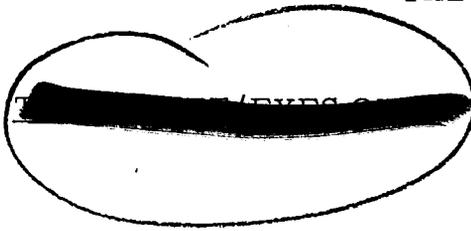


MEMORANDUM

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September 4, 2008

THE WHITE HOUSE

WASHINGTON



December 9, 1971

MEMORANDUM FOR: THE PRESIDENT'S FILE

FROM: HENRY A. KISSINGER

SUBJECT: Meeting with President Emílio Garrastazú Médici of Brazil on Thursday, December 9, 1971, at 10:00 a.m., in the President's Office, the White House

PARTICIPANTS: The President
President Emílio Médici of Brazil
Major General Vernon A. Walters (Interpreter)

President Médici opened the conversation by saying that he had had high hopes for his visit before he came, but he wanted President Nixon to know that his visit and his welcome had been far above anything he had expected, and he could not be more pleased with the way things had gone. The President said that he was delighted to hear this. He too had been most happy at their talk and at this further opportunity to talk over common problems with President Médici. President Médici then said that he had had a press conference the previous evening and things had gone very well. He had not gone into the details of his talk with the President but had indicated that he was very pleased with the way things had gone.

President Médici continued that he had just talked with Mr. Ortiz Mena of the Inter-American Development Bank, and the latter had asked him to hand a memorandum to the President about the Bank's problems. President Médici said jokingly that the word had gotten around that he had hit it off well with the President, that they had become friends, and that was why people were asking him to intercede with the President. The President replied that this was indeed true; he felt that he and President Médici had established a close and friendly relationship. He felt that Ortiz Mena was a good man and was anxious that the Inter-American Bank get help. He directed General Walters to convey to Dr. Kissinger that he wanted the Inter-American Bank to have an improved priority in relation to other area



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developmental banks. President Médici said that Ortiz Mena had told him that the President and the Administration were well disposed towards the IADB but that there were difficulties with Congress. The President replied that there were difficulties but that the Congress took a much more favorable view of aid and cooperation for the Latin American area. President Médici said that he was very pleased to hear this and hoped that we could work together in this area.

The President then said that there was one area in which he wanted to make his position quite clear. This was in connection with Cuba. As a result of changes in our policy vis-à-vis China and his forthcoming visits there and to Moscow, there were some rumors abroad in the press and elsewhere that there was going to be a change in our policy towards Cuba also. This was absolutely not the case. We had political problems with the Chinese and the Soviets and needed to talk with them. We did so without illusions, knowing that they were and would remain hard-line Communists and would continue to carry out the Communist program all over the world. In this they did not change. General Walters observed that in Brazil there was a saying which went "You can trust the Communists, they really are (Communists)." President Médici agreed. The President then repeated that there would be no change in our attitude towards Cuba as long as Castro was in charge and continued to attempt the export of subversion. President Médici said that he was most pleased to hear this, and that this coincided exactly with Brazil's position. The President then added that Cuba's economy was in very bad shape. President Médici agreed, but added that they were getting a million dollars a day from the Soviets.

President Médici then said that the President was aware of the fact that the Peruvians were attempting to get the Organization of American States to set up a committee to study the question of the readmission of Cuba. His Foreign Minister had told him that the question of Brazilian and American participation on such a committee was coming up; and the question was whether it was better to participate in the committee and try to stop Cuban admission from within the committee, or to refuse to belong to the committee. He could see that, for the U.S., participation in such a committee might be interpreted as U.S. acquiescence in the

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readmission of Cuba. He wondered how the President felt about Brazilian participation, where they could work inside the committee to stop such readmission. The President said that this was an interesting matter and that he would have the matter studied and would get word back to President Médici privately stating his views on the subject.

The President then continued that since he and President Médici had gotten along so well and found that their views were so close together, he felt it was important that they maintain close contact and have a means of communicating directly outside of normal diplomatic channels when this might be necessary. He asked whether President Médici would agree to the creation of such a channel. On his part, he was prepared to name Dr. Kissinger as his representative for such direct communication. Was there someone on President Médici's staff who he would wish to name for such a purpose? President Médici replied that he had a man he trusted absolutely and who wore two hats. This was Gibson Barbosa, who was the Foreign Minister and also his special private advisor, handling a number of matters for him without the knowledge of the Brazilian Foreign Office. Gibson Barbosa had a special file in which all items were handwritten, instructions or questions from the President, and Gibson Barbosa's replies all handwritten, so that not even typists had knowledge of them. This could be the channel from his end, specifying that the matter transmitted was for this private channel. President Médici added that he also had his Kissinger counterpart for extremely private and delicate matters and this was Colonel Manso Netto. The President indicated that he understood. President Médici then mentioned the superb work being done by Colonel Moura as our Defense Attaché in Brazil and said how unfortunate it was that he would have to leave Brazil shortly. The President said that he was aware of Colonel Moura's work, that Ambassador Rountree had spoken to him about it, and that he was issuing orders that Moura be promoted to Brigadier General and remain in Brazil as attaché. President Médici said that he was delighted to hear this and that it would be a real help to Brazilian-American relations.

President Médici then said that there were a large number of Cuban exiles all over the Americas; he believed that there were now a million Cubans in the United States. These men claimed that they had forces and could overthrow Castro's regime. The question arose, should we

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help them or not? The President pondered this question and said that he felt we should, as long as we did not push them into doing something that we could not support, and as long as our hand did not appear. President Médici agreed, saying that under no circumstances should any assistance we render be visible. If there was anything the President felt that Brazil could do to help, he would be grateful to have his views through the private channel.

