

**S E C R E T SENSITIVE** 281125Z FEB 74

**FEB 28 11 40 AM '74**

**FEBRUARY 28, 1974**

**HAKTO 21 IMMEDIATE 25X1**

**REF: TONAK 40**

**FOR SCOWCROFT FROM THE SECRETARY.**

**PLEASE PASS THE FOLLOWING PERSONAL MESSAGE FROM ME TO  
GEORGE SHULTZ:  
DEAR GEORGE:**

**WHILE I UNDERSTAND THE MERITS OF PROCEEDING WITH A  
COUNTERVAILING DUTY INVESTIGATION ON BRAZILIAN SHOE EXPORTS, I  
FEEL STRONGLY THAT THERE ARE SUBSTANTIAL FOREIGN POLICY REASONS  
FOR POSTPONEMENT NOW.**

**AS YOU KNOW, I DISCUSSED THIS ISSUE IN SOME DETAIL WITH  
GIBSON BARBOZA IN MEXICO CITY LAST WEEK. DURING THAT CONVERSATION  
I AGREED THAT WE WOULD HOLD UP ON ANY ACTION UNTIL THE NEW GOVERNMENT  
WAS IN OFFICE AND HAD A CHANCE TO LOOK AT THE PROBLEM. TO REVERSE  
THAT POSITION NOW -- AND EVEN AN INVESTIGATION WOULD LOOK TO  
THE BRAZILIANS LIKE A REVERSE -- WOULD CLEARLY BE SEEN AS A  
VIOLATION OF MY WORD. FURTHER, IT WOULD PUT THE NEW GOVERNMENT  
INTO A VERY DIFFICULT TACTICAL POSITION OF SEEMING CONFRONTATION  
WITH US, MAKING ANY EVENTUAL CHANCE OF GETTING THE EXPORT  
SUBSIDY DROPPED LESS LIKELY.**

**THUS, I ASK THAT YOU NOT TAKE ANY ACTION UNTIL I RETURN TO  
WASHINGTON AND WE HAVE A CHANCE TO TALK. I WOULD, OF COURSE,  
HAVE NO OBJECTION SHOULD YOU DECIDE TO TELL THE CONGRESS THAT I  
HAVE ASKED YOU TO DELAY AND THAT WE INTEND TO PURSUE THE MATTER  
WITH THE NEW BRAZILIAN GOVERNMENT AFTER MARCH 15.**

**WARM REGARDS.**

**220  
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State Dept. review completed

ON-FILE NSC RELEASE INSTRUCTIONS  
APPLY

**NNNN**