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BRAZILLIA - Thank you letters sent to the following:

His Excellency Ambassador Joao Augusto de Medicis Chief of Protocol and No cy

His Excellency Ambassador Joao Clements Baena Soares Secretary General

Colonel Emanuel Augusto do Oliveira Serrano Oliveira Serr

Minister Lael Simoes Barbosa Soares Carl No Co Protocol Division Ministry of External Relations

Colonel Moacyr Coelho Director - Federal Police Department

Counselor Synesio Sampaio Goes Filho Chief of Protocol

November 7, 1982

Dear Counselor Sampaio Goes:

On behalf of the entire Presidential survey team, I want to express our warm thanks for your outstanding contribution to the planning for President Reagan's upcoming trip to Brazil. I especially appreciate your having interrupted your weekend to meet and work with us.

It was a great pleasure to meet you and I and the rest of the White House team look forward to working with you and your colleagues in the days to come.

Sincerely,

MICHAEL K. DEAVER Assistant to the President Deputy Chief of Staff

Counselor Synesio Sampaio Goes Filho Chief of Protocol Palacio do Planalto Brasilia, D.F. Brazil

November 7, 1982

Dear Colonel Coelho:

I want to express my personal thanks and those of the entire Presidential survey team for your superb contribution to the security planning for President Reagan's upcoming visit to Brazil. This is a key part of our preparations and I especially appreciate your taking time on the weekend to meet with us.

I and the rest of the White House team look forward to working with you and your colleagues in the days to come,

Sincerely,

MICHAEL K. DEAVER Assistant to the President Deputy Chief of Staff

Colonel Moacyr Coelho Director Federal Police Department Brasilia, D.F. Brazil

November 7, 1982

Dear Ambassador Baena Soares:

I want to express my deep appreciation for your invaluable help in preparing President Reagan's upcoming visit to Brazil as well as my admiration for the enthusiastic support your colleagues in the Ministry of External Relations have provided.

It was a great pleasure to meet you and I look forward to renewing the pleasure in the days to come.

Sincerely,

MICHAEL K. DEAVER Assistant to the President Deputy Chief of Staff

His Excellency
Ambassador Joao Clemente Baena Soares
Secretary General
Ministry of External Relations
Palacio do Itamaraty
Brasilia, D.F.
Brazil

November 7, 1982

Dear Colonel Serrano:

On behalf of the entire Presidential survey team, I want to express our warm thanks for your important contribution to arrival and departure planning for President Reagan's upcoming visit to Brazil. We especially appreciate your interrupting your weekend to meet and work with us.

It was a pleasure to meet you and I and the rest of the White House team look forward to working with you and your colleagues in the days to come.

Sincerely,

MICHAEL K, DEAVER Assistant to the President Deputy Chief of Staff

Colonel Emanuel Augusto do Oliveira Serrano Commander Military Sector International Airport Brasilia, D.F. Brazil

WASHINGTON

December 9, 1982

Dear Mr. Minister:

Thank you for the beautiful sculptured statue of the horse by Mario Agostinelli. I sincerely appreciate your thoughtfulness.

Although our visit was very brief, we were able to accomplish a great deal thanks in large part to your invaluable assistance. Your cooperation did much towards making President Reagan's trip a success.

With best wishes.

Sincerely,

MICHAEL K. DEAVER Assistant to the President Deputy Chief of Staff

Ministro Italo M. Alexandre Mastrogiovani M.D. Chefe do Ceremonial Palacio dos Bandeirantes Av. Morumbi Sao Paulo - SP Brasil

WASHINGTON

November 8, 1982

Dear Ms. Morelos:

On behalf of the entire survey team, I would like to express my personal appreciation to your staff for taking the time to meet with us and show us the lovely National Theatre. Together I am sure we can work to insure a successful visit to Costa Rica by President Reagan.

With best wishes.

Sincerely,

MICHAEL K. DEAVER Assistant to the President Deputy Chief of Staff

Ms. Graciela Morelos Director National Theatre San Jose, Costa Rica

WASHINGTON

November 8, 1982

Dear Mr. Minister:

On behalf of the entire survey team, I would like to express my personal appreciation for the help your Ministry gave during our brief stop in San Jose today. Together I am sure we can work to insure a successful visit to Costa Rica by President Reagan.

With best wishes.

Sincerely,

MICHAEL K. DEAVER Assistant to the President Deputy Chief of Staff

His Excellency Fernando Volio Jimenez Minister of Foreign Relations Republic of Costa Rica

WASHINGTON

November 8, 1982

Dear Mr. Ambassador:

On behalf of the entire survey team, I would like to express my personal appreciation for taking time from your busy schedule to meet with us during our brief stop in San Jose. Together I am sure we can resolve the many details to insure a successful visit to Costa Rica by President Reagan.

With best wishes.

Sincerely,

MICHAEL K. DEAVER Assistant to the President Deputy Chief of Staff

His Excellency Alvar Antillon Salazar Director General Ministry of Foreign Relations Republic of Costa Rica

WASHINGTON

November 8, 1982

Dear Mr. Oreamuno:

On behalf of the entire survey team, I would like to express my personal appreciation for your assistance during our brief stop in San Jose today. Together I am sure we can resolve the many details to insure a successful visit to Costa Rica by President Reagan.

With best wishes.

Sincerely,

MICHAEL K. DEAVER Assistant to the President Deputy Chief of Staff

Mr. Maximiliano Oreamuno Brenes Chief of Protocol Office of the President Republic of Costa Rica

December 9, 1982

Dear Mr. President:

It was so thoughtful of you to send the beautiful book "Columbia". I am looking forward to some free time to enjoy it.

I sincerely appreciate your generosity and thoughtfulness.

With best wishes.

Sincerely,

MICHAEL K. DEAVER Assistant to the President Deputy Chief of Staff

His Excellency Belisario Betancur President of the Republic of Columbia Bogota, Columbia

WASHINGTON

MEMORANDUM FOR RECORD

SUBJECT: Survey Trip to South and Central America November 5 - 8, 1982

Washington, DC to Brasilia

Flight time: 8 hrs. 30 min.

Attended informal barbecue at Ambassador Motley's residence.

OVERNIGHT

Saturday, November. 6

Tour of American Embassy Itamaraty (Foreign Office) Planalto (President's Office) Alvadorada (Official residence)

DEPART Brasillia 1 p.m.

Flight time: 1 hr. 20 min.

ARRIVE Sao Paulo, Brazil

Tour of Maksoud Plaza Hotel Anhembi Convention Center FEB Memorial

DEPARTED Congonhas AP via Brazilian Aircraft en route Viracopos International AP

DEPARTED Sao Paulo, Brazil en route Rio de Janeiro Flight time: 40 min.

OVERNIGHT

Sunday, November 7

DEPART Rio de Janeiro

Flight time: 5 hrs. 30 min.

ARRIVE Bogota, Columbia

WASHINGTON

ARRIVE BOGOTA

Meeting at Embassy

Proceed to Foreign Ministry

Tour Presidential Palace Plaza Bolivar Quinta Bolivar

DEPART Bogota

Flight time: 1 hr. 15 min.

