



DEPARTMENT OF STATE

Washington, D.C. 20520

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MEMORANDUM FOR MR. WALT W. ROSTOW
THE WHITE HOUSE

Subject: U.S.-Brazil Relationships

The Costa e Silva government in Brazil moved to a virtual out-and-out military dictatorship this last week-end. This was accomplished by closing the Congress, eliminating the right of habeas corpus in cases alleged to involve national security, censoring all communications media, and arresting many congressmen, newspaper editors, and other public figures.

It is too early to determine whether or not military leaders will soon turn back from the more flagrant invasions of individual freedom now being carried out. In fact, it is too early to be sure that Costa e Silva will continue to be allowed to lead his suddenly more authoritarian government.

Two recommendations for U.S. actions affecting Brazil had received the necessary interagency approvals and were ready for presentation for Presidential consideration just prior to these new and highly disturbing developments in Brazil. The first concerned the sale of Douglas A-4 jet aircraft to Brazil, and the second

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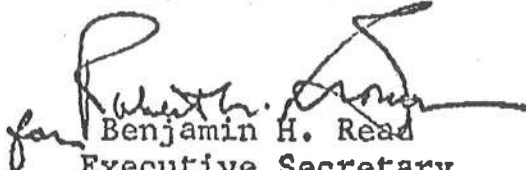
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requested authorization to begin negotiations with Brazil for a 1969 economic assistance package of \$143 million, including both A.I.D. and PL 480 assistance. Events of the week-end make this an inappropriate time for new U.S. actions directly and publicly supporting Brazil; so we are holding up these recommendations for the time being.

Until the situation clarifies we are quietly expressing our regret at the reduction in human liberty apparently taking place in Brazil, and simultaneously, without public criticism or admonition, slowing or stopping those programmed economic actions which could be thought to be evidence of U.S. approval of the present actions of the GOB.


for Benjamin H. Read
Executive Secretary

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