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March 18, 1966

Castello Branco Comments on Role of Foreign Capital

1. Speaking to a visiting National War College class in Brasilia on March 17, President CASTELLO BRANCO touched on the role of foreign capital in Brazil. The President said that he understood foreign investment was made in Brazil in order to make money, as Brazilians also hope to make money from it.

2. Commenting that his administration favored foreign investment, Castello Branco then posed the following rhetorical questions:

- What is the purpose of the capital investment?
- Where does the capital come from? What is its origin?
- Will the foreign capital create more jobs for Brazilians?
- Will the capital contribute to supplying more goods for the internal Brazilian market, with a future possibility of exports?

3. Comment. The presidential press office released the gist of the President's comments as given in paragraph 1 above. His rhetorical questions on the role of foreign capital were not released.

4. Castello Branco closed his brief remarks on foreign

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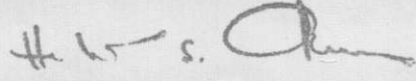
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Page 2  
A-102, Brasilia

investment by noting that foreign businessmen who come to see him are almost invariably interested in the prospects for Brazilian economic development and political stability, adding drily that he often tells them that Brazil's interest in these subjects is at least as great as theirs.

For the Chargé d'Affaires ad interim:



Herbert S. Okun  
Counselor of Embassy

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