ARRIVE Cartagena

DINNER Club de Pesca

OVERNIGHT Cartagena

Monday, November 8

Site survey: Club Naval to survey possible Presidential

DEPART Club Naval via BOAT enroute Casade Huespedes Ilustres. (Columbian Presidential guest house)

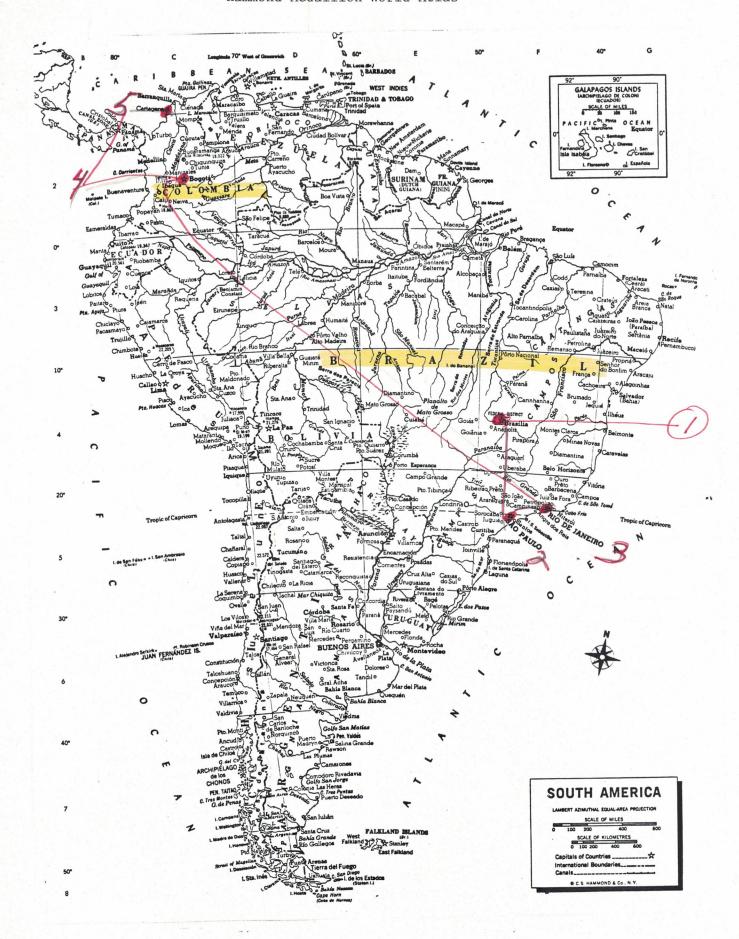
TOUR Convention Center

DEPART Cartagena, Colombia

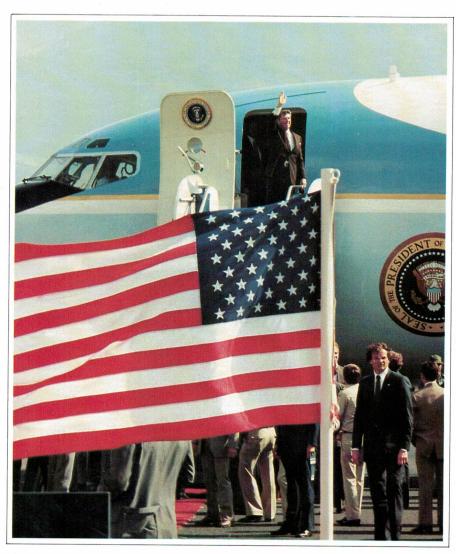
Flight Time: 1 hour 35 min.

ARRIVE San Jose, Costa Rica

Ambassador's residence for lunch.



Hammond Medallion World Atlas



A HEMISPHERE OF DEMOCRACY

The Reagan Administration and Latin America

he journey of President Ronald Reagan to Brazil, Colombia, Costa Rica and Honduras from November 30 to December 4, 1982, bore witness to the commitment of the United States to democracy in the Western Hemisphere.



It is quite true that President Reagan also traveled to Latin America "to listen and learn"; to discuss new economic challenges in an era of growing interdependence; and finally, to reaffirm the U.S. faith in the collective security of the inter-American system.

But in demonstrating the importance that his Administration places on the entire fabric of hemispheric relations, the President consciously gave the highest priority to the identification North Americans feel for the struggle for democracy in Latin America.

THE DEMOCRATIC IMPERATIVE

If one theme runs through virtually every aspect of the Reagan Administration's policy toward the Americas, it is a commitment to the support and expansion of free institutions and democratic government. Support for democracy, it must be stressed, is not a theme that only Latin America has been singled out to hear: It is a central element of American foreign policy throughout the world.

Western democracy begins with the primacy of the individual. Our forebears recognized the inescapable fact that human beings are more important than the social and political uses to which they can be put, that governments exist to serve them and not the reverse. This is the foundation upon which the democratic process rests.

President Reagan has given the theme of democracy a renewed emphasis in many of his foreign policy addresses, calling for a campaign to revitalize the democratic ideal

throughout the world.

"The objective I propose is quite simple to state," the President has declared: "to foster the infrastructure of democracy—the system of a free press, unions, political parties, universities—which allows a people to choose their own way, to develop their own culture, to reconcile their own differences through peaceful means.

"This is not cultural imperialism; it is providing the means for genuine self-determination and protection

of diversity."

DEMOCRACY IN LATIN AMERICA

Nowhere has the reassertion of democratic values been more dramatic than in Latin America. Just a few years ago, few political analysts foresaw the extent to which democracy would constitute the wave of the future. Yet today the nations of the Americas increasingly recognize that sustained political and economic progress must rest on the participation and consent of the people.

U.S. Secretary of State George Shultz commented on this phenomenon in his November 1982 address to the

Organization of American States (OAS):

"Our record is uneven. For some countries—Colombia, Costa Rica, Mexico, Venezuela, Barbados, Jamaica, Trinidad, indeed most of the Caribbean—democratic institutions have functioned without interruption for a generation or more. Other countries...have experienced only interludes of democratic governance.

"But what is most striking is that democracy is everywhere the hemisphere's recurring and practical standard....

"In the last few years, Ecuador, Honduras and Peru have all fully reaffirmed their democratic traditions. The Dominican Republic has sustained its newer tradition. Brazil's abertura (opening to democracy) has been underway for a decade. And today, Argentina's and Uruguay's commitment to a return to democratic politics, Bolivia's newly elected government, and the democratic transformation in El Salvador—all offer genuine hope for the future."

Two-thirds of the members of the OAS have governments chosen in open, competitive elections. It is estimated that, counting Brazil, more than 80 percent of the population of Latin America live under some form of democratic government. This is an achievement unmatched on any continent anywhere in the developing world. It means, quite simply, that the peoples of the Americas live in a hemisphere of democracy. President Reagan recognized this when, in Colombia, he said: "We all know that the democratic path is never easy. But it is a path toward which the peoples of this hemisphere are increasingly turning."

