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Latin America

**REGIONAL AND
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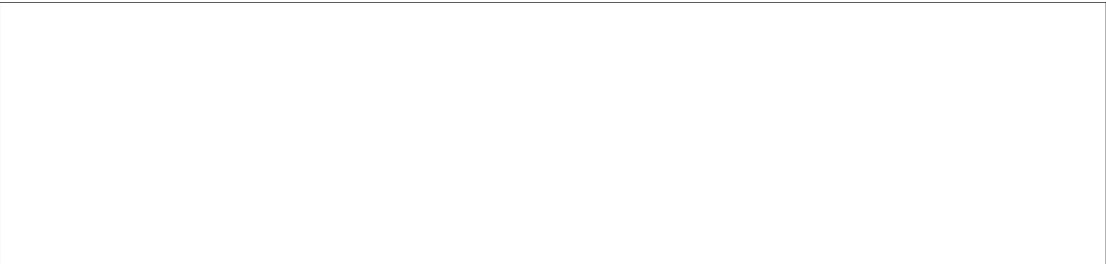


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(b)(6)Brazil-US Relations

Leading Brazilian newspapers and a prominent member of the opposition party have reiterated their support for the government's position on the nuclear issue following US Deputy Secretary of State Christopher's visit. This reaction provides additional political benefits for President Geisel and probably reinforces his belief that a refusal to suspend or alter any part of Brazil's nuclear agreement with West Germany is the correct policy.

By holding a press conference and subsequently releasing a backgrounder on the talks to a leading Brazilian newspaper, Foreign Minister Silveira has taken advantage of the visit to project an image of strength and confidence. In his remarks to the press, Silveira denied that any negotiations had taken place, saying instead that he had "only conversations." He also commented that from his perspective, "everything is going well--excellent." The backgrounder also appears to serve Silveira's purposes. He characterized Christopher's negotiating techniques as harsh, comparing them to those used by former Soviet foreign minister Molotov, and said he eventually ended the repetitious discussions--in his words "breaking the vicious circle"--by telling the US delegation that "Brazil does not discuss changes or revisions in the agreement."

These public disclosures should also satisfy recent press interest in more official information on the issue. Last week the leading newspaper in Sao Paulo commenting on the growing international pressures on Brazil had criticized Silveira for keeping information concerning the negotiations to a few top aides. This, the newspaper claimed, was "creating disgust and jealousy" within the Foreign Ministry.

While the Brazilians agreed to hold further discussions with the US, this is not necessarily a major concession. The bland tone and lack of substance of the

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joint statement suggest that the session was the coolest Brazilian-US exchange since the military took power in 1964.

Meanwhile, the US press reports that Christopher offered a guarantee of enriched fuel for the German reactors or, as an alternative, suggested that the enrichment process be placed under international controls. These proposals almost certainly are unacceptable to the Geisel government since they would not reduce Brazil's dependency on a foreign supplier for fuel--the most important goal of the Brazilian nuclear program. Geisel also remembers that three years ago the US could not guarantee enriched uranium fuel for Brazil. This was the primary reason he turned to the West Germans.

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