIA

M10-353/1

Box Number 2

DENNISON

4

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
117618	LETTER	PRESIDENT REAGAN TO PRESIDENT FIGUEIREDO <i>R 4/15/2013 M353/1</i>	2	ND	B1
117620	LETTER	PRESIDENT REAGAN TO PRESIDENT FIGUEIREDO <i>R 4/15/2013 M353/1</i>	2	ND	B1
117613	CABLE	STATE 190849 <i>R 5/18/2015 M353/1</i>	2	7/18/1982	B1
117614	MEMO	L. PAUL BREMER TO WILLIAM CLARK RE BRAZILIAN PRESIDENTIAL LETTER <i>R 5/18/2015 M353/1</i>	1	7/9/1982	B1
117621	LETTER	PRESIDENT FIGUEIREDO TO PRESIDENT REAGAN <i>R 4/15/2013 M353/1</i>	4	ND	B1
117622	LETTER	PRESIDENT REAGAN TO PRESIDENT FIGUEIREDO <i>R 4/15/2013 M353/1</i>	2	ND	B1
117615	MEMCON	RE PRESIDENTIAL CANDIDATE COMMENTS <i>R 5/18/2015 M353/1</i>	3	12/13/1982	B1
117617	MEMCON	RE PRESIDENTIAL CANDIDATE COMMENTS <i>R 5/18/2015 M353/1</i>	3	12/13/1982	B1

The above documents were not referred for declassification review at time of processing

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C. Closed in accordance with restrictions contained in donor's deed of gift.

REFERRAL

Bailey

DATE: 16 SEP 82

MEMORANDUM FOR: STATE SECRETARIAT

1

DOCUMENT DESCRIPTION: TO: FIGUEIREDO, JOAO B

SOURCE: PRESIDENT

DATE: 15 SEP 82

Est. Comm.

KEYWORDS: BRAZIL HS

INTL TRADE ECONOMIC ASSISTANCE

SUBJ:

REQUIRED ACTION: FOR DISPATCH

DUE DATE: 18 SEP 82

COMMENTS:

Michael E. Notton

FOR MICHAEL O WHEELER

STAFF SECRETARY

THE WHITE HOUSE
WASHINGTON

September 15, 1982

Dear Mr. President:

Thank you for your letter of July 8 in which you share your thoughts on some of the outstanding economic issues affecting our two countries. I was pleased that your letter was written in the same spirit of friendship and candor that characterized our discussions during your May visit to Washington.

I know this is a difficult period for the economy of Brazil, just as it is a difficult period for the economy of the United States. From the outset of my Administration we have devoted ourselves to economic recovery through a program of tax measures and decreased non-defense spending. Progress has been slow and painful, but we are moving forward. The U.S. prime interest rate, which was at 20% when I took office in January, 1981, recently declined to 13 1/2%. This decline is a clear reflection of market confidence that we are moving in the right direction, and it will help greatly to revive the U.S. economy and stimulate world-wide economic recovery.

I trust that the decline in interest rates in the United States also will bring significant relief to Brazil. Your letter, and our discussions here in May, have left me deeply conscious of Brazil's heavy debt service burden, and I am delighted that we now have reason to believe that the burden will be eased somewhat.

With respect to the sugar problem you mention, I want you to know that we were forced to adopt the quota system because of international circumstances beyond our control. The subsidy and dumping practices of European governments pushed the price of sugar in international markets well below the cost

DECLASSIFIED
NLRR M353/1 # 117604
BY RW NARA DATE 5/18/15

of production. Consequently, the Congress legislated a program of price supports to protect U.S. producers from the effects of the international market deterioration. That price support program left me with two options; either to limit sugar imports or to spend hundreds of millions of dollars for the purchase and storage of U.S. produced sugar. Given our desperate need to reduce government expenditures, I could not justify the second option.

You are correct in your observation that the quota import system is contrary to my economic philosophy, and I want you to know that it is my hope and intention to abandon it as soon as circumstances allow. In the meantime, I can assure you that it will be administered in a scrupulously fair manner that takes into consideration the interests of all our traditional suppliers.

I understand that the export subsidy issue concerning the BEFIEX program which you raise in your letter has been discussed by United States Trade Representative Brock with Ministers Galveas, Camilo Penna and Delfim Neto, and that it was examined again recently by less senior officials of our two governments. Given the confidence and good will that exist between us, I am hopeful that a way can be found to resolve this issue.

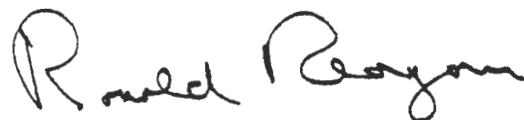
I appreciated your suggestion that an early meeting between cabinet officials of our two governments could enhance our overall trade and economic relationship. Our cabinet officials who deal with economic matters have had many useful discussions in past months, most recently in July during Minister Delfim Neto's meetings with Secretary Baldrige and Ambassador Brock. As we agreed during your visit to Washington, this process should continue and our objective should be to improve and strengthen the economic interaction between our countries, bilaterally as well as internationally. In this connection, I understand that there will be a meeting between our cabinet officers who are attending the IMF/IBRD meeting in Toronto and that Minister Camilo Penna may meet subsequently in Washington with Secretary Block and Secretary Baldrige. If your government desires any additional meetings, we of course would be pleased to cooperate.

The September 20-21 meeting of the U.S./Brazil Trade Sub-Group will also provide an excellent opportunity for officials of our two governments to discuss bilateral and international trade issues in detail.

I have learned that you plan to return to the United States later this month to deliver the opening address at the United Nations General Assembly. As a leader of the developing countries, Brazil has a particularly important role to play at the United Nations and in other international organizations. Recalling the perceptive understanding of the complex international situation that you displayed in our meetings, I am confident that the 38th General Assembly will benefit greatly from your personal participation.

With warm personal regards,

Sincerely,

A handwritten signature in cursive script, reading "Ronald Reagan". The signature is written in dark ink and is positioned to the right of the typed name "Ronald Reagan".