This development is a just source of pride, but it is no reason for complacency. Democracy provides neither final truths nor guarantees of the good life; instead, it is most appropriately thought of as a process that allows individuals to express their political values and to seek their own definition of the good life. It represents the antithesis of ideologies, which claiming a monopoly on political truth, impose their values upon people regardless of their wants or needs. "Democracy has no universal formulas like those of totalitarian philosophies," President Luis Alberto Monge of Costa Rica has stated. "Its strength is that it allows

free people to find their own solutions."

Despite their diversity, democratic societies share certain characteristics. For one, they tend to be vigorous and open. Democracy enables debate on such core issues as defining national identity, insuring social justice and achieving economic prosperity. Not surprisingly, the decibel level in democratic states—domestically and internationally—tends to be higher than authoritarian societies where such decisions are imposed from above, or negotiated privately by elites accountable only to themselves.

The challenges to the Americas today—in trade, finance, human rights, economic growth and security—are, and will continue to be, subjects of vigorous debate. But nations sharing the receptivity and respect for differing viewpoints inherent in the democratic tradition, as well as the ties of culture, history and geography, already have a foundation for surmounting these problems through accommodation and cooperation.

PROSPERITY, PEACE AND DEMOCRACY

One facet of democracy that Latin America and developing nations everywhere are recognizing is that democratic institutions, far from being luxuries that only industrialized countries can afford, contribute decisively to sustained growth, prosperity and social equity. They are also essential for the maintenance of genuinely dynamic societies in which individuals have enough of a stake to invest in, and work willingly for, the society's future. Economic progress, after all, is not the product of automatons, but the sum total of the efforts of individuals. Growth is inherently a creative act and economic growth is

Before a richly colorful tapestry, Presidents João Figueiredo and Ronald Reagan toast one another's country during a formal banquet in Brasilia. Said Reagan: "My eyes are dazzled by the progress of the Brazilian nation."



no exception. Unless a society values creativity and freedom, its potential for the innovation essential to continued economic growth is severely limited.

Examples abound everywhere, from the developing world to Eastern Europe and the Soviet Union, of authoritarian and totalitarian nations that are stagnating economically, and often find themselves dependent on military and police power to maintain their rule. By contrast, the democracies of Latin America, other developing nations and Western Europe, with few exceptions, have recorded relatively high rates of growth and levels of prosperity.

As President Reagan has observed: "Nations in Central and South America are finding that the consensus-building inherent in a democracy offers a firm foundation for responding to economic and other crises." Three of the countries the President visited—Brazil, Costa Rica and Honduras—recently have conducted elections in times of economic stress—clear indications of an understanding that economic recovery must proceed in tandem with

democratic institutions.

Democratic societies in the 20th century also tend to be peaceful societies. This is not because their citizens are inherently more virtuous than those of other states, but because democratic governments are accountable to the people. "We know that democracies are far less likely to go to war than governments whose leaders need not obtain the consent of the people," Secretary of State Shultz said in his OAS speech. "In Central America the democratic transformation of all the states in the area is not only a desirable step that each may set itself; it may well be a precondition for a durable peace."

THE ELECTORAL KEY

In committing itself to the support of political democracy in Latin America and elsewhere, the United States has no unilateral definition of precisely what democratic practices must look like in other nations and cultures. But the central institution of any true democracy is the same—open elections. During his trip, President Reagan endorsed the resolution of the October 4, 1982, San Jose conference of eight Latin American democratic states establishing a regional elections bureau as part of their program for strengthening the electoral process in Central America.

In an age when even the most totalitarian of states pay obeisance to the forms of democracy, free elections offer a benchmark by which to distinguish true democratic practices from those of states that are democracies in name only. Ambassador Jeane Kirkpatrick, Permanent U.S. Representative to the United Nations, provides a succinct definition of truly free elections: "Democratic elections are competitive, periodic, inclusive and definitive."

Elections are competitive: Candidates representing

perpetuate themselves in office but must remain accountable to the citizenry at regular intervals. Elections are inclusive: They are not limited to small groups that leave large segments of the adult population disenfranchised. And elections are definitive: When the people vote, the results are binding and not advisory. "Legitimate power flows only from the people," Ambassador Kirkpatrick adds

Further, the ability of a nation to conduct free elections implies the ability to protect other essential freedoms, including freedom of expression and the press,

and to organize political parties.

THE IMPERATIVE OF INTERDEPENDENCE

During the past 20 years, Latin America and the Caribbean have achieved one of the most impressive rates of economic growth in the world. The average annual growt rate, excluding inflation, of 5.7 percent has been consistently higher than that of the developed countries and of the developing nations taken as a whole.

The economic size of Latin America has tripled in absolute terms since 1960. This fact is hardly surprising given the size and diversity of its markets, its increasing skilled work force, large agricultural and mineral resources, and growing industrial and technological

capability.

International trade has contributed to Latin America growth as well. U.S. imports from Latin America and the Caribbean have grown from \$4 thousand million in 1960 to \$39 thousand million in 1980; direct investment from the United States increased from \$8.4 to \$38.3 thousand million in the same period.

In 1980 total trade within the hemisphere—includir Canada—totaled \$155 thousand million, or 42 percent of the hemisphere's overall world trade. Latin America, as

whole, is the United States' biggest customer.

The impressive nature of these figures should not obscure another fact of great importance to U.S.-Latin economic relations: the diversification of Latin America trade and investment patterns. Trade between Japan and Latin America, especially Brazil, has increased enormous and trade between Latin America and Europe has expanded greatly as well. At present, direct foreign investment in Latin America by nations outside the hemisphere exceeds \$15 thousand million.

As a result, the economic relationships in the Americas are both more competitive and more diverse. To days when relations consisted almost exclusively of bilateral exchanges between the United States and Latin America are past. Latin America has, in broad historical terms, moved from a pattern of relative dependency to position of unquestioned economic strength and diversity. Dependence has become interdependence. As Secretary of State Shultz puts its: "We depend vitally of each other, for our prosperity, for our security, for peace."

Interdependence, therefore, is an imperative for the United States as well as for Latin America. Without mutual accommodation and cooperation, prosperity and growth are impossible; with it, the physical and human resources of the hemisphere offer a future of renewed progress for all.

THE CHALLENGE OF RECOVERY

Every nation of the hemisphere now faces the challenge of overcoming a serious worldwide recession. To succeed, nations must translate the pledge of mutual cooperation into practical recovery programs, and work to protect the integrity of the trading and financial systems that are among the most powerful engines of growth at the disposal of the international community.

This challenge is not a North-South issue, but one shared by every member of the international community. Like the other nations of the Americas, the United States has been struggling to recover from the multiple impact of recession, inflation, increased energy costs and high interest rates. The Reagan Administration recognizes that the United States, as the world's single largest market, must make every effort to revitalize its own economy; President Reagan's domestic recovery program is designed to do precisely that. Already, inflation and interest rates have dropped dramatically, and productivity and savings are on the upswing. "We believe the door is now opening to lasting, broad-based economic expansion," the President said in Sao Paulo, Brazil, "[which] will mean increased trading opportunities for our friends in the developing world."

The United States remains committed to fostering expanded international trade as an essential step toward recovery. In 1981, for example, the United States alone paid more than \$68 thousand million to the developing world for imported goods (which excludes payments for oil imports to nations belonging to the Organization of Petroleum Exporting Countries (OPEC)). This figure is twice as much as the developing world received in official development aid from all sources.

