

AIRGRAM

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TO : DEPARTMENT OF STATE

INFO : Amembassy BRASILIA
AmConGen SAO PAULO
" RECIFE

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 27 1966
JUN 2 1966
ANALYSIS BRANCH
MAY 27 1966
DISTRIBUTION
MAY 26 1966
PM 2 27

FROM : Amembassy RIO DE JANEIRO

DATE: May 26 1966

SUBJECT : Memorandum of Conversation with Minister Roberto Campos

REF :

1. Enclosed is a memorandum of conversation with Planning Minister Roberto Campos in which Campos expresses some opinions on the political scene.

2. Campos praised Costa e Silva, noting that he is far more intelligent than people credit him with being. He thought Costa e Silva would have an easier time in the Presidency since by the time he enters office the nation will be well on the road to economic recovery and Costa e Silva will be able to make economic concessions for political reasons if he desires. By the same token Campos believes that there will be improvement in the economic situation between now and the congressional elections and doesn't share the gloomy outlook for these elections being brooded about in some ARENA circles.

3. Campos lauded Castello Branco and lamented the fact that, despite a two-hour effort by himself and Bulhões, Castello had insisted on disqualifying himself in Institutional Act II from serving a longer period in the Presidency. Campos sees Castello's refusal to serve longer in office as his greatest error. On other matters Campos asked why American Senators had suddenly started criticizing Brazil and expressed the personal conviction that the Americans detained on smuggling charges are guilty.

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Enclosure:

Exempted from automatic decontrol.

Memorandum of Conversation

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FORM 4-62 DS-323

Drafted by: POL:FCCarlucci:ek 5-24-66

Contents and Classification Approved by: DCM - Philip Raine

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USAID:SHVanDyke

ECON:RBELwood
USIS:JEWyant

Action: ARA BR - NAN - File 67/66

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MEMORANDUM OF CONVERSATION

DATE: May 19, 1966

SUBJECT : The Economist Looks at the Political Scene

PARTICIPANTS: Mr. Roberto Campos, Minister of Planning
Mr. Stuart H. Van Dyke, Director, USAID
Mr. Jack E. Wyant, USIS
Mr. Frank C. Carlucci, First Secretary

PLACE : Cocktail Party at Residence of Eduardo Albertal,
Director of UN Operations in Brazil

1. Costa e Silva

Campos gave a spirited defense of Costa e Silva, stating that a lot of people will be surprised when he takes over the Presidency. He is by no means a stupid man. He was first in his class in military school and is a sensitive and shrewd individual.

On the specific question of how Costa e Silva would do as President, Campos said that he would have an easier role than Castello Branco since by the time he takes over, the economic machinery of the nation will have been restored to balance. Thus even if Costa e Silva does not relax the economic program, his administration will profit from the sensation that he has produced additional benefits. In answer to a question regarding relations with labor, Campos said that Costa e Silva's economic position will be good enough to allow him to make concessions to labor if he so desires without endangering the country's economic health.

2. Forthcoming Elections

When the reporting officer mentioned to Campos that whenever politicians get together he, Campos, is a favorite topic of conversation, Campos replied that the politicians don't like him because he doesn't care what they think about him. However, he thought that all the talk of impending disaster in the November Congressional

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elections was very much overdone. He thought there would be economic improvement between now and November which would give an additional boost to the pro-government candidates.

Campos foresaw little difficulty in electing ARENA governors, but he did admit that Congressional elections in some states were bound to go against the Government. He cited as an example Rio Grande do Sul, where Governor Meneghetti has done a poor job and where alternate elections always seem to run in an anti-Government vein. He also thought the ARENA Congressional candidates would suffer defeats in Minas Gerais, but noted that they had a good chance to win in the Northeastern states.

3. Castello Branco

Campos was full of praise for Castello Branco. He pointed out that Castello Branco had come to office on the basis of two condominiums; a military condominium consisting of Costa e Silva, Kruel, Mourao Filho and Muricy, and a civilian condominium consisting of Magalhães, Pinto, Ademar de Barros, Meneghetti, and Lacerda. Since these condominiums had started to break up, Castello Branco had ruled by the force of his personality. His greatest error was in insisting on disqualifying himself in Institutional Act No. 2 from continuing in office past March 1967. Campos said he and Bulhões had tried for two hours to argue Castello Branco out of this on the basis of the need to continue the economic program, but had been unsuccessful.

4. Carlos Lacerda

The reporting officer asked Campos' views on the theory now being advocated by Lacerda's associates that the revolutionary government should have imposed an absolute dictatorship for sixty days, during which the economic machinery would be completely reshaped, and then return full constitutional democracy. Campos thought there was something to this theory, but that the man who had opposed it most at the time of the revolution was Carlos Lacerda himself. Needless to say, Campos also had some disparaging remarks to make about Lacerda.

5. Detained Americans

Campos asked the Americans present what seemed to be happening lately to American Senators that they should suddenly criticize Brazil. Fulbright, for example, had been highly complementary during his visit. When it was pointed out to Campos that Senator Fulbright

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presently had some of his constituents under detention in Brasilia, Campos said he had studied the case and was convinced that the detainees were guilty of smuggling, not of atomic minerals, but of bringing contraband into Brazil. It was pointed out to him that the U. S. Government was not attempting to judge the guilt or innocence of the parties but was concerned that they be granted a fair trial. To date it appeared that the Americans were being tried more in the newspapers than in the courts. The conversation was interrupted before Campos had a chance to reply to this point.

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