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DEC 14 1 51 PM '62

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Prior White House interview reported reftal Assistant Secretary Martin and May met with Kubitschek and Schmidt. During first part this meeting, Kubitschek and Martin ~~discussed~~ discussed role Alliance for Progress in LA. Clear that Kubitschek interpreted Alliance for Progress as form US assistance program to LA and Martin carefully explained fact Alliance not repeat not US program but rather LA program in which US only junior partner. Kubitschek finally expressed understanding this subject, agreeing importance every effort be made impress upon governmental leaders and populace in general extent to which success of Alliance dependent upon internal LA efforts.

Following unavoidable departure Martin for other engagement, May continued conversation with Kubitschek and Schmidt. Kubitschek and Schmidt each expressed belief statement by President Kennedy at press conference twelfth would be headlined in Brazil press to effect USG has decided withhold all further assistance for Brazil. May said such interpretation would be invalid. Said President clearly anxious find way to be truly helpful to Brazil, but, as evidenced by his statement greatly

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DECLASSIFIED

E. O. 11652, SEC. 3(E), 5(D), 5(E) AND 11

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greatly disturbed by difficulty know how to be helpful to Brazil under present circumstances of extreme inflation and capital flight. Kubitschek, Schmidt and Ambassador Campos (latter two of whom ~~who~~ present throughout this conversation though not at White House) each argued that USG must make public gesture demonstrate ~~xxxx~~ desire continue provide assistance to Brazil. Each spoke of Brazil's ~~xxx~~ present urgent need for balance of payments assistance expressing fear US exporters and others providing some form of assistance to Brazil would reduce such assistance in view of President's statement, unless USG acts to restore confidence in Brazil-US relations. May non committal this matter.

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