It is vital that the industrial and developing nations alike reject the lure of protectionist policies implemented either by building tariff barriers to imports, or by artificially subsidizing exports to gain a fleeting competitive advantage. In the end, protectionism simply spawns protectionism elsewhere, leading to economic contraction and the loss of jobs that were the rationale for such protectionist policies in the first place.

At the same time, the Reagan Administration recognizes that the recession has hit the developing nations, including Latin America, particularly hard. The problem is a formidable one. Deficits among the hemisphere nations have increased sharply, aggravated by inflation and high interest rates. Simultaneously, the recession has reduced export earnings as the prices for basic commodities have fallen and imports by the

industrial nations have declined.

The response of each nation in Latin America must, of course, suit its special circumstances, but all confront th need for economic stabilization and reduction of foreign debts. At the same time, public and private lenders shoul maintain adequate flows of credit. As President Reagan observed: "Lenders and borrowers must remember that each has an enormous stake in the other's success."

Where nations undertake necessary reforms and stabilization programs, the United States recognizes the necessity of working together on debt matters. In August 1982, for example, Mexico and the United States cooperate to mobilize \$4.5 thousand million in financing to allow time for Mexico to prepare a stabilization plan in conjuntion with the International Monetary Fund (IMF). And ir Brazil, President Reagan announced a \$1.23 thousand m lion, short-term "bridging" loan pending arrangement of a similar financing agreement with the IMF.

MULTILATERAL AID AND CBI

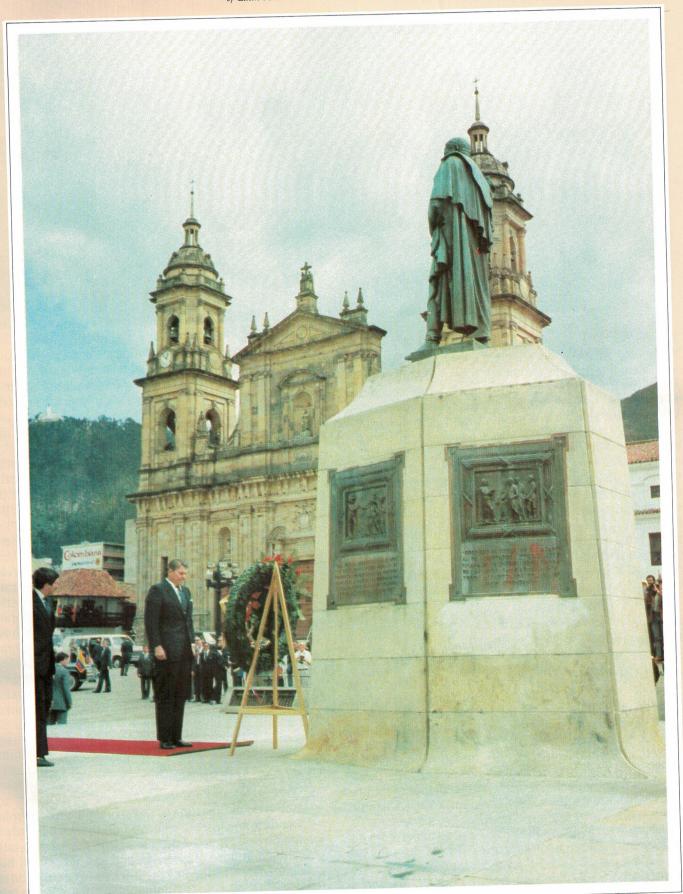
Although the Reagan Administration emphasizes the role of free trade and the private sector as the essentia keys to sustained, noninflationary growth, it is fully awa that concessional aid and other forms of assistance are often critical factors in development. The United States contrary to some assertions, is not seeking to reduce it overall contributions to international multilateral organizations. Prior to his Latin American trip, Presider Reagan said: "We support an adequate increase in IMF quotas and a substantial replenishment of the Inter-American Development Bank."

Member nations of the Inter-American Bank later agreed to such a replenishment plan, one element of wh is a \$13-thousand-million lending program. And in January 1983 the United States joined with other indust nations in announcing a major increase in the funding the IMF to "insure renewed and sustained growth." The created a new emergency fund of \$19 thousand million accessible to any IMF member with balance-of-payment debt problems that "pose a threat to the stability of the international monetary system," and agreed to expand I reserves through a substantial increase in the quotase member nations.

In setting terms of trade and specific levels of aid Latin America and the United States must strive for w Secretary of State Shultz called the "balance of interdependence." Just who should make what economic adjuments, and in what degree, is a question with a differe answer for each nation and each set of circumstances.

For some of the most vulnerable economies of the region, the President has proposed the innovative Caribbean Basin Initiative. CBI is an integrated, mutua reinforcing package of trade, investment and aid provisi designed to provide short-run assistance, and to help establish conditions for long-term increases in product

In Bogota, Colombia, President Reagan, after laying a commemorative wreath, stands in silence before the statue of Latin America's Great Liberator, Simon Bolivar.



President Reagan, aboard the Presidential plane during his Latin American journey, confers with key foreign policy and economic aides. From left: Special White House Trade Representative William Brock, the President, National Security Adviser William Clark, Secretary of State George Shultz and Secretary of the Treasury Donald Regan.



and output. CBI's centerpiece is an offer of one-way free trade for 28 nations and dependencies in the region that would eliminate duties on all imports from the Caribbean Basin (with the exception of textiles that are covered by international agreement). The United States developed CBI in consultation with other nations in Latin America; and Canada, Mexico, Venezuela and Colombia are participating as donor nations in this regional effort.

The U.S. Congress already has authorized the economic aid portion of CBI, but, due to procedural obstacles, failed to pass the free-trade provisions at the end of 1982. In a subsequent meeting with ambassadors from the OAS however, President Reagan pledged that passage of the remaining trade and tax-incentive provisions of the Caribbean Basin Initiative would be one of his Administration's highest priorities in 1983. (His remarks to the OAS ambassadors appear on the inside back cover.)

INTER-AMERICAN SECURITY

In his speech to the OAS, Secretary of State Shultz observed: "The striking thing to me, thinking over what occurred in our lifetimes, is the success the American states have had in preventing war." Of course, there have been exceptions, he noted, the Chaco War in the 1930's, conflicts in Central America and internal insurgencies.

Most recently, the hemisphere confronted the tragic war in the South Atlantic. It bears repeating that the United States made a sustained effort to help settle the Falklands/Malvinas dispute peacefully; and when prospects for a settlement ended, the United States moved to underscore its condemnation of the use of force to resolve disputes.

As Thomas O. Enders, U.S. Assistant Secretary for Inter-American Affairs, has pointed out: "Machinery exists to anticipate disputes and permit their peaceful

and definitive settlement: various inter-American arbitration and conciliation agreements, OAS peacekeeping mechanisms, the International Court of Justice, even the treaty of Tlatelolco, which established the world's first nuclear-free zone in a populated area....The maintenance of a peaceful equilibrium with the hemisphere is everyone's business."

