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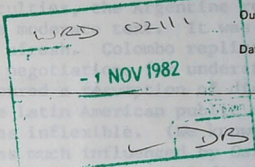
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VISIT OF THE BRAZILIAN FOREIGN MINISTER TO ITALY

1. Saraiva Guerreiro paid an official visit to Rome on 18/19 October, leaving for Vienna on 20 October. He saw President Pertini, Fanfani (President of the Senate), the Speaker of the Chamber of Deputies, and Colombo. The following account is based on a Community briefing given today by Barbarani of the MFA.
2. Barbarani said that this visit reciprocated Colombo's trip to Brazil in August, and should be seen as part of Italy's efforts to improve links between Europe and Latin America in the wake of the Falklands war. A particularly close understanding had been re-established between Italy and Brazil. In their discussion, part of which was tete-a-tete, the two Foreign Ministers agreed to concentrate on international questions, leaving bilateral issues to be dealt with separately by officials.
3. Saraiva Guerreiro said that Italy's initiative in seeking to renew contacts with Latin America was welcome. The Falklands war had left serious problems but should not obscure the fact that links between Latin America and the EC were basically good. There were trading problems, eg over sugar and steel, but the \$600 million loan given by the European Coal and Steel Community to Brazil for mineral exploitation was an example of the benefits which Latin America could derive from the relationship. Colombo replied that Italy was keen to play an active role in promoting further links, both between COREPER and GRULA in Brussels and in talks between the EC and the Andean Pact. Colombo added that the normalisation in Bolivia gave the latter talks new impetus.



4. The two Ministers discussed the Argentine UN resolution on the Falklands. Saraiva Guerreiro said that because of internal difficulties, the Argentine regime could not have produced a more moderate text. It was essential for negotiations to begin afresh. Colombo replied that the UK rejected the concept of negotiations for understandable reasons, but that Italy favoured a resumption of dialogue. It would be a mistake to give Latin American public opinion the impression that Europe was inflexible. (We know from other MFA contacts that Colombo was much influenced by Saraiva Guerreiro's insistence on negotiations; and indicated that Italy would, if possible, vote in favour of the draft resolution - see Rome tel no 543, not to all).

5. Colombo asked Saraiva Guerreiro about territorial disputes within Latin America. Saraiva Guerreiro replied that Brazil tried to exercise a moderating influence but never intervened in the internal affairs of other countries. More use should be made of the OAS as a forum for discussing regional problems. No Latin American country really wanted to exclude the United States from the OAS; the existing structure should be perfected, rather than replaced.

6. Discussion then turned to Central America. Saraiva Guerreiro spoke of "structural crisis" in the region and added that the disastrous economic situation favoured "progressive" solutions. (Barbarani commented wryly that it also favoured extreme right solutions). Saraiva Guerreiro pointed to Nicaragua's search for weapons and support for guerrilla movements as a factor of instability, and also had harsh words for Honduras. He criticised the US plan for the Caribbean basin, describing it as a device to concentrate attention on areas of interest to the United States and to permit increased activity by the multinationals. When pressed by Colombo he had few constructive suggestions to make about Central America.

7. The two Ministers ended their talks with a rapid tour d'horizon, as follows:-



- (a) East/West. Colombo explained the present imbalance in INF, and stressed the need for early progress in the START talks. He was pessimistic about the prospects for CSCE and MBFR.
- (b) Middle East. Saraiva Guerreiro said that Brazil had always favoured a solution based on Israel's withdrawal to pre-1967 borders and the establishment of an independent Palestinian state in Palestine. He admitted that this policy reflected the pressure of Arab immigrants to Brazil as well as his country's commercial interests in the Arab world. Brazil accepted the PLO as the legitimate representative of the Palestinian people, and allowed them an office in Brasilia. Colombo explained Italy's involvement in the Lebanese multinational force, and said that the Reagan plan and the Fez Summit had narrowed the gap between the West and the Arabs.
- (c) Southern Africa. Saraiva Guerreiro said that Brazil was interested in the region but had been unable for technical reasons to respond to the UN request to participate in a future multinational force for Namibia. He commented that withdrawal of Cuban troops from Angola would be a natural consequence of Namibian independence, but should not be made a precondition for it. The US Government were wrong to contemplate matters by insisting on an advance commitment from the Angolan government about Cuban withdrawal. Colombo said little.

8. An agreement on economic cooperation was signed, including establishment of an economic Mixed Commission. Barbarani did not provide further details about when or how often it would meet. According to press reports, one of Italy's aims will be to reduce her current trade deficit: Italy's exports to Brazil in 1981 were worth Lire 650 billion (£300 m), against imports of more than Lire 1100 billion (£500 m).

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9. To sum up, this visit looks to have been another example of Italian activism in foreign policy with a sound commercial basis. Italian firms from the private and parastatal sector are involved in innumerable Brazilian projects, especially in the fields of energy and transport. Although no further exchanges of visits with Latin America are planned at present, there is no doubt that Italy is paying the area more attention than hitherto. When it suits her, Italy will invoke Latin ties to justify taking the lead in promoting better relations between Europe and Latin America. Unfortunately, the same arguments will be used to explain her unhelpful line over the Falklands.

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25 October 1982

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