His Excellency
Joao Baptista de Oliveira Figueiredo
President of the Federative Republic
of Brazil
Brasilia

1903

NATIONAL SECURITY COUNCIL

September 16, 1982

NSC/S:

Okay to dispatch.

Carol Cleveland

National Security Council
The White House

342

Package # 4903

32 0 15 P 3: 49

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	_____	_____	_____
Bud McFarlane	_____	_____	_____
Jacque Hill	_____	_____	_____
Judge Clark	_____	_____	_____
John Poindexter	<u>1</u>	<u>J</u>	_____
Staff Secretary	<u>2</u>	_____	<u>D</u>
Sit Room	_____	_____	_____

I-Information A-Action R-Retain D-Dispatch N-No further Action

DISTRIBUTION

cc: VP Meese Baker Deaver Other _____

COMMENTS

Pres sgd - etc . 9/15

~~CONFIDENTIAL~~

4903

117606

1

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

ACTION

September 14, 1982

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *WPC*

SIGNED

SUBJECT: Your Reply to July 8 Letter from
President Figueiredo of Brazil

Issue

President Figueiredo of Brazil has written you a frank letter raising a number of serious bilateral economic problems and urging cabinet level meetings, some of which occurred subsequent to his letter and which your reply notes.

Facts

President Figueiredo's July 8 letter expresses concern about the effects of the U.S. sugar quota system on one of Brazil's key exports, and he also is worried over high interest rates and their effect on Brazil's foreign debt. In addition, Figueiredo announces the discontinuation of the BEFIEEX export subsidy program, which has been of concern to us, and adds that bilateral trade questions are of such importance that cabinet level consultations should be carried out.

Discussion

You address each of President Figueiredo's concerns in a frank, friendly and substantive manner, and you convey your support of continued cabinet level meetings between our two governments. Your reply has been revised to refer to Brazilian Minister Delfim Neto's recent meetings with Bill Brock and Malcolm Baldrige.

Speechwriters has cleared the text of your reply.

Recommendation

OK No
WPC

That you sign your reply to President Figueiredo at Tab A.

Attachments

- Tab A Your reply to President Figueiredo
- Tab B President Figueiredo's July 8 letter (State translation)

~~CONFIDENTIAL~~
DECLASSIFY ON: OADR

DECLASSIFIED

NLR M353/1 # 117606

BY *RW* NARA DATE *6/23/15*

~~CONFIDENTIAL~~

UNOFFICIAL TRANSLATION

"To His Excellency

Ronald Reagan

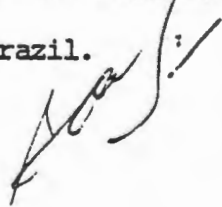
President of the United States of America

Mr. President,

I recall with great pleasure the spirit of loyal cooperation that presided over the conversations we recently held in Washington. In an atmosphere of warm cordiality, we quickly felt that we indeed share similar views on most of the subjects we then considered.

At that time I had the opportunity to mention to you in detail the terrible economic plight now being faced by some 40 million Brazilians in the northeastern part of the country, largely as a result of the deteriorating situation of the world sugar market caused mainly by the agricultural subsidies of the European Common Market and by the import restrictions imposed by the Government of the United States.

The establishment of an import quota system by the United States, and the criteria adopted for the distribution of quotas for the period March through September this year represent a serious blow against a reliable partner such as Brazil, and are likely to lead to an annual loss of 400 million dollars for the impoverished population of the northeast of Brazil.



DECLASSIFIED

NLRR M3531 #117607

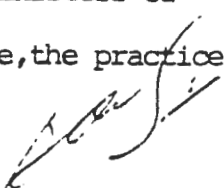
BY RW NARA DATE 5/10/15

I cannot fail to notice, Mr. President, that the quota regime seems to be in contradiction to the philosophy of free trade espoused by your Administration, and that at the same time it runs contrary the long-established and sound trade relationship between our countries.

I believe the US Government might find it feasible to develop alternative means through which to provide the desired economic assistance to the countries of Central America and the Caribbean, for example by facilitating the importation, into the American market, of alcohol produced by those nations, as well as by adopting other trade-generating policies, but not by depriving the northeast of Brazil of resources that are vital for its very economic subsistence.

Another problem which is of great concern to me is the objection that has been raised by your Government with respect to the BEFIEEX program, which has been underway for a long time, and which has been structured as an incentive to exports, but also acts as a stimulus to imports by exempting from any taxation goods imported and utilized in the manufacture of those to be exported. Many of the products we import under the BEFIEEX program come from the United States.

In spite of all the positive results and the great importance of the BEFIEEX programme, and taking into account the special interest shown on the matter by the US Administration, I have instructed my Ministers of Finance and of Industry and Trade to discontinue, from this date, the practice



of granting special incentives through the BEFLEX programme.

I would therefore be very grateful if your Excellency would be so good as to instruct the agencies of your Government to suspend any studies or measures which seek the elimination of these programs.

One of the outstanding features of the Brazilian economy today is the importance of its international commitments, especially in foreign trade. Those international commitments formed the commanding motivation for some recent messages by my Ministers of Finance and of Industry and Trade to the Special Trade Representative, Ambassador William E. Brock, and to the Secretary of Commerce, Mr. Malcolm Baldrige, containing detailed explanations about these problems and other questions that have been afflicting the economic and financial relations between our two countries and may represent serious risks to the Brazilian economy as a whole.

The brutal increase in oil prices in 1973/74 and 1979/81 has immensely aggravated the situation of oil importing developing countries. During the last 8 years those countries have accumulated a foreign debt to the level of US\$ 350 billion, whereas some oil-exporting countries have accumulated a surplus of US\$ 420 billion in their balance of payments.

The high interest rates brought about by us policies have generated an additional burden to heavily indebted developing countries - larger yet than the negative consequences of the oil-shocks.

Brazil, Mr. President, has been particularly affected by those developments.

