

INCOMING TELEGRAM

Department of State

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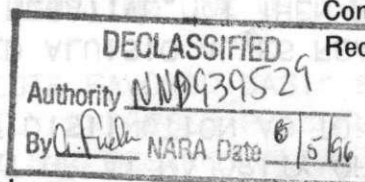
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Info

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 345, AUGUST 17, 2 PM (SECTION ONE OF TWO)

Control: 14337
Recd: AUGUST 17, 1963
2:11 PM

LIMIT DISTRIBUTION S/S

1. RESPONDING MY REQUEST, PRESIDENT GOULART RECEIVED ME FRIDAY MORNING FOR OVER ONE HOUR. MY IMMEDIATE PURPOSE WAS TO SEEK DISPEL HIS POSSIBLE BELIEF IN FAKED STORY MY PRO-LACERDA MEETING WITH BUSINESSMEN, AND THEN TO DISCUSS RELATIONS MORE BROADLY, INCLUDING AFP AND INTERNAL POLITICAL DEVELOPMENTS.

2. MUST REGRETFULLY REPORT THAT ALTHOUGH SUPERFICIALLY CORDIAL, THIS WAS BY ALL ODDS MOST UNSATISFACTORY TALK IN OUR NEARLY TWO YEARS OF GENERALLY FRIENDLY AND CANDID INTERVIEWS. GOULART SEEMED TIRED AND HARRASSED. HE WAS IMPATIENT, LISTENING LITTLE AND TALKING MUCH, WITH LONG PASSAGES SOUNDING LIKE PHONOGRAPH GRINDING ON WHICH HE HIMSELF DID NOT KNOW HOW TO TURN OFF. LATER IN AFTERNOON, OLIVEIRA BRITO, WHO HAD LUNCED WITH HIM JUST AFTER MY INTERVIEW, USED EXTRAORDINARY PHRASE "WE SEEM TO BE IN COLD WAR WITH U.S.," A PHRASE WHICH MAY WELL HAVE REFLECTED GOULART'S COMMENTS ON OUR TALK. THIS DESPITE FACT (APROPOS DEPTTEL 234, JUST RECEIVED) THAT I MENTIONED NEITHER AMFORP NOR IMF AT ALL DURING CONVERSATION.

3. I BEGAN BY POINTING TO FABRICATED MEETING STORY AS GRAVE SIGN CAMPAIGN NOT ONLY AGAINST ME PERSONALLY BUT AGAINST CONSTRUCTIVE U.S.-BRAZIL RELATIONS, SAYING WAS ESPECIALLY DISTURBED BY APPARENT CREDENCE IN PALACE CIRCLES. GOULART SAID HE HAD FIRST HEARD STORY THROUGH PRESS, AND IT HAD THEN BEEN CONFIRMED BY HIS INTELLIGENCE SERVICE. EVANDRO LINS HAD ALSO CALLED IT HIS ATTENTION. I SAID SINCE TOTALLY FABRICATED, I WOULD BE CURIOUS KNOW SUPPOSED DATE IN ORDER

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-2- 345, AUGUST 17, 2 PM: (SECTION ONE OF TWO) FROM RIO DE JANEIRO

DISPROVE CONCLUSIVELY. HE SAID THIS UNNECESSARY, MY WORD BEING SUFFICIENT. AT LATER STAGE IN TALK, HE ASKED "YOU REALLY MEAN THAT THERE WAS NO MEETING AT ALL?", AS IF BEGINNING HAVE DOUBTS. MY GUESS IS THAT HIS ADVISERS ARE STILL SAYING THAT STORY TRUE AND THAT HE IS BY NO MEANS WHOLLY PERSUADED OF FACTS. I ALSO SHOWED HIM SCREAMING FRONT-PAGE HEADLINES IN THIS WEEK'S COMMUNIST SEMANARIO BASED ON STORY. HE COMMENTED I HAD TO EXPECT THIS FROM COMMUNIST PRESS, WHICH HE HAD GIVEN UP READING SOME YEARS AGO.

