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BRAZIL AND UNITED STATES POLICIES

REPORT

OF

Senator MIKE MANSFIELD

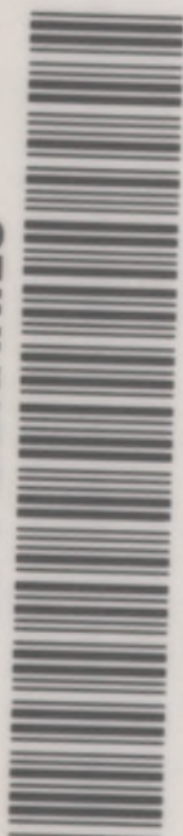
TO THE

FOREIGN RELATIONS COMMITTEE

4 UNITED STATES SENATE

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REPORT

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LETTER OF TRANSMITTAL

JANUARY 22, 1962.

Hon. J. W. FULBRIGHT,
Chairman, Senate Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As an ex officio member from the Foreign Relations Committee, I had occasion recently to accompany a subcommittee¹ of the Appropriations Committee on a study mission to several of the American Republics. My general observations on the situation in Latin America and U.S. policy were reported to the Appropriations Committee in January 1962.

This report contains a more specific treatment of the same subject as it pertains to Brazil. Brazil is not typical of the other Latin American countries. On the contrary, the immense proportions of that nation and its unique heritage tend to set it apart. Nevertheless, in the Brazilian scene are mirrored, on a vast scale, most of the hopes and the difficulties which are to be found in the rest of Latin America.

It would be an oversimplification to say that as Brazil goes so goes Latin America. But there is no question that the future of inter-American relations will be shaped in major part by developments in Brazil, if for no other reason than that Brazil is, and will continue to be, an enormous factor in these relations.

This consideration has led me to prepare the attached report. It is submitted to you, Mr. Chairman, as the observations of one member of your committee with the thought that it might provide background in considering matters involving Brazilian-United States relations.

Sincerely yours,

MIKE MANSFIELD.

¹ The Subcommittee on State, Justice, and the Judiciary and Related Agencies of the Senate Appropriations Committee. Other members of the study mission were Senators McClellan, Smith of Maine, Dworshak, Bible, and Hruska. The group visited the following countries in Latin America: Mexico, Panama, Peru, Chile, Argentina, Brazil, and Venezuela.

LETTER OF TRANSMITTAL

1877
The following is a list of the names of the persons who have been appointed to the various committees of the Board of Directors of the American Museum of Natural History, for the year 1877.

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BRAZIL AND UNITED STATES POLICIES

1. INTRODUCTORY

On October 3, 1960, Janio Quadros was elected President of Brazil on a platform of economic reform. His majority was the largest ever accorded a candidate for the Brazilian Presidency. Mr. Quadros was inaugurated on January 31, 1961. Six months later he resigned from office on the grounds that entrenched opposition made it impossible to carry through the program of fiscal adjustments and other changes which he deemed essential for stability in Brazil.

The resignation of Mr. Quadros and the question of succession brought widespread talk of civil war. However, a political compromise provided for a peaceful transition of political authority. Leaders of Congress and the Armed Forces played a major part in working out the settlement. The compromise involved a change in the Brazilian Constitution in the nature of a redistribution of power as between the Presidency and the Congress. It amounted, in effect, to a shift from a government of separate powers in the direction of a parliamentary system.

The circumstances in connection with the Quadros resignation and the subsequent political compromise were obscure and complex. They have been the subject of various interpretations. But one point is clear. Beneath the political crisis lay a heightening economic crisis which has been gathering for a long time. Brazil has suffered an enormous currency inflation. There have been chronic and deepening difficulties with the international balance of payments. In the northeast and elsewhere are heard the insistent rumblings of rural discontent.

These symptoms in themselves are reflections of the deeper issue in Brazilian society which was involved in the political crisis of the summer of 1961 but obscured by the compromise which followed the Quadros resignation. On the one hand, the pressures for more rapid social change are insistent in Brazil. In the face of this pressure, there is vigorous resistance to the demands of evolutionary change, and a strong tendency to grope for painless remedies which palliate the symptoms rather than deal with the more fundamental difficulties in the economy and the society.

It is not only in Brazil that the deeper issues tend to be put off as long as possible. And it is not only in Brazil that this tendency raises the basic question of whether or not the rate of change is rapid enough for peaceful transition in Latin America. But in Brazil this question assumes enormous importance for inter-American relations. And in Brazil there are indications that circumstances are converging on a point at which decisive answers will be forthcoming in the near future.