The decision of the United States in the South Atlan crisis does not imply support for the sovereignty claim either Britain or Argentina, and in November 1982 the Reagan Administration supported a balanced resolution the Falklands/Malvinas in the United Nations.

Even given this tragic exception, the inter-Americ system, based on the Rio Treaty, the Pan American Union the OAS and a strong network of bilateral ties, has served security needs of the hemisphere well. Latin America, average, spends only about 1.4 percent of gross nation product on defense—a quarter of what the developing world as a whole spends. By one count, the OAS has responded to more than 50 requests for mediation and settlement of disputes; often its contributions have be decisive. Costa Rica, for example, has no army and no intention of establishing one; this policy is not based wishful thinking, but upon an inter-American security system that has proven repeatedly that it works.

THE CENTRAL AMERICAN CHALLENGE

Central America today is a test of the right of peoples be secure from violence imposed on them by hostile foreign powers. The question is whether, after generation of inequity, a more progressive and just future will be guaranteed best by the free institutions of democracy, or the tired ideologies of totalitarianism. Tyranny of the left is no less despotism than dictatorship of the right. Just as the

United States, together with other nations, seeks economic justice and democracy for the hemisphere, the U.S. also affirms its opposition to those who would impose a single vision of the future on their neighbors.

The guerrilla war being waged against the elected government of El Salvador, for example, is not simply an internal matter, since the anti-government forces are sustained by arms, training and logistical support from forces outside the hemisphere, with the active assistance of Cuba and Nicaragua. The conflict is a test of the ability of the Americas to deter aggression and protect the principle of self-determination. The recent elections in El Salvador, held in the face of threats and attacks by guerrilla forces, were eloquent evidence of the Salvadoreans' belief in the democratic process and rejection of revolutionary violence.

Nicaragua represents, in principle, a similar challenge. In addition to supporting intervention in El Salvador, the Sandinista regime has violated its own promises of pluralism and free elections which they made repeatedly, first to democratic members of the coalition that united with them in opposition to the regime of Anastasio Somoza, and later to the OAS. The Sandinistas also have embarked on a program of militarization on a scale far beyond that of any other nation in the region with the exception of Cuba.

U.S. military assistance to El Salvador and Honduras is based on the simple premise that neither peace, democracy nor economic progress is possible without assurances of security. But containing aggression and eliminating subversion are only first steps. "If peace requires strength," Secretary of State Shultz said, "strength in turn infuses an obligation to make peace."

The Reagan Administration firmly supports the resolutions of the San Jose Conference of democratic nations of Central America and the Caribbean, held in October 1982. These resolutions reaffirm their commitment to non-intervention, democratic values and human rights. Specifically, they call upon all nations in the region to:

- —renounce the importation of heavy offensive weapons;
- —insure the withdrawal of all foreign military advisers and troops:
- —end support for subversion against neighboring
- —begin internal reconciliation enabling dissidents to participate openly in public life; and finally,
- -establish democratic institutions and hold open elections.

"The principles of the San Jose Final Act provide a reciprocal, just and verifiable basis for peace," President Reagan stated in his televised address from Costa Rica. "I call on all states in this region to join in this process of genuine, peaceful reconciliation."

The affirmation of democracy, a pledge to work for economic progress and expanded trade, a commitment to the inter-American security system—these are the foundations of the Reagan Administration's policy for Latin

Strengthen Democratic

PRESIDENT REAGAN IN LATIN AMERICA

very trip by a head of state has a personal as well as an official level: For President Ronald Reagan, his journey to South and Central America was a source of personal satisfaction.

Since his first days in office, President Reagan has expressed interest in traveling to Latin America. He also has given inter-American affairs high priority within his Administration. Mr. Reagan met twice with outgoing President José Lopez Portillo of Mexico and more recently with new President Miguel de la Madrid. On a Caribbean trip he held meetings with Prime Minister Edward Seaga of Jamaica, Prime Minister J.M.G.M. "Tom" Adams of Barbados and the leaders of the island nations of St. Vincent, Dominica, Saint Kitts-Nevis, and Antiqua and Barbuda. He also consulted with a number of American leaders in Washington and addressed the Organization of American States on his trade-andinvestment initiative for the Caribbean.

The President intended his trip to underscore further the importance that his Administration attaches to relations with Latin America. Each of the four countries on the itinerary had held elections in the past year, which enabled President Reagan to encourage what he termed "a strong democratic tide

running in the Americas."

BRAZIL

Below, President Reagan and aides, flanked the arrive for talks with Brazilian leaders. Right conferees (from left): U.S. Treasury Secretar Ambassador to Brazil, Langhorne A. Motley State Shultz; President Reagan; President F Brazilian Ambassador to the U.S., Antonio of the U.S., A



"Let us remember progress is imposs peace, economic crucial pilla Beneath Brazilia, flags. President Readelivers an addre and economic relat Americas representatives in s

President Figueiredo accompanies President Reagan followina

President Figueiredo accompanies President Reagan following his arrival in Brasilia (below), first stop on the U.S. President's four-nation Latin American trip.

n Brazil President Reagan renewed his acquaintance with President João Figueiredo, whom he had met previously in Washington. On his arrival in Brasilia, President Reagan said: "Our societies are similar in that we both have a frontier tradition, an openness and vision for greatness....Your elections November 15 demonstrate Brazil's confidence in itself and its stability in freedom."

The two leaders held lengthy discussions on the following day, resulting in agreement on a series of measures designed to meet financial and trade problems. President Reagan announced that the United States would provide a short-term loan of \$1.23 thousand million so that Brazil could complete a financial program in conjunction with the International Monetary Fund President Reagan noted that the loan supplemented recent lending by private banks, which "reflects their confidence in Brazil's economic soundness and a recognition of the commitment of the Brazilian government and its people to undertake needed adjustments."

They agreed that Brazil would phase out export subsidies during the next two years, and established five special working

groups to examine bilateral issues in economics, nuclear power, science and technology, space and military-industrial relations.

At an afternoon visit to President Figueiredo's ranch, both leaders went horseback riding and enjoyed an outdoor barbecue. At a more formal dinner in the evening, President Reagan toasted his host and said: "My eyes are dazzled by the progress of the Brazilian nation."

On the second and final day of his Brazilian visit, President Reagan flew to São Paulo for an address on hemispheric economic and trade relations before an audience of business representatives. The President observed that, despite the current recession, the United States and Latin America were taking the painful but necessary steps for sustained economic expansion. He urged nations to reject protectionism and work to expand international trade. And as a practical example of cooperation between Brazil and the United States in science and technology, he invited a Brazilian astronaut to train in the United States for a future mission aboard the U.S. Space Shuttle. (Excerpts from this speech begin on page 17.)



guard, the U.S. ry of r; and ra.









n a busy five-hour visit to Colombia, President Reagan and President Belisario Betancúr held frank and cordial talks as they reviewed some of the differences between them on bilateral and hemispheric issues. After laying a wreath at the statue of the great Latin American liberator Simon Bolivar, the two Presidents

conferred at the Presidential Palace. At a luncheon following their meeting, President Betancúr expressed his concern over such issues as trade and the impact of the recession on Latin economies, funding levels for multilateral institutions and U.S. policy in Central America.

