

ADDRESS BY BRAZILIAN FOREIGN MINISTER RAUL FERNANDES, ON JULY 1, 1950, AT A LUNCHEON IN HONOUR OF THE AMERICAN GUESTS TO THE INAUGURAL FLIGHT OF PAN AMERICAN AIRWAYS INC.'S NEW SERVICE TO SOUTH AMERICA.

Gentlemen,

I take great pleasure in welcoming on behalf of the Brazilian Government such a highly representative group of Americans. Many of you, of great prominence in the United States Congress, Administration, Press and Industry, play a very important role in the life of the great Republic of the North and your views carry great weight in the various chosen fields of activity.

Those of you who are visiting Brazil for the first time will be able to see but little of it; yet, however little familiar with the history of our mutual relations you may be, I am certain you know how strong and confident is the friendship of the Brazilian people towards your country. This friendship which started at the very dawn of our independence did but gain in perfection through the days of the Empire and the Republic, regardless of who the men were in the administration of the country or which party they might belong to.

Such a friendship had of necessity to be founded on parallel and corresponding feelings in your country, the **strength** and forcefulness of which I was able to witness some months ago during President **Du-**tra's visit to the United States, where he was so warmly received.

But in order that these foundations be strong there must exist between us a true communion of interests, and such is the case. For this reason we joined you in two wars, understanding that our fate was at stake with yours. This gesture has certainly not been forgotten in your country.

Now, addressing such sure friends, it is my duty to speak frankly and to ask you to consider objectively whether our confidence in your willingness to collaborate with us might have been kept of late on the high level of our mutual friendship. A negative reply to this question is generally prevalent here.

May this statement not seem unfair to you nor may you think us oblivious of the burden of immense responsibilities that fall on the policies of the United States of America in five continents. I say five continents as we are under the impression that concerning Latin America - and Brazil in particular - the policy planning of the United States is lacking in certain respects.

The United States turned, and very rightly so, to the paramount task of reconstruction, and to that purpose a gigantic aid-program was devised. But the belief that Brazil lies in an area that only requires development, a task which yields in priority to the former one, is contradicted by the facts; for it is true that although Brazil was not a war-theatre, the war, with the supply efforts that it demanded from us, for the sake of the friendly countries at arms, left us with our inland means of transportation worn out and destroyed a large part of our merchant fleet. Bringing these means of production back to their former condition is not developing them nor is it expansion of wealth. It simply amounts to reconstruction.

The impossibility for us to import the equipment required for reconstruction at the rate of wear and tear certainly determined the accumulation of dollar and sterling reserves, a result of exports made under fixed ceiling prices and rates of exchange which we held stabilized.

But it is a well-known fact that once the war was over national price controls were discontinued in the United States, at the same time that the United Kingdom exhausted by a war effort unparalleled in history was forced to make her currency inconvertible. Thereupon, our reserves of about ~~500 million dollars~~ <sup>65 million pounds sterling</sup> became utterly inadequate for the procurement of production goods, and the immediate price increases in your country, averaging 60%, as a consequence of the discontinuance of controls, reduced by one half, or more than one half, the purchasing power of approximately 500 million dollars accumulated in our accounts.

These expenses and figures may be easily verified. I shall not take into account financial burdens to the amount of more than 350 million dollars which we incurred through active participation in the war. This was done as a free initiative of our foreign policy the respon-

responsibility and consequences of which we do not share with anyone.

We would be happy if through the broad means at the disposal of the large newspapers under your supervision this information reached the people of the United States and a more active and unhampered policy of cooperation were designed, in the light of these facts and figures which reflect the strenuous sacrifices of a country like Brazil with a low national income and short on capital.

Let it be noted that we do not expect any free aid. The case is not so acute, or so desperate, as to call for gifts, instead of investments to be returned with interests and amortizations, for you are certainly not unaware of the fact that we always have found ourselves among the countries - not numerous, I believe - which are repaying you, at the rates established, for the aid received under the lend-lease system.

Were it possible for you to be a little longer with us you would see that what I am telling you now is but a part of what I might have told and you would appraise the extent of honest information in these words to earnest and prepossessing friends.

I tell you this with disregard to protocol or round - about ways, hurriedly, owing to the shortness of your stay in our city, and I say it on the reliance that the action of the United Nations will quickly check the abrupt aggression now unleashed on Southern Korea, restore peace to that region and keep it undisturbed in other areas. Should this hope prove fallacious, it is our duty to protract the solution here advanced for our problems. The strength of the United States, including her financial power, will be at the service of the more urgent task of general preservation. We must allow that this task prevails upon all others and even demands the conjugated effort of the members of the United Nations. May you rest assured that in this momentous plight Brazil will meet to the extent of her means the obligations she agreed to on signing the San Francisco Charter.

My best wishes for a successful completion of your trip and a pleasant visit to the great, prosperous and highly civilized cities

of Montevideo and Buenos Aires.

I thank Mr. Trippe for his happy thought of inviting such a significant gathering of people to this inaugural flight and I call upon my dear guests to join me in a very cordial toast to the ever growing prosperity of the United States of America.

(TRANSLATED FROM THE PORTUGUESE)

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