2. FISCAL INSTABILITY

In 1950, a dollar bought 18.3 Brazilian cruzeiros. In December 1961, a dollar was worth about 330 cruzeiros at extralegal rates. By the end of that month the dollar was worth 380 and, today, its extralegal valuation is in the neighborhood of 350. The instability of the cruzeiro reflects the instability of the financial structure of Brazil, which is highly inflationary and is characterized by chronic international payments difficulties.

The extent of the inflationary pressure is indicated in the index of prices. By 1960 prices had increased to 739 from a base of 100 in 1947. As for foreign exchange deficits on export-import accounts, Brazil has had deficits of more than \$250 million for several years. In 1960, the peak deficit year, the total was over \$500 million.

Most of the nations in the world—including our own—have experienced some measure of inflation in the postwar years and many have had balance-of-payments difficulties. To some extent, these phenomena in Brazil have been reflections of a spectacular growth based on a conscious effort to industrialize. From a base of 100 in 1949, for example, industrial production climbed to an estimated 303 in 1961.¹ Reflected in this index is a great expansion of such industries as iron and steel, cement, glass, clay, and nonmetallic minerals and the appearance of entirely new industries such as petrochemicals, automobiles, and shipbuilding. The threefold increase in industrial production represents a very substantial achievement in terms of economic development and the lasting value of this achievement should not be underestimated. This great growth could hardly have been achieved without financial strains.

But what is involved in Brazil, today, is more than a matter of financial strain. There are indications that inflation and international payments difficulties have ceased to be merely uncomfortable concomitants of rapid expansion. Instead, they have taken on an independent momentum and a kind of built-in permanency. Indeed, there are indications that these financial problems have now become serious impediments to further economic growth in Brazil. Inflation, for example, discourages personal savings and impairs long-term investment in productive enterprise. It has pushed interest rates up to 3 and 4 percent a month. A great deal of capital has been diverted into speculative, if spectacular, real estate construction and other enterprises with low social value. In industry, costs are rising rapidly even as sales show signs of dropping. The automobile industry, for example, which has had a phenomenal expansion in recent years has curtailed output 25 percent in recent months.

It is impossible to form an estimate of the amount of indigenous capital that has fled the country and is now held in Europe and the United States. Nevertheless, in informed circles in Brazil the belief is general that the amount is very great. At the same time foreign capital is showing hesitancy in flowing into Brazil. This hesitancy is not readily documented by statistics, but there has certainly been a very severe drop in U.S. private investment in Brazil in 1961. It is not unreasonable to suppose that the hesitancy is likely to grow if financial chaos continues to threaten in Brazil and if the recent indications of political hostility to foreign business persist.

¹ In the United States, comparable figures were 100 in 1947-49 and 171 in 1961.

At the root of Brazil's financial difficulties lies a complex of causes. Certainly, the international coffee situation is a significant factor. Sixty percent of Brazil's foreign exchange earnings come from this commodity. But exports have dropped in recent years and so, too, have prices. A huge surplus has accumulated within Brazil and the costs of maintaining it increase internal inflationary pressure.

Coffee and other exchange earnings are simply not able to carry the current volume of imports, when on top of these imports are piled such burdens as capital flight, hesitant foreign investment, and smuggling. Within Brazil, moreover, credit has flowed very loosely, encouraging speculation and profiteering. At the same time, there have been large deficits in the Government budgets, year after year.

Remedies for the financial difficulties have been sought in the printing press and in heavy borrowing abroad. Both remedies, however, may be approaching a point of futility. The addition of zeros on currency notes subtracts more and more from confidence in the reliability of the currency. At the same time, the sources of borrowing abroad tend to dry up when there is increasing doubt as to the prospects of repayment.

Early in 1961 significant first steps were taken to come to grips with some of the more basic problems. Efforts were made to improve the competitive position of Brazilian coffee and to force conversion of marginal coffee-producing lands to other crops. The multiple exchange system was overhauled to discourage less essential imports. Government economies were instituted and, at the same time, an attempt was made to bring in additional revenues within the existing tax structure. For the first time, for example, penalties were decreed in connection with income tax evasions. In voluntary cooperation with the Government, moreover, banks began to curb the loose flow of credit.

These measures had a prompt and salutary effect on the situation. There was a restoration of confidence both within Brazil and abroad. Inflation was checked and foreign credits became more readily available.