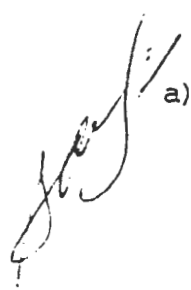
As Brazil has one of the highest foreign debts in the world - over US \$70 billion - and must spend approximately 40 per cent of all its

export-revenues for the sole servicing of that debt, bilateral trade issues cannot be considered in isolation, on the basis of a sectorial approach only; they have to be seen in the broader context of the country's overall balance of payments situation, and conducted at the higher level of the enduring, loyal and promising partnership and friendship between our two nations.

Such a broader understanding can form the basis for an immediate enhancement of cooperation and trade between Brazil and the United States to much higher levels, in the interest of our countries and for the benefit of world trade. I therefore suggest that the Brazilian Ministers of Finance and of Industry and Trade meet as early as possible with the Special Trade Representative and the Secretary of Commerce of the United States in order to consider which concrete measures could lead to the achievement of those objectives.

I avail myself of this opportunity to renew to your Excellency the expression of my highest consideration.

With warm esteem,



a) João Baptista de Oliveira Figueiredo."

National Security Council The White House

Package # 4705

32
33
34
35

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>[initials]</u>	
Bud McFarlane	<u>2</u>	<u>[initials]</u>	
Jacque Hill	<u>3</u>	<u>[initials]</u>	
Judge Clark	<u>4</u>	<u>[initials]</u>	<u>A</u>
John Poindexter	<u>5</u>	<u>[initials]</u>	
Staff Secretary	<u>6</u>		<u>D</u>
Sit Room			<u>[initials]</u>

I-Information A-Action R-Retain D-Dispatch N-No further Action

DISTRIBUTION

cc: VP Meese Baker Deaver Other _____

COMMENTS

*Send memo to the President to
Darnan.*

Send Question back to Fontana.



DEPARTMENT OF STATE

Washington, D.C. 20520

~~CONFIDENTIAL~~

August 28, 1982

SITC

MEMORANDUM FOR MR. WILLIAM P. CLARK
THE WHITE HOUSESubject: Retransmittal of Text of Letter to President
Figueiredo

The Department transmits herewith a modified text of President Reagan's proposed reply to President Figueiredo's letter of July 8. The original text was overtaken by the meeting between Ambassador Brock and Minister Delfim Neto and by cancellation of the meeting between Secretary Regan and Delfim.

L. Paul Bremer, III

L. Paul Bremer, III
Executive Secretary

Attachments:

1. Proposed reply
2. Text of Pres. Figueiredo's letter of July 8

~~CONFIDENTIAL~~

DECL: 08/27/88

DECLASSIFIED

NLRR M353/1 #117610

BY RW NARA DATE 5/18/15

Dear Mr. President:

Thank you for your letter of July 8 in which you share your thoughts on some of the outstanding economic issues affecting our two countries. I was pleased that your letter was written in the same spirit of friendship and candor that characterized our discussions during your May visit to Washington.

I know this is a difficult period for the economy of Brazil, just as it is a difficult period for the economy of the United States. From the outset of my Administration we have devoted ourselves to economic recovery through a program of tax measures and decreased non-defense spending. Progress has been slow and painful but we are moving forward. The U.S. prime interest rate, which was at 20% when I took office in January, 1981, ^{recently} declined to 13 1/2% ~~this week.~~ This decline is a clear reflection of market confidence that we are moving in the right direction, and it will help greatly to revive the U.S. economy and stimulate world wide economic recovery.

His Excellency

Joao Baptista de Oliveira Figueiredo,

President of the Federative Republic of Brazil,

Brasilia.

DECLASSIFIED
NLRR M353/1 # 11761
BY RW NARA DATE 5/12/15

I trust that the decline in interest rates in the United States also will bring significant relief to Brazil. Your letter, and our discussions here in May, have left me deeply conscious of Brazil's heavy debt service burden, and I am delighted that we now have reason to believe that the burden will be eased somewhat.

With respect to the sugar problem you mention, I want you to know that we were forced to adopt the quota system because of international circumstances beyond our control. The subsidy and dumping practices of European governments pushed the price of sugar in international markets well below the cost of production. Consequently, the Congress legislated a program of price supports to protect U.S. producers from the effects of the international market deterioration. That price support program left me with two options; either to limit sugar imports or to spend billions of dollars for the purchase and storage of U.S. produced sugar. Given our desperate need to reduce government expenditures, I could not justify the second option.

You are correct in your observation that the quota import system is contrary to my economic philosophy, and I want you to know that it is my hope and intention to abandon it as soon as circumstances allow. In the meantime, I can assure you that it will be administered

in a scrupulously fair manner that takes into consideration the interests of all our traditional suppliers.

I understand that the export subsidy issue concerning the BEFIEEX program which you raise in your letter has been discussed by United States Trade Representative Brock with Ministers Galveas, Camilo Penna and Delfim Neto, and that it will be examined again soon by less senior officials of our two governments. Given the confidence and goodwill that exist between us, I am hopeful that a way can be found to resolve this issue.

I appreciated your suggestion that an early meeting between cabinet officials of our two governments could enhance our overall trade and economic relationship. Our cabinet officials who deal with economic matters have had many useful discussions in past months, most recently in July during Minister Delfim Neto's meetings with Secretary Baldrige and Ambassador Brock. As we agreed during your visit to Washington, this process should continue and our objective should be to improve and strengthen the economic interaction between our countries, bilaterally as well as internationally. In this connection, I understand that there will be a meeting between our cabinet officers who attend the IMF/IBRD meeting in Toronto next month, and that

Minister Camilo Penna may meet subsequently in Washington with Secretary Block and Secretary Baldrige. If your government desires any additional meetings, we of course would be pleased to cooperate. The September 20-21 meeting of the U.S./Brazil Trade Sub-Group will also provide an excellent opportunity for officials of our two governments to discuss bilateral and international trade issues in detail.

I have learned that you plan to return to the United States ^{this} ~~next~~ month to deliver the opening address at the United Nations General Assembly. As a leader of the developing countries, Brazil has a particularly important role to play at the United Nations and in other international organizations. Recalling the perceptive understanding of the complex international situation that you displayed in our meetings, I am confident that the 38th General Assembly will benefit greatly from your personal participation.

(Sept.)