President Reagan responded

that he appreciated that President · other's thoughts in th Betancúr had spoken "from the heart." Mr. Reagan continued:

"You have spoken frankly. Now let me do the same. I came here to listen and to learn. One of the great traditions of democratic nations, as you know so well, is that leaders can speak candidly to one another and accept the

tive spirit in which th offered."

President Reagar the conclusions of th conference of democra as an important step peace, with its call for importation of offensi weapons, the withdraw



Above, Presidents Belisario Betancúr and Ronald Reagan exchange gifts at the Presidential Palace in Bogota.



Accompanied by senior foreign policy aides, the two leaders discuss a range of issues that included bilateral trade relations, multilateral aid programs, the problem of illegal drug traffic and the security situation in Central America.

foreign military advisers and the establishment of reconciliation and democratic institutions among all nations of the region. He pointed to the far-reaching trade and investment provisions of the Caribbean Basin Initiative, in which Colombia is participating, and noted American assurances of in-

increased quotas for the IMF and replenishment of the Inter-American Development Bank.

(Officials explained that the disagreement concerning the Inter-American Bank involved the amount of funds for the four largest Latin countries, and not overamounts available to nations such as Colombia. Subsequent-

ly, member nations agreed on a plan to replenish the funds in the bank, including a lending program of \$13 thousand million.)

President Reagan also expressed his determination to continue U.S. efforts to reduce illegal drug consumption in the United States and to cooperate with Colombia in reducing

production of illegal drugs and cutting drug traffic.

"Our new relations with each other reflect the maturity of our partnership," he concluded. "We do not agree on every issue ...but we have established a dialogue based on mutual respect, our shared religious heritage and our common legacy."





Presidents Reagan and Betancúr (above) toast each other at a formal luncheon."One of the great traditions of democratic nations," said Mr. Reagan, "is that leaders can speak candidly to one another and accept the other's thoughts in the constructive spirit in which they are offered."

rriving in Costa Rica, President Reagan received a warm greeting from President Luis Alberto Monge. A short time later, he met with President Alvaro Magaña of El Salvador to review the country's economic and security situation, and to express his determination that the government continue its efforts to protect human rights. President Magaña noted that he is establishing a Human Rights Commission to monitor the situation with representatives from widely varied sectors of Salvadorean society.

President Reagan concluded his Latin American trip the following day with a strenuous schedule of activities that revolved around the basic themes of his entire journey: support of democratic institutions and measures to help stimulate economic growth.

During a round of meetings, Presidents Reagan and Monge reviewed alternatives for U.S. assistance to the Costa Rican economy, including a major agricultural loan. At the National Theater in San Jose, both leaders signed an extradition treaty, after which President Reagan delivered an address to Costa Rican legislators and their guests that was televised to 15 nations in the region. As the President rose to speak, a Marxist member of the legislature interrupted the proceedings to read a protest. President Reagan listened to a translation at a nearby earphone for a few moments, and then commented: "I was informed that he was expressing the communist viewpoint. He was allowed to do so here in this democracy. We wouldn't be allowed to do the same in a communist country." The audience applauded his remarks.

In his speech, President Reagan condemned the "violence of false revolutionaries and the reaction of false conservatives." Costa Rica, he said, "will always be between continents and seas, but to live peacefully and democratically will require the continued courage and commitment of all the Americas." (Excerpts from this speech begin on page 19.)

COSTA RICA

Costa Rican schoolchildren (below) greet the President upon his arrival in San Jose.

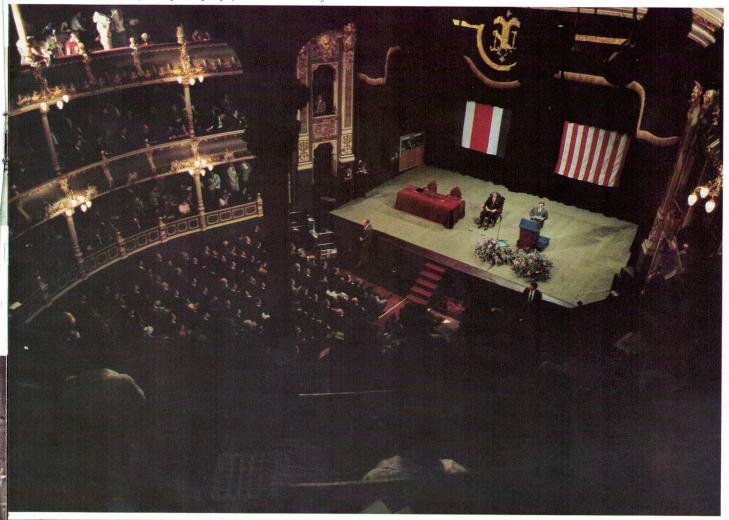


Reaga Alberto

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President Monge (below) speaks to assemblage of Costa Rican officials and guests at the National Theater in San Jose following the signing of the extradition treaty.





Left, El Salvador
President Alvaro
Magaña and President
Reagan, together with
aides, confer at their
meeting in Costa Rica.
They focused on the
need to maintain progress
in human rights, and
reviewed El Salvador's
security and economic

rom San Jose, the
President flew to San Pedro Sula,
Honduras, for meetings with
President Roberto Suazo
Córdova and General Efraín Ríos
Montt of Guatemala. After his
discussions with President Suazo,
Mr. Reagan said:

"Through cooperation and

solidarity, our governments can protect our democratic institutions and free market economic systems from the counterfeit revolutionaries who seek to destroy growth and impose totalitarianism on free people."

President Suazo responded

that the visit "represents the most clear and decided support for our democratic process and our efforts for social and economic development."

In his meeting with General Rios Montt, President Reagan stressed his support for the rapid restoration of democracy and free elections, and engovernment's can abuses of human combat corruption

In a statemer their meeting, Pre said: "I have assu President that the U committed to supp





HONDURAS

to restore democracy and to address the root causes of this violent insurgency. I know he wants to improve the quality of life for all Guatemalans and to promote social justice. My Administration will do what it can to support his progressive efforts."