In the last few months, however, the dangerous tendencies toward fiscal chaos have shown signs of reasserting themselves. That a way out of the difficulties is still being sought in palliatives is indicated by the rash of measures aimed at foreign investors in the recent session of the Brazilian Congress. One of these measures, a catch-all profits remittance bill, passed the Chamber of Deputies on November 29, 1961. Whatever its political merits may have been from a Brazilian point of view, it engendered such fears in the business community—both Brazilian and foreign—that it may well have produced a sharp acceleration in capital flight even as it resulted in the near-panic drop in the value of the cruzeiro. This occurred even though the bill was not acted upon in the Senate prior to adjournment.

The adverse impact of inflation and balance-of-payment difficulties strikes unevenly within Brazil. It is felt most heavily in the urban areas and particularly in the metropolitan centers of the center south. Least hurt are those whose resources are great enough to permit them to hedge against the inflation at home by speculation, and to cache a reserve of capital abroad. Indeed, for this small group the present situation may actually be highly profitable at least for the short range.

The principal victims are the wage earners and the new group of productive entrepreneurs—the middle-class group which has undergone a substantial increase in size in postwar Brazil. To be sure, there have been wage increases—most recently a 50-percent general round of raises—but invariably the increases lag behind prices. Similarly, productive enterprise—Brazilian as well as foreign—finds itself constricted between rapidly rising costs and more slowly rising prices. This bind becomes even tighter when these enterprises are heavily dependent on imported equipment and materials.

The urban poor have also felt a severe impact from inflation, most directly in the rising prices of essentials. For the most part, the urban poor have poured into and around the cities from rural areas, in the hope of finding living conditions which might be superior to those in the impoverished countryside. However, inflation and the lack of opportunity in the cities are dashing this hope.

There are grim political portents in this situation. The financial difficulties, in effect, are striking hard at the very urban groups whose talents and labor must be enlisted and fully utilized in any effort to bring about evolutionary change in Brazil. But, instead of amelioration in the conditions of the poor, the emergent middle class is being pushed toward the ranks of the impoverished. Similarly, instead of an expansion of productive enterprise, existing enterprises face collapse or are being forced into speculation in order to survive.

In these circumstances, there is a growing popular cynicism with existing political practices and an increasing interest in militant remedies. To put it another way, the idea that “things cannot go on as they are and anything will be better than this,” appears to be gaining increasing acceptance in the urban centers.

3. THE NORTHEAST

A somewhat different trend is developing in rural Brazil, or, more specifically, in the areas away from the modern metropolitan centers of the central south. Of late, the situation in the northeast has come into particular prominence as typifying this trend. Whether or not the northeast is typical, it is clear that a pressure for rapid change is accumulating in that region. What is occurring there and, to some extent, elsewhere in rural Brazil, is not so much a progressive political disenchantment such as is taking place in the urban centers. Rather, it is a popular political awakening in a long dormant and neglected area.

The northeast contains 25 million inhabitants, more than a third of Brazil's population. It is a region of immense stretches of empty lands, forests, a few vast agricultural estates, and innumerable subsistence farms. This segment of rural Brazil is interspersed with substantial cities—particularly along the coast. They are cities, however, which appear still to have more in common with the colonial past than with modern Brazil as typified by Rio de Janeiro or São Paulo.

The northeast is heavily dependent on agriculture. There are great estates which are owned by a handful of families—usual counts place the number at under 100. On them are grown such commercial crops as sugar and cotton. Millions of people on the land pursue a kind of subsistence farming, as owners of small plots or, more often, as tenants, sharecroppers, and squatters on the great estates.

The region has characteristics which are similar to those in impoverished agricultural sectors of the Mediterranean countries (as, for example, southern Italy) and in some underdeveloped regions of Asia. Per capita income is in the neighborhood of \$100 a year, about a third of what it is in the province of the center south. Because of the extremes of wealth and poverty, moreover, this figure is actually much lower for millions of people who are, in effect, almost totally outside the money economy. Infant mortality rates are high and average life expectancies short. Illiteracy is widespread. There is a very limited availability of modern medical care and other social services.

Agricultural productivity is estimated at about 50 percent of that in the center south. Such industry as there is in the region is also characterized by very low productivity.