With warm personal regards,

Sincerely,

Ronald Reagan

Dear Mr. President:

Thank you for your letter of July 8 in which you share your thoughts on some of the outstanding economic issues affecting our two countries. I was pleased that your letter was written in the same spirit of friendship and candor that characterized our discussions during your May visit to Washington.

I know this is a difficult period for the economy of Brazil, just as it is a difficult period for the economy of the United States. From the outset of my Administration we have devoted ourselves to economic recovery through a program of tax measures and decreased non-defense spending. Progress has been slow and painful but we are moving forward. The U.S. prime interest rate, which was at 20% when I took office in January, 1981, ^{recently} declined to 13 1/2% ~~this week.~~ This decline is a clear reflection of market confidence that we are moving in the right direction, and it will help greatly to revive the U.S. economy and stimulate world wide economic recovery.

His Excellency

Joao Baptista de Oliveira Figueiredo,

President of the Federative Republic of Brazil,

Brasilia.

DECLASSIFIED

NLRR M353/1 #117612

BY RW NARA DATE 5/18/15

I trust that the decline in interest rates in the United States also will bring significant relief to Brazil. Your letter, and our discussions here in May, have left me deeply conscious of Brazil's heavy debt service burden, and I am delighted that we now have reason to believe that the burden will be eased somewhat.

With respect to the sugar problem you mention, I want you to know that we were forced to adopt the quota system because of international circumstances beyond our control. The subsidy and dumping practices of European governments pushed the price of sugar in international markets well below the cost of production. Consequently, the Congress legislated a program of price supports to protect U.S. producers from the effects of the international market deterioration. That price support program left me with two options: either to limit sugar imports or to spend ^{hundreds of billions} ~~billions~~ of dollars for the purchase and storage of U.S. produced sugar. Given our desperate need to reduce government expenditures, I could not justify the second option.

You are correct in your observation that the quota import system is contrary to my economic philosophy, and I want you to know that it is my hope and intention to abandon it as soon as circumstances allow. In the meantime, I can assure you that it will be administered

in a scrupulously fair manner that takes into consideration the interests of all our traditional suppliers.

I understand that the export subsidy issue concerning the BEFIEX program which you raise in your letter has been discussed by United States Trade Representative Brock with Ministers Galveas, Camilo Penna and Delfim Neto, and that it ~~will be examined again soon~~ ^{was examined again recently} by less senior officials of our two governments. Given the confidence and goodwill that exist between us, I am hopeful that a way can be found to resolve this issue.

I appreciated your suggestion that an early meeting between cabinet officials of our two governments could enhance our overall trade and economic relationship. Our cabinet officials who deal with economic matters have had many useful discussions in past months, most recently in July during Minister Delfim Neto's meetings with Secretary Baldrige and Ambassador Brock. As we agreed during your visit to Washington, this process should continue and our objective should be to improve and strengthen the economic interaction between our countries, bilaterally as well as internationally. In this connection, I understand that there will be a meeting between our cabinet officers who attend the IMF/IBRD meeting in Toronto ~~next~~ ^{this} month, and that

Minister Camilo Penna may meet subsequently in Washington with Secretary Block and Secretary Baldrige. If your government desires any additional meetings, we of course would be pleased to cooperate. The September 20-21 meeting of the U.S./Brazil Trade Sub-Group will also provide an excellent opportunity for officials of our two governments to discuss bilateral and international trade issues in detail.

I have learned that you plan to return to the United States ^{this} ~~next~~ month to deliver the opening address at the United Nations General Assembly. As a leader of the developing countries, Brazil has a particularly important role to play at the United Nations and in other international organizations. Recalling the perceptive understanding of the complex international situation that you displayed in our meetings, I am confident that the 38th General Assembly will benefit greatly from your personal participation.

(Sept.)

With warm personal regards,

Sincerely,

Ronald Reagan

NATIONAL SECURITY COUNCIL

September 1, 1982

Note to # 4903 add-on file:

Per Michele Norton of NSC/S, letter from President Figueiredo came in form of a cable from State, followed by an unofficial translation. There was no original from Figueiredo.

Sally Sherman

4903
7977-202

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

UNCLASSIFIED
w/CONFIDENTIAL ATTACHMENT

July 20, 1982

CHRON FILE

MEMORANDUM FOR L. PAUL BREMER, III
Executive Secretary
Department of State

SUBJECT: Letter from President Reagan in Reply to
Brazilian President Figueiredo's Letter
of July 9

The proposed message from the President to President
Figueiredo is approved for dispatch (Tab A), incorporating
White House speechwriters' changes.


Michael O. Wheeler *for*
Staff Secretary

Attachment:
Tab A Message to President Figueiredo

UNCLASSIFIED
w/CONFIDENTIAL ATTACHMENT

DECLASSIFIED

NLRR M353/1 # 117618

BY KML NARA DATE 4/15/13

Dear Mr. President:

Thank you for sharing with me your thoughts on some of the outstanding economic issues affecting our two countries. I appreciate your deep concern.

Our Cabinet officials who deal with economic matters have had many useful discussions during the past months. As we agreed during your visit to Washington, this process should continue and our objective should be to improve and strengthen the economic interaction between our countries, bilaterally as well as internationally. Minister Delfim Neto's scheduled meetings with Secretary Regan, Secretary Baldrige, and Ambassador Brock will provide an excellent opportunity to assess possible improvements. These Cabinet officers also would be most willing to meet with your Government's Minister of Finance and Minister of Commerce and Industry at ² mutually convenient times.

The specific issues raised in your letter are under continuing review by my Administration. As you are aware, they are all highly complex, involving a variety of domestic and international political and economic factors. We will, however, look forward to discussing them with Minister Delfim Neto or at ^{our} follow-up meeting^s that may be arranged with your Minister of Finance and Minister of Commerce and Industry.

I know this is a difficult period for the economy of Brazil as it is for the economy of the United States. We must take great

Care to manage our respective economic obligations and imperatives as well as our mutual problems in a manner that serves our common interests in a healthy and constructive relationship and a durable international trading system.

