

UNITED STATES GOVERNMENT

Memorandum

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TO : ARA - Mr. Oliver

DATE: July 3, 1968

FROM : ARA-LA/BR - Jack B. Kubisch *JBK*

SUBJECT: Visit to Brazil: Scope Memorandum

In addition to its other purposes, your visit provides an important opportunity for the U.S. to influence developments in Brazil. Since this is your first visit to Brazil since becoming U.S. Coordinator of the Alliance and Assistant Secretary, Brazilian officials and the press will attach major substantive importance to your activities and your words. Attached to this memorandum are several papers which summarize the current status of outstanding bilateral issues, a summary of our assistance program recently provided to Costa e Silva by Ambassador Tuthill before their conversation on June 17, and other background documents. I would also like to give you my personal views as to what can be accomplished during your visit, and what should be avoided if at all possible.

Your major problem as I see it is to walk something of a tightrope both in public and in private conversations. As you know, relations between President Costa e Silva and our Embassy have been somewhat strained in recent months and this fact has been publicized in Brazil. One thing you should try to do, if Ambassador Tuthill agrees, is to repair any lingering damage which may still be present by demonstrating visibly your confidence in Ambassador Tuthill and also by making statements which refute the implication that U.S. policy has cooled excessively toward the Brazilian Government in recent months.

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At the same time, however, you must avoid giving the impression that we wholeheartedly endorse all the recent actions taken by the Costa e Silva Government, some of which are contrary to Brazil's own interests and to the overall interests of the Alliance. For example, the Brazilian Government has been handling very badly the serious problem of student unrest and educational reform. The Government is quite unpopular at present and, as Ambassador Tuthill has argued, too close a public embrace will work against U.S. interests. I realize this is a difficult line to draw and to follow. However, I think you should keep it uppermost in your mind and impress it on Ambassador Clark as you make public statements, meet with various groups of Brazilians, frequently with media representatives present, and as you strive to establish effective personal relations with key Brazilian officials.

I think it essential that you meet with President Costa e Silva and Foreign Minister Magalhães Pinto, and at least see Finance Minister Delfim Neto and Planning Minister Beltrão while you are there. Encounters with other cabinet members are desirable but not so important. A discussion with Delfim and Beltrão at a social function, such as a luncheon, could take the place of a formal call. Each of these four is in a critical position to advance or impede Alliance objectives. They are all in different degrees proud and sensitive men, and unless they feel they have an opportunity for a frank exchange with you, I suspect our programs in the future may suffer.

In one or all of these encounters you will have opportunities to discuss certain important points which will affect the future of our relationship over the next one or two years. Without trying to prescribe exactly how or when each subject should be raised, which you will want to work out with the Ambassador and his staff, I am attaching an informal list of general themes on which you can draw as the occasion permits.

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The overall theme which I hope will emerge from your visit can be summarized as follows: Brazil and the U.S. are permanent partners in the hemisphere and ^{critical} allies in any pursuit of Alliance goals. We respect Brazil's accomplishments, pride, and national purpose. We want to continue providing large scale assistance to achieve mutually agreed objectives and to the extent that Brazil wishes to receive it. We want such assistance to go to those areas of development requirements where Brazil and the U.S. agree the priorities rest. We agree completely with the view that Brazil's development basically depends on Brazilian efforts and resources, with foreign resources provided as supplementary, particularly for scarce foreign exchange requirements. We believe that working closely with Brazilian authorities we can help contribute to Brazil's development, ~~nonetheless, in any area that Brazil prefers to work alone, we are naturally quite prepared to step aside.~~

The problem of Brazil's image in the U.S. in a period of political unrest will rise to plague you from time to time, and the danger of excessive identification with a military-dominated Brazilian Government must be recognized. I think the only way to handle this kind of issue is by trying to demonstrate your own concern and obvious affection for the Brazilian people themselves, tempered by judicious comments which also make clear our concern about the need for continued development of Brazil's democratic traditions.

Should an opportunity for a discreet exchange occur, some frank talk with the President about the problems of education in Brazil and our capacities under the Alliance to assist in this sensitive sector could forward our interests. You should be aware, however, that Costa e Silva has not always in the past kept such messages from our Government confidential, and any discussion of this or other sensitive issues may appear shortly thereafter in distorted press accounts.

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One final point - President Costa e Silva has been most cooperative with us on the difficult problem of military aircraft purchases and has shown real understanding of our congressional difficulties. Some word of appreciation would be highly in order, and might provide an opportunity to find out more about his current intentions.

Since you have recently been over the Brazil CASP and some of the key issues in it, I have not tried to repeat any of those discussions here. I do want to emphasize, however, that I think your visit comes at an important crossroads in U.S.-Brazil relations--as we discussed in your office Wednesday morning--and can make a major contribution to our pressing forward on the Alliance road over the next year or two.

Attachments:

- Tab A - Possible Themes or Topics for Meetings
with Key Brazilians
- Tab B - Briefing Papers
- Tab C - Background Documents

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