4. I WENT ON TO SAY THIS STORY CLOSELY RELATED TO REPEATED EFFORTS, STARTING WITH ARRAES AND PICKED UP BY DARCI RIBEIRO AND OTHERS, TO OVERSTATE GROSSLY AID TO GUANABARA AND UNDERSTATE AID TO NORTHEAST. HE SEEMED TO HAVE FORGOTTEN ENTIRELY OUR DISCUSSION THIS POINT JULY 16, SO WE AGAIN WENT OVER EMBASSY PRESS RELEASE THIS SUBJECT ITEM BY ITEM. HE HAD TROUBLE UNDERSTANDING IT, SEEMING TOO TIRED TO CONCENTRATE ON FIGURES, AND KEPT REPEATING PHRASES ABOUT OUR AID GOING ONLY TO REACTIONARIES WHO STAND OUT AGAINST AGRARIAN AND OTHER REFORMS. I ASKED WHOM HE MEANT BESIDES LACERDA, AND HE SAID NO ONE. I RETURNED TO PRESS RELEASE, POINTING OUT THAT MOST GUANABARA AID WAS FROM IDB FOR WATER AND SEWAGE, AND FEDERAL GOVERNMENT COULD HAVE TAKEN PART OF CREDIT FOR DEALING THIS DIFFICULT PROBLEM. HE ASKED "WHY HAS MASSIVE AID TO LACERDA COME JUST WHEN HE IS TAKING MOST INTRANSIGENT ANTI-REFORM LINE?". I SHOWED HIM THAT FY 63 COMMITMENTS TO GUANABARA ONLY 4.4 MILLION, COMPARED 41 MILLION IN FY 62, SO THAT ASSERTION ENTIRELY UNFOUNDED. HE SEEMED INCREDULOUS, OBVIOUSLY HAVING BEEN REPEATEDLY FED CONTRARY LINE. HE ASKED WHETHER I COULD PROVIDE DATA ON AID TO OTHER STATES, AND I SAID WOULD TRY TO DO SO, BUT POINTING OUT THAT GREAT MAJORITY OF AID WENT TO FEDERAL GOVERNMENT, WITHOUT DISTINCTION AS TO STATES.

5. I ASKED IF HE CONSIDERED ALUISIO ALVES REACTIONARY, TO WHICH HE REPLIED IN STRONG NEGATIVE. I THEN POINTED TO ALVES' RHETORICAL QUESTION IN RECIFE DOCUMENT ON GOB ATTITUDES TOWARD AFP, AND ASKED HIS VIEWS. HE READ THE ALVES STATEMENT, BUT DID NOT APPEAR TO TAKE IN WHOLLY ITS SIGNIFICANCE, AND DID NOT RESPOND DIRECTLY. INSTEAD HE SAILED OFF INTO DISCOURSE

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-3- 345, AUGUST 17, 2 PM; (SECTION ONE OF TWO) FROM RIO DE JANEIRO

ON HOW CHARTER PUNTA DEL ESTE FAVORED BASIC REFORMS, AND PRESIDENT KENNEDY HIMSELF HAD RECENTLY ENDORSED PEACEFUL REVOLUTION IN LATIN AMERICA. THESE WERE HIS DESIRES ALSO, BUT HE HAD HAD NOTHING BUT INCOMPREHENSION FROM BARZILIAN ELITE. HE HAD TRIED TO GET THEIR COLLABORATION, BEGINNING IN LATE 1961, BUT THEY HAD CONSTANTLY OPPOSED HIM AND NOW OPPOSITION WAS INCREASING. THERE FOLLOWED A RATHER WEIRD PASSAGE OF SELF-ANALYSIS, IN WHICH HE SAID HE "HAD A HORROR OF POWER," BUT AS A MAN OF POPULAR SYMPATHIES WITH POWER THRUST UPON HIM HE HAD TO EXERCISE IT IN INTEREST OF PEOPLE. NOT ONLY UPPER CLASS BUT MIDDLE CLASSES NOW INCREASINGLY HOSTILE, AND HIS ONLY RECOURSE WAS TO TURN TO POPULAR MASSES, WHO UNDERSTOOD AND SUPPORTED HIM. SAID THAT ALTHOUGH A RICH MAN, HE HAD DIRECT APPEAL TO MASSES BECAUSE THEY FELT IDENTIFIED WITH HIM, CITING RECIFE MASS RECEPTION AND OTHER STREET DEMONSTRATIONS OF SYMPATHY.