With warm personal regards,

Sincerely,

Ronald Reagan

EMBASSY OF THE UNITED STATES
WASHINGTON, D.C.
DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
ATTENTION: SECRETARY
TELEPHONE: 205-205-2052

The enclosed message for
President of the Federative Republic of Brazil
is approved for release to the press.

His Excellency
Joao Baptista de Oliveira Figueiredo
President of the Federative Republic of Brazil
Brasilia

ATTENTION: SECRETARY
TELEPHONE: 205-205-2052

SECRET

~~CONFIDENTIAL~~

4903

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

July-16, 1982

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: ALFONSO SAPIA-BOSCH *ASB*

SUBJECT: President Reagan's Reply to Brazilian President Figueiredo's Letter of July 9

State has forwarded, at our request, a draft message in reply to President Figueiredo's letter. The draft is appropriate. President Figueiredo raised several complex issues to which there is no easy answer. This draft, however, will assure President Figueiredo that we are interested in strengthening our economic relationship. As you know, Ambassador Brock and Minister Delfim Neto are meeting on July 16.

Treasury, USTR and Commerce concur.

Speechwriters concur (with changes).

I recommend that you approve the text of the reply.

Approve *ASB*

Disapprove _____

~~CONFIDENTIAL~~



DEPARTMENT OF STATE

Washington, D.C. 20520

July 15, 1982

82 JUL 15 10:49

~~CONFIDENTIAL~~
EXDIS - Attachment

MEMORANDUM FOR MR. WILLIAM P. CLARK
THE WHITE HOUSE

SITUATION ROOM

Subject: Proposed reply to Brazilian President Figueiredo

Attached is the text of a proposed reply to President Figueiredo's July 8 letter to President Reagan which was transmitted to the National Security Council on July 9. The text has been cleared with the Department of Commerce, the Department of the Treasury, and the office of the United States Trade Representative.

His Excellency
João Baptista de Oliveira Figueiredo
President of the Federative
Republic of Brazil

L. Paul Bremer
L. Paul Bremer, Jr.
Executive Secretary

Attachments:

1. Proposed reply to Brazilian President Figueiredo.
2. Figueiredo letter to President Reagan.

DECLASSIFIED
Sec. 3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA KML, DATE 8/30/11

~~CONFIDENTIAL~~

PROPOSED INTERIM REPLY TO FIGUEIREDO-REAGAN LETTER

Dear Mr. President:

Thank you for sharing with me your thoughts on some of the outstanding issues on the economic side of the relationship between our two countries. I appreciate the deep concern which underlies your letter.

Our cabinet officials who deal with economic matters have had many useful exchanges of views over the past months. As we agreed during your visit to Washington, this process should continue. Our objective should be to improve and strengthen the economic interaction between our countries, bilaterally as well as internationally. Minister Delfim Neto's scheduled meetings with Secretary Regan, Secretary Baldrige, and Ambassador Brock will provide an excellent opportunity to assess possibilities for improvements. These same cabinet officers would be highly pleased to meet subsequently with your government's Minister of Finance and Minister of Commerce and Industry at a mutually convenient time.

DECLASSIFIED

NLRR M353/1 #117620

BY KML NARA DATE 4/15/13

His Excellency

Joao Baptista de Oliveira Figueiredo,

President of the Federative Republic of Brazil,

Brasilia.

The specific issues raised in your letter are under continuing review by the responsible agencies of my government. As you are aware, they are all highly complex, involving a variety of domestic and international political and economic factors. We will, of course, be prepared to discuss them with Minister Delfim Neto or at any follow-up meeting that may be arranged with your Minister of Finance and Minister of Commerce and Industry.

I know this is a difficult period for the economy of Brazil. It is also a difficult period for the economy of the United States. To the extent consistent with our respective economic obligations and imperatives, we must take great care to manage our mutual problems in a manner that serves our common interest in a healthy and constructive relationship and a durable international trading system.

With warm personal regards,

Sincerely,

Ronald Reagan

~~CONFIDENTIAL~~
Department of State

OUTGOING TELEGRAM

PAGE 02 OF 02 STATE 198249

SUCH A BROADER UNDERSTANDING CAN FORM THE BASIS FOR AN IMMEDIATE ENHANCEMENT OF COOPERATION AND TRADE BETWEEN BRAZIL AND THE UNITED STATES TO MUCH HIGHER LEVELS, IN THE INTEREST OF OUR COUNTRIES AND FOR THE BENEFIT OF WORLD TRADE. I THEREFORE SUGGEST THAT THE BRAZILIAN MINISTERS OF FINANCE AND OF INDUSTRY AND TRADE MEET AS EARLY AS POSSIBLE WITH THE SPECIAL TRADE REPRESENTATIVE AND THE SECRETARY OF COMMERCE OF THE UNITED STATES IN ORDER TO CONSIDER WHICH CONCRETE MEASURES COULD LEAD TO THE ACHIEVEMENT OF THOSE OBJECTIVES.

I AVAIL MYSELF OF THIS OPPORTUNITY TO RENew TO YOUR FACILITY THE EXPRESSION OF MY HIGHEST CONSIDERATION.

WITH VARR. GISEN, JOAO BAPTISTA DE OLIVEIRA FIGUEIREDO;
END TEXT. STOESEL

The specific issues under continuing review of my government. As a highly complex, involved international political will, of course, be prepared Minister Nelson Neto or may be arranged with you Minister of Commerce and

I know this is a di of Brazil. It is also a economy of the United States with our respective economies we must take great care in a manner that serves and constructive relations trading system

With warm personal

~~SECRET~~



DEPARTMENT OF STATE

Washington, D.C. 20520

July 9, 1982

00 00 00 File: 46

MEMORANDUM FOR MR. WILLIAM P. CLARK
THE WHITE HOUSE

Subject: Brazilian Presidential letter on Economic Relationship

Attached is a letter from President Figueiredo to President Reagan concerning problems in the economic and trade relationship between the United States and Brazil and proposing that this relationship be examined at a meeting between appropriate cabinet-level officers of the two governments. The letter also advises that President Figueiredo has ordered the suspension, as of July 8, of an export subsidy practice which had appeared to violate Brazil's commitment to the U.S. and in the GATT to phase out such subsidies. In return, Figueiredo requests that U.S. Government agencies be instructed to suspend any measures which may seek the elimination of the program under which the subsidies have been offered.

