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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

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November 22, 1982

Executive Hegistry

NSC review completed - may be declassified in full

MEMORANDUM POR:

Mr. Donald P. Gregg
Assistant to the Vice President
for National Security Affairs

Mr. William V. Vitale Director, Office of the Executive Secretariat Department of Energy

Mr. L. Paul Bremer, III
Executive Secretary
Department of State

Dr. Alton Keel
Associate Director for National
Security and International Affair
Office of Management and Budget

Mr. David Pickford
Executive Secretary
Department of the Treasury

Executive Secretary
Central Intelligence Agency

Lt Col W. Richard Higgins Assistant for Interagency Matters Office of the Secretary of Defense

Ms. Jackie Tillman
Executive Assistant to the U.S.
Representative to the United
Nations

Ms. Helen Robbins
Executive Assistant to the
Secretary
Department of Commerce

Mr. Dennis Whitfield Executive Assistant to the USTR

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Col George A. Joulwan
Executive Assistant to the
Chairman, Joint Chiefs of Staff

SUBJECT:

Issues and Objectives Paper on President's Latin
American Trip

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Attached is the issues and objectives papers for the President's Latin American trip which will be discussed at the National Security Council Meeting which is scheduled for November 23, 1982, at 10:00 A.M. in the Cabinet Room. In addition to the issues covered in the attached memorandum, the President will have a 50-minute meeting with Salvadoran President Magana while in Costa Rica. The President will also meet for 45 minutes with Guatemalan President Rios Montt in Honduras as well as with Honduran President Suazo during his stay in Tegucigalpa. Please be prepared to discuss these additional issues. Please call Al Sapia-Bosch with any comments you might have on this package by 2:00P.M. today.

Michael D. Which

Michael O. Wheeler Staff Secretary

Attachment Issues and Objectives Paper

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TO BRAZIL, COLOMBIA AND COSTA RICA

1. Issue: U.S.-Latin American Relations.

Objective: To express a sense of priority for our neighbors -- at a time of global recession, post-Falklands uncertainties, and continuing conflict in Central America -- by strengthening ties to key countries and giving a boost to the CBI, which will be up for action in Congress at that moment.

All three countries are sophisticated nations with a clear leadership role. Brazil is a natural ally with enormous potential for contributing to economic growth and stability in South America. Our relations have improved markedly since an all-time low in 1977, but Brazilians still interpret our differences on bilateral trade and nuclear matters as indications that we do not understand their needs or even that we oppose Brazil's emergence as a great power. We should make clear our confidence and support, and may suggest bilateral working parties on trade, nuclear, and military cooperation issues. Colombia is a key Andean democracy with strong Caribbean interests and a new activist President, whom we wish to engage positively. Costa Rica symbolizes what we support in Central America: a genuine democracy at peace with its neighbors, and which has taken the lead in resisting Cuban/Nicaraguan interference.

Issue: Economic relations.

Objective: To express confidence in hemispheric growth potential, shifting attention from immediate financial questions to prospects for economic expansion within an open trading system.

Colombia's economy is in relatively good shape, but both Brazil and Costa Rica are working their way through massive debt problems. All three are strongly committed to free-enterprise. We want to show confidence in their management, sensitivity to their needs, and a desire to cooperate in their growth. In Brazil, our focus should be on global recovery and future growth, expressing approval for the non-confrontational North-South aspects of President Figueiredo's UN speech. The CBI should be center-staged in both Colombia (a donor) and Costa Rica (a recipient).

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3. Issue: Peace and Security.

Objective: To make clear our commitment to the Inter-American System, the Rio Treaty, and security in Central America.

In Central America, guerrilla warfare persists, but we have stopped the drift toward Marxism/Leninism. Now we need to show our staying power and our defense of democracies in the region. We strongly support Costa Rica's leadership in regional peace initiatives. In South America, the Palklands crisis has accentuated local tensions and raised doubts about the U.S. commitment to the Inter-American System. We should build on our recent UN vote favoring negotiations on the Palklands by reiterating our commitment to peaceful resolution of disputes and the rule of law. We should, however, guard against appearing to suggest publicly that we are interested in a special military relationship with Brazil.

4. <u>Issue</u>: Democracy.

Objective: To associate the U.S. with progress toward democracy.

Colombia and Costa Rica are leading democracies that held successful competitive presidential elections this year. Brazil's abertura, or opening toward democracy, has been gradually developing for a decade: some 50 million Brazilians will have voted in Congressional and local elections November 15.

In Central America, we view democracy as a bulwark against the Cubans and Nichta mans and as a sine qua non for domestic progress and regronal stability. The resilience of Costa Rican democracy, the restoration of constitutionalism in Honduras, and major progress toward democracy in El Salvador all stand in sharp contrast to Nicaragua's slide into totalitarianism.

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