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Action

SS ARA

Control: 14371

Rec'd: AUGUST 17, 1963

4:52 P M

Info

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 345, AUGUST 17, 2 PM (SECTION TWO OF TWO)

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6. I RETURNED TO QUESTION GOB ATTITUDE ON AFP, POINTING TO HISTORY OF ALMINO AFONSO BOGOTA SPEECH (AND SHOWING HIM MY COMMENT IN JULY 30 WAR COLLEGE LECTURE), PAULO DE TARSO RECENT BOGOTA SPEECH, AND NEW CAMPAIGN AGAINST AFP ANNOUNCED THIS WEEK BY PTB COMPACT GROUP. SAID UNDERSTOOD HE CONSIDERING ANNIVERSARY STATEMENT AUGUST 17, WHICH MIGHT HELP DISPEL MISUNDERSTANDINGS. HE CONFIRMED STATEMENT WAS UNDER CONSIDERATION, BUT EMPHASIZED IT WOULD FOCUS ON ENDORSEMENT BASIC OBJECTIVES CHARTER AND WOULD BE GENERAL IN CHARACTER. I MENTIONED POINTS MADE LAST WEEK TO EVANDRO LINS AND ARAUJO CASTRO ABOUT OUR RECEPTIVITY TO CONSTRUCTIVE CRITICISM AND DESIRE TO IMPROVE MECHANISMS.

7. HE INTERRUPTED TO ASK MY OPINION ABOUT ARAUJO CASTRO. I SAID SEEMED HIGHLY COMPETENT DIPLOMAT, WELL VERSED IN INTERNATIONAL POLICY PROBLEMS GENERALLY AND ESPECIALLY UN AND DISARMAMENT, ALTHOUGH SOMEWHAT LESS WELL GROUNDED IN ECONOMIC MATTERS. HE SAID HAD ABOUT DECIDED TO MAKE ARAUJO CASTRO FOREIGN MINISTER, SINCE APPOINTMENT OF ANY POLITICAL MAN WOULD CREATE NEW DIFFICULTIES.

8. I THEN SOUGHT TO REMIND HIM OF HOPES AT BEGINNING THIS YEAR OF EFFECTIVE COLLABORATION BY US IN THREE FIELDS OF COUNTERING INFLATION, PROMOTING ECONOMIC AND SOCIAL PROGRESS, AND SUPPORTING SOCIAL REFORMS. HE SAID HAD GIVEN DANTAS ABSOLUTE CARTE BLANCHE TO HANDLE ALL THIS, AND "IT WAS NOT MY FAULT IF THAT THREE-YEAR PLAN DID NOT WORK OUT." SAID HAD TALKED WITH CARVALHO PINTO THURSDAY ABOUT NEED FOR PRESSING AHEAD

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22, 345, AUGUST 17, 2 P M, FROM RIO DE JANEIRO (SECTION 2 OF 2)

WITH FINANCIAL AND ECONOMIC REVIEW WITH US. HE WAS CONCERNED AT PINTO'S SLOWNESS, PINTO HAD SAID THAT FACTUAL BASIS MUST BE CAREFULLY WORKED OUT, SINCE HE WANTED MAKE NO COMMITMENTS TO US WHICH HE NOT ABLE TO KEEP. GOULART RESPECTED THIS, BUT FELT TIME WAS PRESSING ON THIS FRONT. THEN HE REMARKED RATHER DELPHICALLY THAT OF COURSE U.S. MIGHT CHOOSE SIMPLY A STALLING POLICY, TRYING TO WAIT IT OUT FOR TWO YEARS IN HOPES THAT MORE CONSERVATIVE REGIME WOULD TAKE OFFICE IN BRASILIA. I SAID THIS NOT OUR POLICY. WE WERE RATHER SEEKING TO PROVIDE EFFECTIVE COLLABORATION ON THREE POINTS ALREADY MENTIONED. THIS EFFORT, HOWEVER, WAS SOMETIMES IMPEDED BY GOULART'S OWN ADVISERS. HE REPLIED RATHER SHARPLY THAT MANY PEOPLE WERE SAYING HE WAS PUSHED AROUND BY ADVISERS, BUT THIS WAS UNTRUE. HE KNEW HIS OWN MIND AND WAS MAKING HIS OWN DECISIONS.