President Médici then said that within the limit of its resources Brazil was trying to assist its neighbors, particularly Bolivia, which was in really desperate straits. Recently he had received a visit from a Bolivian Cabinet Minister who was asking for 30,000 tons of sugar, payment to begin after a three-year period of grace and extend over ten years. President Médici had replied that this was quite contrary to practice in the sugar business, where you handed over a bag of sugar and received payment. The Bolivian Minister had then said that this was not a normal sale; if there was a sugar shortage in Bolivia, the government would fall and the Far left extremists would take over. It was really a political matter. President Médici then issued instructions for the sugar to be made available on these terms to the Bolivians. Immediately, the Bolivian Minister had said that he had another request on the same terms and this was for ten Brazilian Xavantes jet fighters. President Médici had refused, saying that it was ridiculous for a nation which was in desperate economic straits to be buying jet fighters. He saw how much difficulty he himself had in dealing with and understanding the Spanish-American mentality, and felt that it must be even more difficult for the President. He added wryly that Brazil and the United States had a similar difficulty in dealing with the Latin Americans: that is, that the Brazilians spoke Portuguese and the Americans English.

As a further example of such problems, President Médici mentioned that he had originally found President Stroessner of Paraguay in a very anti-Bolivian mood and determined to give the Bolivians nothing. Brazil was about to undertake a gigantic hydro-electric dam on the Parana River. As the River was the boundary with Paraguay, they would participate in it. Brazil would put up the money for the dam which would produce twelve million kilowatts. It would be equivalent to almost half the presently-installed

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capacity of Brazil. Paraguay was entitled to six million, which was far more than she could conceivably use for the distant future. Brazil would assist Paraguay by buying a share of Paraguay's electricity. He had finally brought President Stroessner around to the idea of making some of this available to Bolivia by pointing out that if Bolivia was not helped she would undoubtedly go Communist and receive large amounts of aid from the Communist powers, including arms, and then she might attempt to reverse the result of the Chaco War. Stroessner had finally seen the wisdom of this argument. . . . The President indicated that he was very pleased to hear this. President Médici added that the difficulty was that the Paraguayans wanted to use Paraguayan technology on the dam because of their pride. This would be like the Brazilians trying to use Brazilian technology on a joint program with the U.S. But he felt that he could work this out satisfactorily with the Paraguayans. He felt that his greatest difficulty would be with the Argentines. He said that he intended to speak very frankly to President Lanusse when he came to Brazil. He would speak not as President to President but as General to General. President Nixon said that he was concerned about the situation in Argentina and would be very happy if President Médici would tell him his impressions after the Lanusse visit. President Médici readily agreed to do this.

The President then asked President Médici for his views on how the situation in Chile would develop. President Médici said that Allende would be overthrown for very much the same reasons that Goulart had been overthrown in Brazil. The President then asked whether President Médici thought that the Chilean Armed forces were capable of overthrowing Allende. President Médici replied that he felt that they were, adding that Brazil was exchanging many officers with the Chileans, and made clear that Brazil was working towards this end. The President said that it was very important that Brazil and the United States work closely in this field. We could not take direction but if the Brazilians felt that there was something we could do to be helpful in this area, he would like President Médici to let him know. If money were required or other discreet aid, we might be able to make it available. This should be held in the greatest confidence. But we must try and prevent new Allendes and Castros and try where possible to reverse these trends. President Médici said that he was happy to see that the Brazilian and American positions and views were so close.

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The President then said that he wished to tell President Médicti in confidence that he was bringing General Walters back from Paris in March or at the end of February to be the Deputy Director of the C.I.A. President Médicti felt that this would help the President on many of his problems, especially those in Latin America.

The President then said that we were playing things somewhat differently with Velasco Alvarado in Peru. President Médicti pointed out that the Peruvians were leading the pro-Castro moves in the OAS. General Walters noted that Velasco might be in trouble with his own people. He had been Attaché in Paris when General Walters had arrived there as attaché. Velasco had a mistress there who had had a child by him. This mistress was a former Miss Peru and very far left in her views and political associations. If this became known it might cause Velasco considerable trouble, as such activities by the Chief of State would not be viewed kindly by his senior armed forces colleagues who would not mind such activities at a lower level

The President then indicated his awareness of President Médicti's efforts to open up the interior of the country by the construction of new highways and by use of the Army's engineer battalions for road construction in remote areas and for settlement of these remote areas. President Médicti stated that he was moving a number of such units into the Amazon area, and that discharged soldiers from these garrisons were encouraged to settle in the area and would receive grants of land. He had a land reform program under way to distribute land to the peasants. The President asked how the Brazilian road construction would tie into the Pan American Highway, and President Médicti replied that the connections between Brazil and Uruguay and Argentina and Paraguay and Bolivia were quite satisfactory. Ties with the first three were over entirely paved roads. The road construction now under way in Brazil's furthest west state would join the Peruvian road net at Pucallpa, thereby tying the Brazilian road net into the Peruvian, Ecuadorian, and Colombian nets. Only with Venezuela and the Guayanas will there remain gaps.

The President then asked if President Médicti had seen the proposed draft communiqué. President Médicti said that he had and that it was entirely satisfactory to him. He felt that much more important than

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anything which might be said in the communiqué was the relationship which he and the President had established and the identity of views on so many subjects which they shared. The President said that this was also his feeling. He too hoped that we could cooperate closely, as there were many things that Brazil as a South American country could do that the U.S. could not. President Médici then said how grateful he was for the splendid welcome he had had in the United States and how pleased he was at this opportunity to cement a personal friendship with the President. He too looked forward to close collaboration between our countries.

The two Presidents then bade each other a warm farewell and President Nixon accompanied the Brazilian President to his car.