



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PRIME MINISTER

BRAZIL

I have seen the Foreign Secretary's minute of 7 December proposing a change in our policy on export credit for Brazil.

2. In my view such a move now would be unnecessary and undesirable. We are not isolated in not offering new medium term credit. And we are certainly not being badgered by either the Americans or the Brazilians.

3. If we were to offer credit and then give none, we could well be accused of bad faith. But to give credit would inevitably add to our commercial exposure on Brazil and, given the continuing uncertainty about Brazil's future economic performance, might in due course involve a claim on public funds. I continue to think that the right course is to hold to the policy on which we agreed, and not extend new medium term export credit for the present. We can always review the position if things improve.

4. Copies of this minute go to Geoffrey Howe and Norman Tebbit.

A handwritten signature in dark ink, appearing to be 'N.L.' with a flourish.

N.L.

9 December 1983

Indebtedness



Faint, illegible text, possibly a header or address, located in the upper middle section of the page.

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