It is ironic that there should be a land problem in an area in which there are immense stretches of virgin territory. Nevertheless, this problem does exist. Most of the empty land is either unsuited to agriculture or is presently inaccessible to development because of poor or nonexistent communications. Except for a "cut and burn" transient-type cultivation on the agricultural frontiers and some foreign colonization, this empty land does not enter significantly into the northeast situation at the present time.

For practical purposes, the land problem has to do with the inadequacy of subsistence farming in a region of rapidly increasing population and antiquated agricultural techniques. It is also very directly involved with the underused or idle lands on the great estates and with the rights of tenants, sharecroppers, and squatters on these estates.

Beyond these manmade difficulties, there is also a natural complicating factor. The northeast is a region of erratic rainfall. Much of the region is subject both to severe droughts and sudden and destructive floods. In the past, the situation has usually been tolerable, if inadequate, for most of the inhabitants in those years of accommodating rainfall. When the rains have been either too much or too little there has been wide suffering and mass migrations of agricultural labor to the south and to the cities.

But the situation is now changing. In the first place, population increases are intensifying the pressures on land resources in use. Moreover, land speculation and the spread of the monetary economy have begun to close some of the traditional safety valves of the old quasi-colonial system of agriculture—such safeguards as were involved in squatter's rights on unused land and owner's responsibilities to tenants and so forth. Most significantly, the increase in contact with the more prosperous center south through migration and the spread of communications has led to a growing awareness of the potential benefits of modernization and the role of politics in obtaining and diffusing them. In consequence, there has been for some time a growing popular interest in political action in the northeast, at least in the cities of the region and their agricultural environs. More recently, politics have taken on an increasing militancy with the expansion in the *Ligas Camponesas*, the Peasant Union, which is headed by Francisco Julião, a member of the Brazilian House of Deputies and a Marxist. In addition, Marxists have come to play a role in the government of the northeast cities and hold a number

of important municipal offices.² The militancy has expressed itself in the occupancy of unused land by the landless and in resistance to ejection by owners. It has also produced strikes of mixed political and economic purpose.

Both the central government and the provincial governments have constitutional responsibilities in connection with the land situation in the northeast. In the Province of Pernambuco, limited measures have been attempted to make badly used estate land more readily available to the landless, on the basis of state purchase and resale. But these measures have encountered resistance both from owners and peasants and little has been achieved by them. The owners have had little desire to part with any of their holdings on this basis. The peasants are encouraged by some political leaders to believe that they have the right to occupy and to hold land without paying for it.

The Federal Government has also exercised limited responsibilities in the northeast for several decades in connection with droughts. Its actions have been in the nature of work relief and have been grossly inadequate to the need.

In 1959, the Federal Government recognized this inadequacy and adopted a policy of concerted attack on the problems of the northeast. It set up a superagency with planning jurisdiction in nine Provinces and a portion of a tenth.

The agency was instructed to seek remedies on the basis of (1) intensifying industrial development with a view to creating new sources of employment and modernizing the regional economic structure; (2) changing the agricultural system along the coast to increase the productivity of estate farming and to allow for effective family farm units; (3) changing land utilization in the semiarid regions; and (4) shifting populations to new agricultural lands on the frontiers of cultivation.

The planning agency for the development of the northeast which is known in Brazil as Sudene has functioned since 1959 under the direction of Celso Furtado, a professional civil servant. It has drawn up a master plan which has been approved, after much delay, by the Brazilian Congress.

There is technical criticism of specific aspects of the Sudene plan and some doubts that it or any approach which does not involve massive emigration from the northeast will be effective. Nevertheless, the plan is generally recognized as representing a determined effort to outline useful and integrated action in an area of immense need. Certainly, it is the only real alternative which has been offered either to piecemeal projects and perpetual relief or the growing prospect of the militant action of human desperation. It is of significance that when the approval of the Sudene plan was in doubt in the Brazilian Congress, a general strike in its support was sponsored in the northeast city of Recife by political leaders from just about every segment of the ideological spectrum.

If any action at all is feasible in encouraging development of the retrogressive northeast, the Sudene concept or something approaching it clearly has great relevance. It will involve vast outlays of funds, Brazilian and foreign. An initial amount is sought in the neighborhood of a billion dollars over 5 years, with \$500 million coming from Brazilian sources. In the end, however, it is likely to take closer to

² Marxism as an individual avowal is tolerated in Brazilian politics although the Communist Party, as such, is outlawed in the nation.

\$10 billion and a generation of vigorous and dedicated effort before conditions in the northeast begin to approximate those in the more advanced center south.