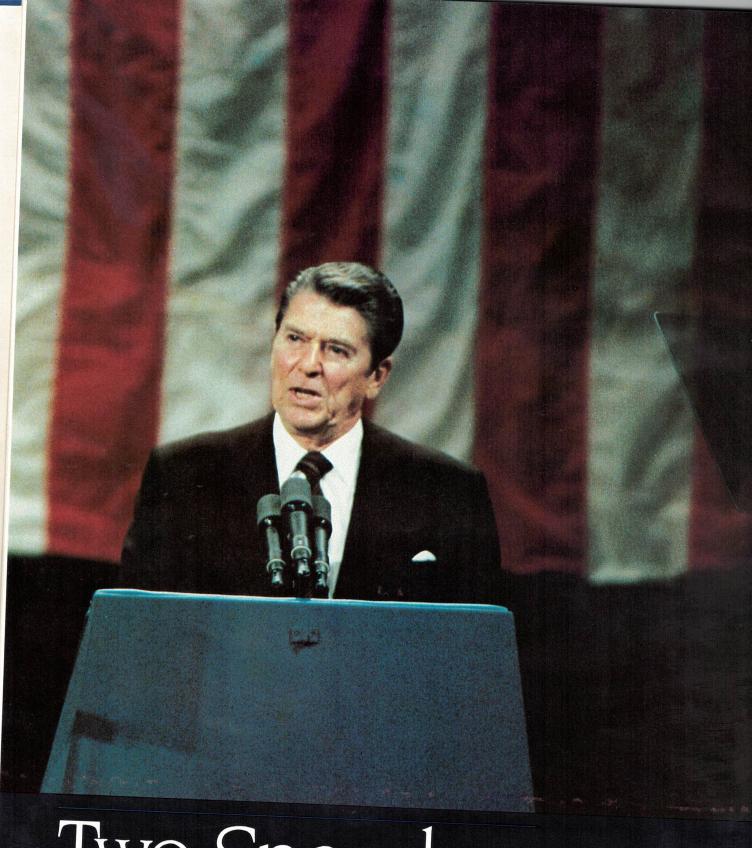


With an honor guard in the background, President Reagan waves to a crowd during his stay in Honduras.



While in Honduras, President Reagan meets with Guatemalan President Efraín Ríos Montt (second from left).

In San Pedro Sula, Honduras (left), President Reagan reviews that country's requirements for economic and security assistance with President Roberto Suazo Córdova. hen President
Reagan returned to the United
States, it was with a deeper
knowledge of the strengths,
diversity and problems of the
nations of the Americas, and
with a renewed dedication to
the objective with which he
began his trip: to join with the
countries of Latin America and
the Caribbean in building a
prosperous, peaceful
hemisphere of democracy.



Two Speeches



The following are excerpts from President Ronald Reagan's address in Sao Paulo, Brazil, December 2, 1982.

e look to Brazil with the admiration and respect due a great nation. One of your renowned writers, Monteiro Lobato, lived in our country in the 1920's and 1930's. While there, he wrote a book called America in which he said, "The Brazilian...considers his country the marvel of marvels, but with one single defect: that it is not well known abroad."

If he were writing today, he could still say, Brazil is the marvel of marvels; but he would have to admit

that your reputation has caught up with your achievements....

May I share with you today a dream I have long had? A dream of strengthening our relations with Brazil, and with all our neighbors here in the Western Hemisphere. On this shrinking planet, the drive for renewal, economic progress, and the leadership for world peace must increasingly come from the New World. Here we are blessed with great abundance: resources, technology, and, most important, the spirit of freedom—a spirit that harnesses our energies to pursue a greater good....

Trust the people; believe every human being is capable of greatness; believe every society is capable of self-government—this is the soul of our revolution, the soul of democracy and freedom. It is the New World's gift to the old. Only when people are free to worship, create and build, only when they are given a personal stake in deciding their destiny, and benefiting from their own risks—only then do societies become dynamic,

prosperous and free....

The great republics of South and North America and the Caribbean have virtually unlimited potential for economic development and human fulfillment. We have a combined population of more than 600 million people. Our continents and islands boast vast reservoirs of food and raw materials. The markets of the Americas have produced high standards of living. We offer hope to oppressed and impoverished people....

We also see Brazil's modern pioneers exploring a frontier as challenging as the Amazon: space. Well, today I would like to propose an idea to you: To have a Brazilian astronaut train with ours so that Brazil and

the United States can some day participate in a Shuttle launch together as partners in space....

hree things are essential for full world recovery and development: We must each move to correct our domestic economic and financial problems. We must protect the integrity of the world's trading and financial systems. And we must work together to help the international system evolve and better assure our mutual prosperity.

The first, most important contribution any country can make is to get its own economic and financial

house in order. Many countries, including our own, did not do so....

For the United States, the way back has been hard. When my Administration took over, we faced record interest rates and inflation and the highest peacetime tax burden in our history.

Our recovery program is designed to help us make a long-overdue transition to an investmentpowered, non-inflationary economy that will put the United States back on the cutting edge of growth....

We believe the door is now opening to a lasting, broad-based economic expansion over the next several years. As the world's largest single market, a prosperous, growing U.S. economy will mean increased trading opportunities for our friends in the developing world....

With so many out of work—in my country, yours and others—protectionism has become an ugly specter stalking the world. One danger is protection against imports, erecting barriers to shut out the competitive goods and services of others to one's own markets. Another danger is protection of exports, using artificial supports to gain competitive advantage for one's own goods and services in the markets of others.

The aim of these actions may be to protect jobs, but the practical result, as we know from historical experience, is the destruction of jobs. Protectionism induces more protectionism and this leads only to

economic contraction and, eventually, dangerous instability....

Our crisis today is not between North and South, but between universal aspirations for growth and the

longest worldwide recession in postwar history.

But let us also acknowledge another fundamental fact of economic life: The recession has had a particularly painful impact on developing countries. They have suffered declining demand in world markets and falling access to financial markets. This greatly complicates our collective recovery....

Last February [1982], I spoke before the Organization of American States in Washington. I pledged that our Administration would seek a new relationship with the nations of the Caribbean, and Central and South America. I said we would approach our neighbors not as someone with still another plan, but as a friend, pure and

simple—one who seeks their ideas and suggestions on how we could become better neighbors...

The leading developing nations should all enter the world trading system as full partners. Then they can share more fully in the gains from trade and, at the same time, assume more fully the obligations of the trading system. All we ask is that we examine together the mutual trading gains that can be achieved through reciprocal action. I have enormous confidence in the methods that brought unprecedented benefits in the past

We must improve the mechanisms for the settlement of trade disputes to take economic quarrels out of

the political arena, and base resolution of conflicts on criteria we all respect....

Finally, let us remember that just as progress is impossible without peace, economic growth is a crucial pillar of peace, beckoning with brighter horizons for all who dream of a better life....

Brazil will build. You will grow. And by your side will be the United States—your partner in the New



The following excerpts are from the President's televised address in San Jose, Costa Rica, December 4, 1982.

mericans and Costa Ricans—we are all of the New World. Our people live the peaceful revolution of democracy, secure under the rule of law and prospering through economic freedom. But there are outsiders who would exploit our rich new world by undermining the democratic systems that make us free. We of this hemisphere must stand together so that we can continue to improve the quality of life for our people. We must be strong enough, our people prosperous enough, and our democracies stable enough to remain independent, at peace and free....

Costa Rica is a proud example of a free people practicing the principles of democracy. And you have

done so in good times and in bad: when it was easier, and when it required great courage.

Your commitment to freedom was evident last February [1982] when—as every four years—you elected a new government. In October you led the region's democracies toward recognition of principles for a lasting, humane peace in Central America. And just last month President [Luis Alberto] Monge spoke eloquently in Washington about democracy and of the commitment of all democratic nations of the region to an elections institute—an advisory body to assist other countries in developing the practice of democracy, and which will be a specialized branch of the Inter-American Institute of Human Rights in San Jose. Costa Rica's foundation of democracy and law, as President Monge said in Washington, is your

guarantee of peace. He put it this way: "Violence, war and guerrillas lose their support when the people enjoy free elections and when their vote is respected....'

