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DEPARTMENT OF STATE

POL BRAZ

Approved in S

Memorandum of Conversation

3/26/63

DATE: March 12, 1963

12:30 p.m.

SUBJECT: Brazilian Political Situation

DECLASSIFICATION DATE 2-11-77

PER R. E. H. OFFICE ARA

FADRC FOI CASE NO. 5-D-151 Leads

PARTICIPANTS:

U.S.

(1) The Secretary of State
Asst. Secretary Martin
Ambassador Gordon
A.J. DeSeabra (Interpreter)

Brazil

✓ Finance Minister Dantas
Ambassador Campos
Ambassador Bernardes

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S/SCC ARA EUR CIA
G EST AID/LA Justice
S/P WST Gov. Harriman White House CC

Amembassy RIO DE JANEIRO

(14)

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Minister Dantas then presented a broad picture of the Brazilian situation. It was his impression that Brazil had entered a phase of its political evolution whose importance could not be ignored by the U. S. Government. Following two years of instability and efforts to find the right road that marked the parliamentary experiment, the present Government was in a position of firm authority derived from the will of the people as expressed in the recent plebiscite. That Government was now ready to carry out a financial policy that would have significant political consequences. That policy, as already explained to Secretary Dillon, to the President himself and to other U.S. officials had as its objective monetary stability with continued economic development. If that policy were successful in attaining those goals, then Brazil could consolidate its position as one of the truly important democracies in the Western World. Brazil was fully aware of the fact that on today's world stage there was something else in addition to the U.S.-Soviet conflict. That was an emerging European force wanting to be independent and to attract into its sphere of influence the new African nations. The fact that Brazil was a democracy with a solid foundation of private enterprise was a historical event whose importance should not be minimized. The efforts of the present administration in Brazil were aimed at the preservation of free enterprise, and there was no move to increase government intervention in the nation's economy. What there was was a concerted and integrated effort to create a neo-capitalism unlike anything that ever existed before in Brazil. That fact was more important than any isolated pronouncement by this or that political leader. The situation in Brazil had to be viewed as a de facto situation and all its consequences realistically gauged. The very geographic position in Brazil involved ties with the U.S. that should never be a source of concern to Brazil.

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or to the U.S. There were left-wing movements and trends in Brazil and that was something to be expected in a country where the economy was still weak, which was beset by many unsolved social problems, and which was still in the process of consolidating its democracy. However, the development of Brazil as contemplated in the present historical context could not help but bring ever closer together the destinies of the Brazilian and the U.S. democracies. It must be borne in mind that if Brazil were to fall prey to any subversive movement fostered and abetted by the Soviets, it would then lose its opportunity to carry forward its national emancipation, because it would become a mere battlefield of the cold war where the events would be dictated by U.S. and Soviet moves. It was Minister Dantas' firm conviction that Brazil is sincerely oriented toward effective cooperation with the U. S. But that cooperation would become a reality only to the extent that Brazil would be able to attain its objectives of political and economic stability in the shortest possible time. Following the conclusion of Minister Dantas' statement, the Secretary and his callers went to lunch.

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Seabrook
Office (Interpreters)

ARA

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	Ambassador Gordon	Ambassador Bernardes
	J. DeSeabra (Interpreter)	

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G EST	AID/LA	Justice	
S/P WST	Gov. Harriman	White House CC	(14)

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