President Figueiredo's letter probably has two immediate purposes: 1) to remind President Reagan that U.S. sugar quotas and U.S. interest rates compound Brazil's balance of payments problem; 2) to forestall U.S. retaliation for Brazilian violation of its commitment to phase out its export subsidies. The proposal of a cabinet-level meeting is a reiteration of a suggestion made earlier by Finance Minister Galveas in letters to Secretary Baldrige and Ambassador Brock.

A proposed response will be forwarded following appropriate coordination with the Department of Commerce and the Office of the United States Trade Representative.

L. Paul Bremer, III
L. Paul Bremer, III
Executive Secretary

Attachment:
as stated

~~SECRET~~

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NLR M353/1 #117614
BY RW NARA DATE 5/10/05

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NLRR M353/1 # 117621

UNOFFICIAL TRANSLATION

BY KML NARA DATE 4/15/13

"To His Excellency

Ronald Reagan

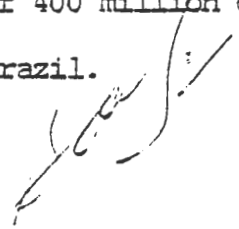
President of the United States of America

Mr. President,

I recall with great pleasure the spirit of loyal cooperation that presided over the conversations we recently held in Washington. In an atmosphere of warm cordiality, we quickly felt that we indeed share similar views on most of the subjects we then considered.

At that time I had the opportunity to mention to you in detail the terrible economic plight now being faced by some 40 million Brazilians in the northeastern part of the country, largely as a result of the deteriorating situation of the world sugar market caused mainly by the agricultural subsidies of the European Common Market and by the import restrictions imposed by the Government of the United States.

The establishment of an import quota system by the United States, and the criteria adopted for the distribution of quotas for the period March through September this year represent a serious blow against a reliable partner such as Brazil, and are likely to lead to an annual loss of 400 million dollars for the impoverished population of the northeast of Brazil.

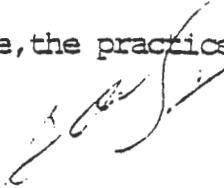


I cannot fail to notice, Mr. President, that the quota regime seems to be in contradiction to the philosophy of free trade espoused by your Administration, and that at the same time it runs contrary the long-established and sound trade relationship between our countries.

I believe the US Government might find it feasible to develop alternative means through which to provide the desired economic assistance to the countries of Central America and the Caribbean, for example by facilitating the importation, into the american market, of alcohol produced by those nations, as well as by adopting other trade-generating policies, but not by depriving the northeast of Brazil of resources that are vital for its very economic subsistence.

Another problem which is of great concern to me is the objection that has been raised by your Government with respect to the BEFLEX program, which has been underway for a long time, and which has been structured as an incentive to exports, but also acts as a stimulus to imports by exempting from any taxation goods imported and utilized in the manufacture of those to be exported. Many of the products we import under the BEFLEX program come from the United States.

In spite of all the positive results and the great importance of the BEFLEX programme, and taking into account the special interest shown on the matter by the US Administration, I have instructed my Ministers of Finance and of Industry and Trade to discontinue, from this date, the practice



of granting special incentives through the BEFTEX programme.

I would therefore be very grateful if your Excellency would be so good as to instruct the agencies of your Government to suspend any studies or measures which seek the elimination of these programs.

One of the outstanding features of the Brazilian economy today is the importance of its international commitments, especially in foreign trade. Those international commitments formed the commanding motivation for some recent messages by my Ministers of Finance and of Industry and Trade to the Special Trade Representative, Ambassador William E. Brock, and to the Secretary of Commerce, Mr. Malcolm Baldrige, containing detailed explanations about these problems and other questions that have been afflicting the economic and financial relations between our two countries and may represent serious risks to the Brazilian economy as a whole.

The brutal increase in oil prices in 1973/74 and 1979/81 has immensely aggravated the situation of oil importing developing countries. During the last 8 years those countries have accumulated a foreign debt to the level of US\$ 350 billion, whereas some oil-exporting countries have accumulated a surplus of US\$ 420 billion in their balance of payments.

The high interest rates brought about by us policies have generated an additional burden to heavily indebted developing countries - larger yet than the negative consequences of the oil-shocks.

Brazil, Mr. President, has been particularly affected by those developments.

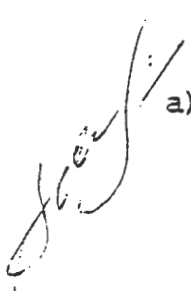
As Brazil has one of the highest foreign debts in the world - over US \$70 billion - and must spend approximately 40 per cent of all its

export-revenues for the sole servicing of that debt, bilateral trade issues cannot be considered in isolation, on the basis of a sectorial approach only; they have to be seen in the broader context of the country's overall balance of payments situation, and conducted at the higher level of the enduring, loyal and promising partnership and friendship between our two nations.

Such a broader understanding can form the basis for an immediate enhancement of cooperation and trade between Brazil and the United States to much higher levels, in the interest of our countries and for the benefit of world trade. I therefore suggest that the Brazilian Ministers of Finance and of Industry and Trade meet as early as possible with the Special Trade Representative and the Secretary of Commerce of the United States in order to consider which concrete measures could lead to the achievement of those objectives.

I avail myself of this opportunity to renew to your Excellency the expression of my highest consideration.

With warm esteem,

 a) João Baptista de Oliveira Figueiredo."