Neither technical shortcomings nor financing, however, may be the major question mark as to the feasibility of the Sudene plan. The more fundamental difficulty may lie in Brazilian society and in the adequacy of the political will to take hold of this promise and to carry it through to fruition. Certainly, the attitudes displayed in the consideration of the Sudene plan in the Brazilian Congress during late 1961 do not give cause for sanguine expectations. The enormous weight of resistance to change was clearly demonstrated during that consideration, even though the measure eventually passed. It should be noted, moreover, that such resistance is likely to be felt even more keenly in the provincial governments of the northeast and yet the vigorous cooperation of these governments is essential in carrying out the plan.

In the situation in northeast Brazil, as in many others in Latin America, foreign assistance is a factor but it is not the decisive factor. The decisive factor is indigenous capacity and determination to bring about rapid change in an evolutionary pattern. The responsibility for bringing these forces into play rests with and must remain with indigenous leadership. Unless aid from this Nation to the northeast, or anywhere else for that matter, provides a supplement for the exercise of that responsibility and not an avenue for its continued evasion, it will not be in the long-range interests of the United States or the people of Brazil.

4. CONCLUDING COMMENTS—U.S. POLICIES

The critical decisions have yet to be made in Brazil. It is far from certain that the path in the years ahead will be one of unbroken evolutionary progress. On the contrary, there are grave doubts even now that such will be the case. While widespread political violence is not a significant characteristic of Brazilian history, it cannot be dismissed as an impossibility if current trends continue.

The nation's leaders, for the most part, recognize the dangers inherent in the present financial situation and, to a lesser extent, in the retrogression of the rural areas, notably the northeast. To recognize these problems is one thing; to act vigorously and effectively on the social ills and economic imbalances and inadequacies which underlay them is another. The predominant political tendency appears still to be to avoid such action and to seek a painless relief of the symptoms. There is no letup in the use of the printing presses or in the search for foreign credits; this search, indeed, no longer excludes explorations even among the Communist nations. In the northeast, there is now a plan of action to cope with rural retrogression. As yet, however, there has been, essentially, a continuance of relief measures and much foot dragging and resistance to more significant action.

How much longer will a temporizing approach act to hold together the situation? It is impossible to say with any degree of certainty. Public tensions were high during the political crises of the summer of 1961. Yet, they were abated by the subsequent compromise. The tensions appear to be on the rise again. They may lead to open

political crisis in the very near future or they may again be abated by the elections which are scheduled for October of 1962.

Brazil has managed to avoid chaos by devices of expediency and injections of foreign credit at critical moments in the past. It could conceivably continue to do so for some time to come, if the foreign credits are forthcoming. Yet, the indications are that the time is approaching when temporizing of this kind will no longer suffice. Unless decisive political action in the democratic pattern is taken to initiate deep social and economic change the probabilities are that the political situation will explode. Moreover, if the rural political awakening converges with the growing urban cynicism, this explosion could be at the point of acceptance of extreme and militant political leadership. Indeed, if the procrastination is prolonged, such leadership is likely to be welcomed at least at the outset by a great majority of politically conscious Brazilians.

Certainly the national resources are available in Brazil for peaceful evolutionary change by democratic processes. The nation has enormous resources of forest and field; in fact, less than 3 percent of the utilizable land is cultivated. Yet, Brazil produces in the neighborhood of 50 percent of the world's coffee crop, exportable surpluses of cocoa, cotton, and other agricultural commodities, and, normally, almost all of its food requirements.

There are also major reserves of petroleum, iron, and coal and a wide range of other minerals in Brazil. In the great cities of the central south are to be found substantial concentrations of professional and technical skills, with some scattering of these skills throughout the country. It has a great supply of underused and unused manpower.

What is needed is an expanded and more effective utilization of these resources. What is needed is a wider diffusion of the material benefits which can flow from such use, as among the regions and the people of the country.

This expansion and diffusion will not come about unless there is a vigorous political leadership. There is a need for a bold attack on the financial difficulties which plague the economy and, particularly, the urban economy. There is a need to cool the present speculative fever and to provide productive enterprise—domestic and foreign—and labor with reasonable conditions of stability in which to function. There is a need for a massive coordinated effort to overcome the social and economic stagnation which stems from decades of cultural isolation of the northeast and other rural areas from the urban centers. Into these areas must be brought the mainstream of modern education and scientific and technical knowledge.

