

INCOMING TELEGRAM

Department of State

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Action
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Control: 25 1850449

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ACTION:

INFO:

RM/R FILES

FROM: SANTIAGO

TO: Secretary of State

NO: 916, APRIL 24.

PRIORITY

ACTION DEPARTMENT 916, INFORMATION RIO DE JANEIRO 25.

VISIT PRESIDENT GOULART RECEIVED WITH GREAT POPULAR AND OFFICIAL ENTHUSIASM. IN MAJOR ADDRESS TO NATIONAL CONGRESS YESTERDAY HE REFERRED TRADITIONAL BONDS FRIENDSHIP BETWEEN COUNTRIES BUT SAID EVEN MORE IMPORTANT COUNTRIES JOINED BY UNSERVING DEVOTION LIBERTY AND FACT THAT, ALTHOUGH BY DIFFERENT ROADS, EACH HAS ACHIEVED SAME ECONOMIC RECUPERATION. SAID MAJOR PROBLEM FACING BOTH IS HOW ALLEVIATE THE EVER GROWING TENSION RESULTING FROM THE JUST ASPIRATIONS OF THE POPULAR FORCES AND THE NECESSITY OF MAINTAINING POLITICAL AND ECONOMIC ORDERS. CONFIRMED BRAZIL'S DEDICATION TO REPRESENTATIVE DEMOCRACY AND PRINCIPLES OF NON-INTERVENTION AND SELF-DETERMINATION.

SUGGESTED THAT SOLUTION ECONOMIC AND SOCIAL PRESSURES BEST FOUND IN AREA APPROACH. ARGUED FOR INDUSTRIALIZATION AND NEED TO DO SOMETHING RE PRICES PRIMARY PRODUCTS AND INCREASINGLY UNFAVORABLE TERMS OF TRADE WITH DEVELOPED COUNTRIES. MADE REFERENCE TO HIS COMMENT ON THIS SUBJECT BEFORE US CONGRESS YEAR AGO. URGED STRONG SUPPORT FOR LAFTA, AND SAID SHOULD PRESS FOR REVIEW OF WHOLE MECHANISM OF INTERNATIONAL TRADE AT NEXT UN CONFERENCE OF COMMERCE AND DEVELOPMENT.

IN PRESS INTERVIEW MADE FOLLOWING COMMENTS IN ANSWER REPORTER'S QUESTIONS:

ALLIANCE FOR PROGRESS NEEDS TO BE REFORMULATED IN ORDER THAT IT MAY TRULY ACHIEVE ITS OBJECTIVES. SAID THIS PROGRAM

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-2- 916, APRIL 24. FROM SANTIAGO.

HAS FULFILLED NEITHER OBJECTIVES NOR HOPES OF THE COUNTRIES WHO CONCEIVED IT.

BRAZIL HAS REACHED UNDERSTANDING WITH IMF BUT THIS DOES NOT SIGNIFY SUBORDINATION AND BRAZIL HAS NOT ACCEPTED MANY OF ITS DEMANDS. MOREOVER BRAZIL MAINTAINS RELATIONS WITH ALL COUNTRIES AND ALL INTERNATIONAL CREDIT AGENCIES; BEFORE PRESIDENT'S DEPARTURE FOR CHILE IT SIGNED A CONTRACT WITH THE SOVIET UNION FOR 470 MILLION DOLLARS.

DENIED ALL THOUGHT OR INTENTION OF MEDIATORY ROLE FOR BRAZIL IN CHILE-BOLIVIA CONFLICT BUT SAID IF PRESIDENT ALESSANDRI BRINGS IT UP IS WILLING TO TALK ABOUT IT.

COMMUNIST PROBLEM IN L.A. IS RELATED, ESSENTIALLY, TO LIVING CONDITIONS. WITH RELATION CUBA, BRAZIL MAINTAINS INTRANSIGENTLY ITS POLICY OF NON-INTERVENTION AND DEFENSE OF SELF-DETERMINATION AND VOTED ONLY THREE DAYS AGO AGAINST FORMATION OF A SECURITY COMMISSION OF THE OAS.

TO FINAL QUESTION FROM COMMUNIST EL SIGLO RE ADVANTAGES FOR BRAZIL IN TRADE WITH SOCIALIST COUNTRIES REPLIED: COUNTRY SUCH AS BRAZIL MUST MAINTAIN RELATIONS WITH ALL COUNTRIES TO SATISFY ITS NEEDS. IF THEY WERE SPIRITUAL RELATIONS, HOWEVER, WOULD NOT BE DEVELOPING WITH THE PRESENT ACCELERATING RHYTHM. WHEN HE ASSUMED PRESIDENCY TRADE WITH RUSSIA ABOUT 20 MILLION DOLLARS. NOW MUCH GREATER.

SPEECH AND MORE ESPECIALLY PRESS INTERVIEW CALCULATED APPEAL TO SIMILAR VIEWS ON MOST POINTS HELD IN MANY CHILEAN QUARTERS. LIKELY BE PARTICULARLY HARMFUL INFLUENCE REQUESTION OF TRADE WITH BLOC.

POUCHING ENGLISH TRANSLATION SPEECH AND SPANISH TEXT PRESS INTERVIEW DEPARTMENT AND RIO.

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