DECLASSIFIED

Dept. of State Guidelines, July 21, 1997
BY KML NARA, DATE 8/3/97

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DEPARTMENT OF STATE
WASHFAX RECEIPT
DEPARTMENT OF STATE

82 JUL 14 P 3: 20

1982 JUL 14 PM 2 54

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MESSAGE NO. 000053 CLASSIFICATION ~~Confidential~~ No. Pages 2
FROM: Lowell C. Kilday ARA/BR 21244 4262
(Officer name) (Office symbol) (Extension) (Room number)
MESSAGE DESCRIPTION Letter to President Figueiredo of Brazil from
President Reagan

TO: (Agency)	DELIVER TO:	Extension	Room No.
<u>NSC</u>	<u>Mr. Sapia-Bosch</u>	<u>395-3552</u>	<u>302</u>
<u>Treasury</u>	<u>Mr. Bruce Juba</u> <u>(for DAS Templeman)</u>	<u>566-2349</u>	<u>5413</u>

FOR: CLEARANCE INFORMATION PER REQUEST COMMENT

REMARKS: Your comment/clearance on this draft interim reply would be
appreciated. The letter should be sent on Thursday, July 15, in view of
the scheduled meeting on Friday between Amb. Brock and Delfim Neto. We are
also providing copies to USTR and Commerce.

S/S Officer:

g
02/14

CM ~~_____~~

ML

DRAFT

~~CONFIDENTIAL~~ ^W

PROPOSED INTERIM REPLY TO FIGUEIREDO-REAGAN LETTER

DECLASSIFIED

Dear Mr. President:

NLRR M353/1 # 117622

BY KML NARA DATE 4/15/13

Thank you for sharing with me your thoughts on some of the outstanding issues on the economic side of the relationship between our two countries. I appreciate the deep concern which underlies your letter and share your view that we should seek to find a basis for a better understanding of our respective problems and policies.

Discussions between our cabinet officials who deal with economic matters would be a most useful step in this direction. Minister Delfim Neto's scheduled meetings with Secretary Regan, Secretary Baldrige, and Ambassador Brock will provide an excellent early opportunity to explore this possibility in greater detail.

The specific issues raised in your letter merit the careful study of several agencies of my government.

His Excellency

Joao Baptista de Oliveira Figueiredo,

President of the Federative Republic of Brazil,
Brasilia.

~~CONFIDENTIAL~~

We will, of course, be prepared to discuss them with Minister Delfim Neto or at any follow-up meeting that may be arranged with the Brazilian Minister of Finance and Minister of Commerce and Industry.

I know this is a difficult period for the economy of Brazil. It is also a difficult period for the economy of the United States. To the extent consistent with our respective economic obligations and imperatives, we must take great care to manage our mutual problems in a manner that serves our common interest in a healthy and constructive relationship.

Sincerely,

Ronald Reagan

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NATIONAL SECURITY COUNCIL

December 27, 1982

TO: 1. ~~Roger Fontaine~~
2. ~~Al Sapia-Bosch~~

FROM: Norman Bailey

FYI and return to me.

Go Am

117615

R. Fontaine
al. Sapia Bosch
FYI + return

~~CONFIDENTIAL~~

MEMORANDUM OF CONVERSATION

DATE AND PLACE: December 13, 1982
AD Headquarters, Caracas, Venezuela

PARTICIPANTS : Venezuela
Dr. Jaime Lusinchi, AD Presidential Candidate

United States
Dr. Norman Bailey, Senior Director of National Security Planning - NSC
Ambassador George W. Landau
Enrique F. Pérez, Political/Military Officer

SUBJECT : AD Presidential Candidate Lusinchi Comments on Domestic and International Issues

DISTRIBUTION : ARA/AND/V
~~NSC - Dr. Bailey~~
Embassy, Georgetown
Embassy, London

AMB/DCM
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1. Dr. Bailey and Ambassador called morning of December 13 on AD Presidential candidate Dr. Jaime Lusinchi to discuss the difficult economic and financial situation afflicting several hemispheric nations; benefits Venezuela could derive from the Caribbean Basin Plan; and the question of compensation to nationalized U.S. oil companies.

2. Dr. Lusinchi, characteristically, interrupted his visitor's opening remarks on the need for improving U.S.-Venezuelan relations and the economic problems besetting the hemisphere to deliver a wide-ranging monologue on economic as well as foreign policy issues. He began by blaming President Luis Herrera Campins personally for losing the "jumbo credit" former Finance Minister Luis Ugueto had worked so hard to arrange. He then blamed the Foreign Ministry for discouraging

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NLR 117615 #117615
BY RW NARA DATE 5/18/15

Canadian bank loans when it failed to grant the Canadian Ambassador an appointment with the Foreign Minister to discuss the possibility of such assistance. Finally, Lusinchi accused Herrera of mismanaging the GOV takeover of the Venezuelan Workers' Bank (BTV) and of causing uncertainty in financial circles by refusing to honor a vast number of government bonds issued to the BTV, the same bonds the GOV is now offering to PDVSA in exchange for the foreign currency reserves it lost to the Central Bank recently.

3. Lusinchi also castigated the present GOV for "playing politics" with foreign affairs issues. According to him, President Herrera has allowed USG-GOV relations to deteriorate. The President backed the idea of elections in El Salvador this year only because he expected the Christian Democrats to win; when Duarte failed to do so, Herrera quickly reduced his support for the democratization effort in that country. Herrera also "played politics" with the Falklands/Malvinas issue, naively hoping to garner Cuban and NAM support for Venezuela's claim against Guyana. Worst of all, however, Herrera is unwilling to accept AD counsel or assistance on domestic or international matters.

4. Lusinchi followed his anti-Herrera tirade with assertions that under his presidency things would be different. He vowed to move quickly to restore public confidence in the Venezuelan economic and financial system. He stressed that the U.S. and Venezuela have more points in common than not in foreign policy, and that as President he would follow a policy line closer to U.S. interests for the region "just like former AD Presidents Betancourt and Leoni did." Lusinchi claimed he earnestly desired to re-establish good and cooperative relations between our two countries.