Any action along the above lines is bound to encounter powerful resistance. Yet, unless such action is taken the prospects for peaceful evolutionary change are very dim. And, in all candor, it must be stated that this dilemma has yet to be resolved in Brazil.

In these circumstances, this Nation's policies with respect to Brazil tread a very delicate line, particularly as they pertain to the Alliance for Progress. It is clearly in the interests of the people of the United States as well as the people of Brazil that economic and social change proceed in a peaceful evolutionary pattern. Any reasonable assistance which can be provided under the Alliance to supplement Brazilian effort in this connection would be in our own interests as well as in the

interests of Brazil. But what is not yet clear is whether aid can, in fact, contribute to evolutionary change. On the contrary, there is a strong presumption in present circumstances that significant assistance will not do much more than prolong and intensify the present unsatisfactory situation. Moreover, such assistance will link us very closely with that situation and if it then collapses all of our interests are likely to be more adversely affected than would otherwise have been the case.

It should be borne in mind that Brazil's outstanding foreign debt is now in the neighborhood of \$3 billion, mostly held in the United States. Over the years since World War II, we have supplied Brazil with \$1.5 billion in gross military and economic assistance under aid program mostly as loans.³ Less than a year ago, U.S. sources—government and private—subscribed the greater part of an international stabilization credit to Brazil which totaled \$656 million.

It is very doubtful that further assistance along these lines will make any significant impression on the present dangerous trends in Brazil. Indeed, after providing a moment of relief such assistance may, in effect, intensify them.

The Alliance for Progress, in concept, presupposes the existence of a determined desire on the part of Latin America to bring about a deep cure of its social and economic ills and a willingness to make the sacrifices which this entails. It is in that context that aid from this country can have a lasting significance in terms of our interests and the welfare of the people of Latin America. Where such a context is not present we will do well to avoid additional commitments. Indeed, it would be desirable to reduce those which we now have under the old aid programs.

In Brazil, as elsewhere in Latin America, the concept of the Alliance is yet to be fully grasped, even by many of our own officials. There is a tendency to persist in the aid patterns of the past, to want to act even if the prerequisite indigenous action has not been forthcoming. This is an understandable and well-meaning tendency but it is a dangerous tendency. In the northeast, for example, it has led to a succession of U.S. aid missions of one kind or another all seeking to discover what might be done to help. The very procession has led to rising expectations of help in that region and with it an inevitable deepening of our responsibility, at least in the local popular view, for what may generally transpire in the area. But it is a responsibility which we ought to be at pains to make clear that we have no right to assume nor any capacity to discharge effectively. The responsibility for what happens in the northeast or, indeed, anywhere in Brazil or Latin America is and must remain an indigenous responsibility in a primary and preponderant sense. Any actions—propagandistic or whatever—by the agencies of this Government which encourage the people of Brazil to believe otherwise are a disservice to the long-range interests of the Nation.

In the absence of a determined and clear-cut initiative on the part of Brazil to come to grips with its deeper difficulties, the best course for this Nation is one of avoiding deep commitments or even the appearance of deep commitments. There are ways in the meantime in which we can demonstrate our concern and our willingness to do

³ Military aid \$227 million; economic grants \$71 million; economic credits \$1.1 billion; Public Law 480 balance \$76 million.

more to supplement the prerequisite actions of the Brazilians themselves provided these actions are forthcoming. Certainly Food for Peace, perhaps integrated and administered in concert with the Peace Corps, would have relevance for work relief in the form of road construction or some such undertaking in drought-stricken areas. Certainly, there are many gestures of friendship which might be made in the educational field as, for example, an offer to finish the partially constructed new university in Rio de Janeiro upon which work has been discontinued because of lack of funds. What is most important at this time, however, is that our commitment in each instance must be limited and specific and clearly within our capacity for action in the present set of circumstances. These limits, even more than our general intentions and general willingness, must be made clear to the people of Brazil no less than to our own people.

Certainly, there are good intentions on both sides and there is a willingness to help on this side. This has been expressed and manifested in countless ways in more than a century of friendly relations. But the best prospects for perpetuating those relations through the uncertain present is to avoid an entanglement in the internal political affairs of Brazil. It is precisely that kind of entanglement which might be avoided if we insist that aid to Brazil unfold clearly and specifically within a new design which derives from the concept of the Alliance for Progress. We must recognize the limits of our responsibility and the Brazilian people equally must be aware of them. There are risks in doing little in connection with the present Brazilian situation. There are even greater risks in presuming to do too much.

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