

He is deeply concerned about the economic infiltration of the USSR in countries that are under-developed. "Pauperism" can be a seed bed for communism.

He then returned to his target points and spoke of his road programme and his development of hydro-electric projects. He told me with glowing pride of the development of units which would develop over 1,000,000 kilowatts. With the assistance of the International Bank to the amount of about \$70 million, he hopes that these projects will be completed a few months before he retires from office.

He stated that his greatest problem is related to the production and sale of coffee. I told him of the discussion of agreements on a commodity basis at the recent Trade and Economic Conference held in Montreal, and I said that I had heard President Eisenhower, at the opening session of the Colombo Plan Consultative Committee held a few days ago in Seattle, announce the willingness of the United States to consider the entering into of agreements on a commodity basis to the end that the economy of countries that export primary products may be stabilized, and I expressed the interest of Canada in joining a Study Group relating to coffee.

He did not speak explicitly of Canadian-American relations or of international problems such as the Middle East and the Far East. I did not get the impression that he is particularly interested in those international problems. His time, his energy and his talents are centred in Brazil and in Latin America.

I was greatly impressed by this hard working and clear thinking leader. In speaking of his target points, he manifested a resolution to attain them for the national interest of Brazil. He left little doubt in me with respect to his mission to make a contribution during his term of office as President, and he made it clear that such term of office is strictly limited by the constitution.

He spent about a week in Canada a few years before he became President. From what I could gather from him he was a member of a parliamentary group. He visited, among other places, Montreal, Toronto and Ottawa. He wanted to learn not only about Central Canada, but also about the Maritime Provinces and Western Canada.

His questions were very direct; his answers to my questions very explicit. He rather embarrassed me when we arose from the luncheon table and I was about to leave by looking me in the eye and saying, "Do you know, I like you."

I am appending hereto† a translation of the speech that he addressed to me before the luncheon and a copy of my reply. I subsequently was informed that he appreciated very much the remarks that I had made at the dinner on Tuesday, November 18, that was held in my honour by the Foreign Minister, and by my pre-luncheon remarks on Wednesday, November 19.

SIDNEY SMITH