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By ip, NARA, Date 4-19-95

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June 16, 1964

Page 13

MEMORANDUM FOR MR. BUNDY

Following are points of interest from ARA Staff Meeting:

1. Negotiations for rescheduling of Brazilian debts are going satisfactorily. Brazil wanted the debts for 1964-66 rescheduled, but will probably get 64-65 and a promise on 66. The Italians and British gave Brazil the most trouble, with France showing more cooperative attitude. (This may suggest de Gaulle does not want to upset his chances for a successful visit to Brazil this Fall, and that he has accepted the situation in Brazil.) AID has some \$55 million in projects ready to go on Brazil, and Bell has indicated his tentative approval of another \$50 million from the contingency fund. (Mr. Bator will give you a fuller memo for your meeting with Ambassador Gordon.)

2. AID/LA feels rather optimistic about its loan operations. It expects to commit all available funds by June 30 and have a number of sound projects which must be held over to FY 1965. Nevertheless, Mr. Mann is disturbed at the high fourth quarter commitment rate, and wants AID to do better in the first three quarters in FY 1965. The FY 1965 AID appropriation is expected to come up in the House next week.

3. Kubitschek is in Spain. He plans a lecture tour of the U.S. - about 36 lectures. (He has been highly critical of the U. S. and the Alliance, and was responsible for the drift away from U.S.-Brazilian cooperation. It could be that he finally realizes U.S.-Brazilian cooperation is essential to Brazil's welfare, and he plans to begin his Presidential campaign here.)

4. The situation in Argentina continues unsettled. The decree controlling meat prices backfired. Very little meat is coming to market. The CGT (labor federation), which pressed for the price control, is planning a nationwide 24-hour factory occupation to achieve other general economic demands. The oil issue is still undecided.

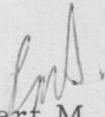
5. Talk of a coup in Uruguay has subsided with the selection of a new Cabinet. The new Minister of Public Works is apparently a Communist. The Embassy has always regarded a coup as an outside possibility, but talk of it indicates the concern in Uruguay over the ineffectiveness of the Government.

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- 2 -

6. Ambassador Vaughn made a few observations on Panama. He regards the incoming Robles Administration as the same "Old tired faces." He thinks Chiari probably had the most corrupt government in the history of Panama, and he expects little better from Robles. He sees no hope that the oligarchy in Panama will change its corrupt ways. The communists have increased their strength, including some 350 Cuban-trained agitators. He sees some hope in the fact that the Christian Democrats polled 15,000 votes.



Robert M. Sayre

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