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MEMORANDUM

THE WHITE HOUSE

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WASHINGTON

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford Joao Baptista Pinheiro, Amb. of Brazil Brent Scowcroft, Assistant to the President for National Security Affairs Amb. Harry W. Shlaudemann, Assistant Secretary of State for Inter-American Affairs Amb. Henry Catto, Chief of Protocol

DATE AND TIME: 4:10 - 4:35 p.m. Tuesday, June 22, 1976

PLACE:

SUBJECT:

Presentation of Credentials

The Oval Office

[The press enters and takes photographs.]

<u>Pinheiro:</u> The last time I was here was during the Eisenhower years. Was it the same office?

<u>President:</u> Yes. The office is always the same, but the wives of the Presidents redecorate it.

[The Press departs].

Pinheiro: This is like coming home. Our three children were born here.

<u>President</u> We are very pleased to have you here. Will you extend my best wishes to your President? We would like very much to have him come here to extend and deepen our relationship.

<u>Pinheiro</u>: It is a great honor to be here. I heard from my President himself the depth of his feeling for you and the American people.



CLASSIFIED BY <u>17275</u> EMEMPT FROM GENERAL DECLASSIFICATION SCHEDULE OF FLECUTIVE ORDER 11652 EXEMPTION CATEGORY AUTOMATICALLY DECLASSIFIED ON <u>164</u> 5 207 Our relationship is taking a new turn because I think we have a specific responsibility for this portion of the world. Our relations have been strengthened by the visits of Secretary Kissinger and Secretary Simon.

<u>President:</u> Both Secretaries Kissinger and Simon gave me very encouraging reports on their visit.

I repeat that I would like very much to have your President here. I expect to be here four years but I hope not to wait that long to greet him.

<u>Pinheiro:</u> I will convey the invitation and I know he will be most pleased to come. May I extend my good wishes and hopes that you will indeed be successful this fall.

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BRIEFING MEMORANDUM FOR THE PRESIDENT

Name of Ambassador - Joao Baptista PINHEIRO (Peen-YAY-roh)

Appointed Ambassador of the Federative Republic of Brazil

Ambassador Pinheiro, age 62, holds a Brazilian law degree and a Masters in Economic: from the University of California at Berkeley. His early diplomatic assignments included tours as Consul in San Francisco (1945 to 1949) and Second Secretary at the Brazilian Embassy in Washington (1949 to 1951). The Ambassador served as Director of the Brazilian Economic Development Bank from 1957 through 1961, and he has held previous ambassadorial appointments to Mexico, the Federal Republic of Germany and Argentina. His past associations with United States officials have been cordial and cooperative, and he has been characterized as very capable and completely honest. Ambassador Pinheiro is married and has a son and two daughters. He speaks good English.

Basic Facts About Brazil

Covering almost half of the South American continent. Brazil is the fifth largest country in the world, and ranks seventh in population. It is well endowed with mineral resources (except oil) and a people of great vitality. The military-backed governments which have ruled the country since 1964 have pursued the twin goals of internal security and accelerated economic development. They have imposed an authoritarian, sometimes repressive regime, and have adopted an economic model which combines pervasive state participation and control with incentives and guarantees to encourage both domestic and foreign private investment. These policies, combined with favorable conditions in the world economy, produced from 1968 through 1974 rapid industrialization and a significant increase in agricultural output, with an average annual per capita growth rate of 10 percent. More recently, however, increasing petroleum import bills and the general world recession have brought serious balance of payments difficulties and have dramatically cut the growth rate.

Bilateral Relations

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Relations between the United States and Brazil have traditionally been friendly. Today we are linked by significant trade and investment ties. In a period when some trade issues and increasing Brazilian identification with the "Third World" were creating some bilateral strains, the February 1976 visit of Secretary Kissinger to Brazil spurred

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intensified efforts on the part of both governments to construct a mature and cooperative relationship. The Secretary and the Brazilian Foreign Minister signed a memorandum of understanding for periodic consultation between the two countries. Secretary Simon had a very successful visit to Brazil just last month. While there will continue to be areas where our interests diverge, we are encouraged by recent accommodations on bilateral trade issues and by indications Brazil may seek a somewhat closer collaboration with us in international forums such as the Law of the Sea Conference and the CIEC.

Significant Programs or Issues

Despite recent positive steps towards resolving immediate trade problems, bilateral trade -- with the balance so heavily in our favor -- will continue to be a troublesome area. Closer bilateral interaction will also be complicated by Brazil's poor performance in the field of human rights. On the positive side, we are establishing joint consultative groups to seek increased cooperation in general science and technology and in non-nuclear energy technology. We have also begun exploratory talks with Brazil on the possibilities for expansion of our existing bilateral nuclear cooperation agreement. The Ambassador may mention your outstanding invitation to President Geisel to visit the United States; the initiative on this rests with Brasilia.

Talking Points

- -- I understand that in addition to your extensive diplomatic experience, you have a professional economic background and a firsthand knowledge of the United States. We look forward to maintaining the close and cooperative working relationship which we enjoyed with your distinguished predecessor. (Ambassador Castro died suddenly last December here in Washington.)
- -- As Secretary Kissinger underscored during his February trip, we recognize Brazil's growing international influence and attach great importance to sound and constructive ties between our two countries.
- -- Secretary Simon has reported to me his great satisfaction with his recent trip to Brazil and his consultations there. We are pleased with the recent progress our two governments have made in resolving trade problems, and we will continue to consult with Brazil on both bilateral and international economic matters.
- -- I look forward to meeting with your President at some appropriate time.

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