5. He then suggested that USG help to settle Venezuela's territorial claim against Guyana. Dr. Bailey reiterated our hope that Venezuela will be able to settle its territorial differences with Guyana and Colombia soon and peacefully. Lusinchi replied that he thought a solution to both problems could be found through negotiations during his presidency. He claimed to have information indicating that neither Guyana nor Colombia was interested in negotiating with the present GOV. Of the two problems, the differences with Colombia can be more easily resolved. Lusinchi is worried, however, that Herrera may order the invasion of Guyana as an eleventh-hour electoral ploy, or to satisfy the "Hawks" in his military high command. Such a move, he

said, could derail the electoral process. But the fact that others, particularly Caldera, are also aware of this possibility would make it harder for Herrera to carry out such a plan. The Venezuelan people should be educated to accept something less than the total territory demanded from Guyana. Lusinchi believes Guyana and the Venezuelan people would accept a solution involving the trade of a triangle of Guyanese Atlantic Ocean coastline (around the Barama River) for economic assistance to develop Guyana's hydroelectric industry. Venezuela could also guarantee Guyana that it will buy most of the hydroelectric power generated by the controversial Mazaruni Dam project. What Venezuela is really after, Lusinchi said, is an exit to the Atlantic.

POL:EF Pérez:mfd ^{SP}

Clearance: The Ambassador *lw*

CONFIDENTIAL

MEMORANDUM OF CONVERSATION

DATE AND PLACE: December 13, 1982
 Dr. Caldera's Home, Caracas, Venezuela

PARTICIPANTS : Venezuela
 Rafael Caldera, Former President and
 COPEI Presidential Candidate

United States
 Dr. Norman Bailey, Senior Director of
 National Security Planning - NSC

Ambassador George W. Landau
 Enrique F. Pérez, Political/Military Officer

SUBJECT : COPEI Presidential Candidate Comments on
 Domestic and International Issues

DISTRIBUTION : ARA/AND/V
 NSC - Dr. Bailey
 Embassy, Georgetown
 Embassy, London

AMB/DCM
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 EXATT
 USIS
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 CHRON

1. After meeting with AD presidential candidate Jaime Lusinchi the morning of December 13, Dr. Norman Bailey and the Ambassador called on former President Rafael Caldera at the latter's Caracas home. Caldera, like Lusinchi, met with Dr. Bailey without his aides. PolMil Officer was also present at the meeting.
2. Caldera proved to be a better listener than Lusinchi but also less candid. He listened attentively to Dr. Bailey's remarks concerning the hemisphere's difficult economic situation; the Reagan administration's hopes for the Caribbean Basin Plan and the possible benefits Venezuela could derive from it; USG hopes for a peaceful resolution of Venezuela's territorial disputes; and the favorable impact of the administration's "quiet diplomacy" on the governments of Guatemala and El Salvador, before offering his own views.

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NLRR 10353/1 # 117617
 BY RW NARA DATE 5/18/15

His responses, though well thought out and clearly expressed, followed a standard line. He did not criticize President Herrera Campins or attack any of his domestic or foreign policies.

3. The Situation in the Caribbean Basin

Caldera blamed the present political turbulence in the region on the dictators that ruled most of these countries for the last three decades. He said he predicted to ARA Assistant Secretary Terence Todman several years ago what is now happening in Nicaragua, and that he counseled Vice President Bush this year on how to deal with the problems in El Salvador. Caldera was worried about the tense situation between Honduras and Nicaragua and hoped that violence could be avoided because "its consequences could be disastrous to the entire region". He saw the prospects improving for a political solution in El Salvador but conceded that the guerrillas, with obvious outside support, were still a powerful force and one that could prevent an acceptable political solution. Costa Rica, he said, should be given immediate and massive economic aid if it is to survive as a democracy. The situation in Guatemala remains unclear largely because of the messianic pretensions of its President, General Rios Montt. The economic problems threatening Mexico and the Dominican Republic could cause political instability. Panama after Torrijo's death has also become unstable. In the face of all these problems, however, Venezuela is still willing to cooperate with the USG in promoting democratic and pluralistic governments in the region.

4. The Reagan Administration's "Quiet Diplomacy"

Caldera asked for Dr. Bailey's assessment of President Reagan's recent trip to South America. Dr. Bailey said it had been very successful. He pointed out that two positive offshoots from it were Rios Montt's announcement that elections would be held soon in Guatemala and Magaña's announcement of the establishment of a Human Rights Commission in El Salvador. Caldera observed that the administration's "quiet diplomacy" appeared to be effective in improving the human rights climate in the region but that because of its "quiet" nature it opened the administration to charges of inaction or insensitivity in the human rights area. Dr. Bailey pointed out that those charges were unfounded; the present administration is as strong an advocate of human rights as was its predecessor.

In contrast to President Carter, President Reagan prefers to strive for results in this area without embarrassing the offending governments.

5. Caribbean Basin Plan

Dr. Bailey explained how aspects of the plan could benefit participating donor countries like Colombia and Venezuela. He also stressed the importance of cooperation among hemispheric nations, their Central Banks, and international lending institutions to prevent present economic woes that beset the region from turning into a depression similar to the devastating Great Depression of the 1930's. Caldera welcomed the idea of extending the benefits of the plan to Latin donor countries and endorsed the idea of international cooperation to avoid an economic catastrophe. He also expressed the hope that the USG could find a way to help countries outside the plan's scope, such as Ecuador and Bolivia, whose dire present economic situations could lead to social and political violence in the near future.

6. Border Disputes

Dr. Bailey expressed the USG's hope that Venezuela would soon find peaceful solutions to its territorial disputes with Colombia and Guyana. Caldera remarked that he shared that hope and expressed the belief that the problem with Colombia could be speedily resolved under the next Venezuelan Government. The dispute with Guyana was a different matter. The problem here, Caldera said, is that Guyana continues to refuse to engage in talks about a solution. Perhaps if Great Britain, as guarantor of Guyana's territorial integrity, could "insinuate" to Guyana to start talks, "something reasonable could be achieved". He had suggested as much to UK Prime Minister Thatcher when the two met at the height of the Falklands crisis while he visited England on personal business.

7. Caldera then suggested that perhaps through our "quiet diplomacy" we could suggest to Guyana to enter into meaningful negotiations. Dr. Bailey reiterated the hope that both disputes could be resolved peacefully and mentioned that Augusto Ramirez, Mayor of Bogota and a close friend of President Belisario Betancur, had told him recently of his hope that under the next Venezuelan administration the differences between the two nations could be resolved.

POL:EF Pérez:mfd ^{EP}
Clearance: The Ambassador ^W