The only real route to peace—to lasting peace—is the well-charted course of Costa Rica: commitment to democracy, rejection of extremism and the force of arms; and respect for human rights and the rule of law. It also includes reliance on international law such as the Rio Treaty essential to your national defense and

fundamental to our common security....

The peace we've known has been a precious asset for the Americas. Instead of allocating a great share of their resources on military spending, the developing countries of this hemisphere have invested in the future, and this has been no accident. From the Pan American Union to the Treaty of Rio de Janeiro and the Organization of American States, this hemisphere has been in the forefront of multilateral, international cooperation. No other region of the world can match our record.

hese are not mere words. We have and will continue to practice what we proclaim.

The United States will continue to support the new democratic institutions in Honduras and the developing democratic processes of El Salvador. Any nation destabilizing its neighbors by protecting guerrillas and exporting violence should forfeit close and fruitful relations with the people of the United States of America—and with any people who truly love peace and freedom.

The meeting of democratic nations here in San Jose on October 4 [1982] showed us anew the way toward peace and stability. We applaud the Costa Rican government for that initiative and for its continued leadership in this regional, democratic effort. We join you willingly. Democratic states have a unique role in the moral history of the world, because our governments are accountable to the governed...and are less likely

to abuse their own citizens or to attack their neighbors.

The principles of the San Jose Final Act provide a reciprocal, just and verifiable basis for peace. I call on all states in this region to join in this process of genuine, peaceful reconciliation.

In this same spirit we must also work together to solve the serious economic problems jeopardizing

social and political progress....

Self-discipline is necessary; so, too, is mutual accommodation. Borrowers must move to restrict their deficits. But it is just as important that lenders not withhold new funds from countries which adopt effective stabilization plans. Lenders and borrowers must remember that each has an enormous stake in the other's success.

Similarly, the integrity of the world trading system must be preserved, so it can serve once again as the great engine of growth. Closed markets must be carefully opened, open markets must be shielded from protectionism. Our challenge is to make our trading and financial relationships remain a source of

prosperity and strength, and not become a source of discord and disagreement.

The debt problems facing many nations today are imposing, and we must act together to ensure that we have the tools to deal with them. The resources of the International Monetary Fund are one of the most important of these tools. To assure the adequacy of IMF resources, the United States has proposed that in addition to an increase in the IMF quotas, there should also be a special borrowing arrangement to meet the demands that may be placed on the IMF. Where countries need assistance as they seek IMF funding, those able to do so must act to provide bridging funds....

Earlier this year, in Washington, there was an exhibit of pre-Columbian Art from Costa Rica. The title of the show was "Between Continents—Between Seas." This was fitting. But Costa Rica and Central America as a whole are now caught between something else—a struggle of ideas between the violence of false revolutionaries and the reaction of false conservatives. You will always be between continents and seas, but to live peacefully and democratically will require the continued courage and commitment of all the Americas. I

am confident that together we will achieve in practice the goals we have together proclaimed:

—a Central America where not just some, but all countries are democracies where institutions are based on free and regular elections in an atmosphere of political reconciliation within each state;

—a Central America returned to the path of substantial economic and social development;

—a Central America at peace with itself and the world;

—with a halt to foreign support for terrorist and subversive elements working toward the violent overthrow of other governments;

—with an end to arms trafficking, the importation of heavy weapons and the buildup of armaments and forces beyond that required for legitimate defense; and

—under fully verifiable and reciprocal conditions, the withdrawal of all—I repeat, all—foreign military

and security advisers and troops from Central America....

My government will give you and your neighbors the full support of the United States. Our commitment to the Rio Treaty and to the principle of collective security will remain a basic tenet of our policy. Together we will work toward the economic growth and opportunity that can only be achieved by free men and women. We will promote the democracy that is the foundation of our freedom, and stand together to assure the security of our peoples, their governments and our way of life.

Caribbean Basin Initiative: A Presidential Pledge

Two-and-a-half weeks after his return from Latin America, on December 22, 1982,
President Reagan invited the ambassadors of the member nations of the Organization of American States
to a meeting in Washington, D.C. The following is a portion of his remarks.

want to report to you today on the status of our Caribbean Basin Initiative. This initiative is part of America's contribution to a collective partnership for peace, prosperity and democracy in the Caribbean and Central America. And, as you know, I recently traveled to South and Central America. The reception I received convinced me even more of the vital importance to all of us of the well-being, the independence and the security of the nations of the Caribbean Basin and, indeed, the entire hemisphere.

My conversations with the presidents of five Caribbean Basin countries were particularly inspirational and helpful. We face common economic problems of deficits, slow growth, idle capacity and high debts, and common threats of insurgencies supported by Cuba and other Soviet satellites.

I was impressed most, though, by the bright prospects for the future. Great advances were made over the previous two decades in economic growth, in developing and diversifying industrial and agricultural production, improving health services and education. I'm convinced that the hemisphere will continue this trend of strong growth and improvement.

The promise of the New World remains bright. We have great resources and dynamic peoples. Prosperity strengthens democracy. Throughout the hemisphere democracy is on the move. Nearly all the governments in the Caribbean Basin are now democracies. Freedom and respect for human rights gives the fullest expression to the meaning of life, and democracy also advances peace....

I sought to explain our policies on my trip, and I found support for them:

- —to strengthen the practice of democracy and the respect for human rights;
- —to continue support for the San Jose peace process to reduce tensions and conflict in Central America:
- —to provide limited assistance to help small countries struggling for democracy to defend themselves against foreign-supported insurgencies or terrorists determined to impose their own totalitarian ideas;

- —to support the integrity of an open and free trading system which is vital to the prosperity of all the peoples of this hemisphere:
- —to help countries trying to work through financial crises and who are adopting adjustment programs in hard times just as we are doing....

Of course the Caribbean Basin Initiative is a central and critical feature of this policy. Its importance was underscored by everyone I met.

I promised my Administration would do its best to gain passage of the free trade and investment proposals in the initiative in this season of Congress [1982]. Now this is not a made-in-the-U.S.A. product. We in the Americas have all contributed our ideas, our resources, and our strong efforts to create this bold approach to development....

Now let me report on where that effort stands and what lies ahead. The aid portion of the program is an accomplished fact. The other part, having to do with trade and investment, is still in the legislative process, I'm sorry to say. Because of procedural maneuvering by a small minority of opponents, it has been difficult to bring that part of the CBI legislation to a floor vote in the Senate where a clear majority would have supported passage. But what I want you to know is that the Caribbean Basin Initiative will not die. The tremendous efforts that the leaders of your countries have put into this bill will not be in vain....

I am personally determined to see the CBI through. This initiative is close to my heart. It is my highest priority. It proposes the right measures to help our neighbors through this difficult period. More important, it can help open the door on the kind of future our neighbors have a right to expect.

The CBI will be among the very first pieces of legislation that I submit to the 98th Congress [in 1983]. The time is short, the needs are great; but we will win this fight because there is no acceptable alternative. Together, we are a tremendous force for good. We will show the world that we conquer fear with faith, that we overcome poverty through growth, and that we counter violence with opportunity and freedom.

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