

TELEGRAM

Foreign Service of the
United States of America

OUTGOING

POL #5

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FILE

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Date:

12/20/68

ACTION: SecState, WASHDC

PRIORITY

INFO: Amembassy, RIO DE JANEIRO
Amembassy, BRASILIA
USCINCSO

PRIORITY

SAO PAULO 2747

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Authority WNO 53384

REF: SAO PAULO 2729

1. At meeting Board Directors American Chamber of Commerce today, there was much discussion about virulent press reaction in U. S. to recent events Brazil and about what Chamber as body and its members and their parent firms as individual entities could do to counteract it. Concensus was outrage at much of press criticism of GOB, fear this would adversely affect USG appraisal with concomitant punitive or ill-advised action, and determination to try "to do something about it."
2. There was talk about possibility of letter to American Ambassador, or to U. S. Chamber of Commerce, or to State Department or whatnot, which might be made public. There was also talk about desirability of being sure GOB knew they were "in its corner" and

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were attempting to modify adverse attitudes about it in the United States. I cautioned against any publicity approach with view to "educating" American public opinion or changing press or official attitudes in the United States; and I also cautioned against any effort officially, formally or publicly to apprise GOB of Chamber's support. I pointed out present situation very fluid and uncertain and that in long run they might lose more by antagonizing elements opposed for one or another reason to current events than they might gain in transitory goodwill of present GOB leaders. One board member observed that Chamber had to be very circumspect and not appear to involve itself unseemingly in Brazil in favor of one or another side. I strongly supported his observations.

3. Second Vice President J. B. Wilson (Caterpillar) then gave brief run-down on Ambassador's meeting yesterday. He recounted that Embassy had emphasized AID program in jeopardy anyhow and that such developments as recent ones in Brazil served further to jeopardize it. He reported Embassy had indicated would be helpful if American business community here ~~w~~ could communicate views that AID program in Brazil had been helpful from standpoint ~~of~~

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Brazil's development and their own interests too. It was agreed members would ponder this and possibly come up with something. J. B. said Ambassador had told them of difficulties of defending GOB action in U. S. Ambassador had mentioned that when he saw him a few days ago in Washington, Secretary of State had personally expressed "concern and dismay" (or words that effect) on developments here.

4. I then spoke to Directors in following vein: The "dismay" Secretary Rusk, say, feels about IA-5 and its aftermath is not the kind of "dismay" that, say, internal or external opponents of the Brazilian Government feel. It is rather natural and understandable reaction of true friend of Brazil who, because of GOB's recent action and waves of reaction flowing out in concentric circles therefrom, finds it much harder to befriend and cooperate with Brazil. I could easily share their annoyance over such treatment as New York Times is wont to give of events, but they had to be sensible of fact GOB was not necessarily acting these days like hero. I observed it was not as though highest circles of GOB, after grave consideration with best brains available, had concluded Revolution had been stalled and thwarted

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had concluded Revolution had been stalled and thwarted and had therefore decided on a master reform plan of sage and epic proportions. Rather, because everyone had assumed Congress would suppliantly accede to the Government's wishes in Congressional immunity matter, it appeared Government had been stunned and shocked and in consequence had acted petulantly and without full thought either to an effective long-range program or to all effects of its action. I reminded them one often hears that President may not really be master, that "Nasserist" Army elements quite possibly inclined to be anti-American could emerge in positions of greatest power, etc., and that in Brazil, we were facing very uncertain future. It was clear, I noted (and as one Board member had earlier reported), that GOB people in various parts of country exercising power in its name, seemed to be lashing out in all directions, arresting people here, threatening to cassate others there, and so forth. I mentioned Kubitchek and Lacerda. All of these facts and factors contributed to bad Brazilian image at home, albeit image is often grotesquely distorted, and these same facts and factors had to be taken fully into account by Chamber before it

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publicly or irreversibly embraced the GOB. I, therefore, advised them to be circumspect and watchful and to be especially careful ~~and watchful and to be~~ to demonstrate objectivity and a broad perspective in any Chamber communication on the subject.

5. Directors seemed to appreciate my views and said they would take them into account. Later today I expect to receive a visit from Chamber President who will leave "aide-memoire" expressing Chamber's official viewpoint which I agreed communicate to addressees.

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