9. GOULART THEN SAID HE WAS SURE CONSTRUCTIVE COLLABORATION WAS PRESIDENT KENNEDY'S POLICY, ALTHOUGH NOT THAT OF AMERICAN CHAMBER OF COMMERCE. HE MADE LONG DECLARATION HIS ADMIRATION KENNEDY'S STAND ON RACE RELATIONS OPPOSING STEEL TRUSTS, OPPOSING NEW INVASION OF CUBA, AND NEGOTIATION WITH USSR. SAID HAD RECEIVED PERSONAL LETTER FROM CHOU EN LAI, IN ADDITION TO WORLDWIDE CIRCULAR, THAT LETTER SHARPLY CRITICAL OF KENNEDY, AND THAT HE REPLYING WITH STRONG DEFENSE OF KENNEDY AS REPRESENTATIVE SOCIAL PROGRESS IN WESTERN WORLD. SAID HIS OWN ENDORSEMENT KENNEDY'S PRESS CONFERENCE STATEMENT ON PEACEFUL SOCIAL REVOLUTION HAD BEEN FRONT-PAGE NEWS ALL OVER LATIN AMERICA. SAID POPULAR FORCES IN VENEZUELA, PERU, ARGENTINA, CHILE, AND URUGUAY WERE ALL LOOKING TO HIM, GOULART, FOR LEADERSHIP. THEN MADE PLEA FOR KENNEDY VISIT TO BRAZIL, AS WELL AS TO OTHER SOUTH AMERICAN COUNTRIES, SAYING THAT PRESIDENTIAL SPEECHES SUPPORTING URGENCY BASIC REFORMS WOULD DISPEL GREAT WAVE OF ANTI-AMERICANISM ALL OVER THIS CONTINENT. KENNEDY WOULD HAVE MAGNIFICENT RECEPTION IN RIO AND SAO PAULO. I ASKED ABOUT RECIFE. HE SAID CERTAINLY VISIT MUST INCLUDE RECIFE AND WARM WELCOME WOULD EXIST THERE AS WELL. SAID COMMUNIST STRENGTH IN RECIFE GREATLY EXAGGERATED, AMOUNTING TO NOT MORE THAN TEN PERCENT.

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-3- 345, AUGUST 17, 2 PM, FROM: RIO-DE-JANEIRO (SECTION 2 OF 2)

10. HE THEN SPOKE AT LENGTH OF INTERNAL DIVISIONS AMONG BRAZILIAN COMMUNISTS, REFERRING TO THREE GROUPS LINKED WITH MOSCOW, PEKING, AND HAVANA RESPECTIVELY. SAID CUBAN GROUP INCREASINGLY VOCAL, ALTHOUGH MOSCOW GROUP STILL MUCH LARGEST. BUT FIGHT IS GOING ON AGAINST PRESTES LEADERSHIP WITHIN MOSCOW GROUP, WITH OUTCOME UNCERTAIN. SAID NUCLEAR TEST TREATY WAS DEMORALIZING MANY BRAZILIAN COMMUNISTS.

11. I ASKED ABOUT RUMORED RESIGNATION NEW LABOR MINISTER AMAURY SILVA. HE FLATLY DENIED THIS, SAYING IT WAS MERE NEWSPAPER GOSSIP.

12. COMMENT. I FOUND INTERVIEW DEEPLY DISTURBING IN MANY RESPECTS. IT SHOWS INCREASING DISPOSITION GOULART TO RELY ON MASS DEMAGOGY, BACKED BY RESHUFFLED MILITARY STRUCTURE, IN OPEN CLASS WARFARE. IT REFLECTS PERNICIOUS INFLUENCE ADVISERS WHO RANGE FROM IRRESPONSIBLE ADOLESCENT OPPORTUNISTS THROUGH FELLOW TRAVELERS TO PROBABLE COMMUNISTS, AND WHO NO LONGER INCLUDE MODERATES SUCH AS BALBINO OR DANTAS. THERE IS SIMILARITY BETWEEN GOULART'S STATEMENTS AND MARTIN'S CONCERNS EXPRESSED DEPTTEL 234, BUT I AM CONVINCED IT PURELY SUPERFICIAL. I SEE NO SIGNS WHATEVER REAL CONTENT TO GOULART'S REFORMIST PREACHING, AND HIS EFFORTS RIDE KENNEDY COATTAILS ARE SIMPLY SELF-SEEKING SLOGANS. THIS AND OTHER RECENT DEVELOPMENTS OBVIOUSLY RELEVANT TO QUESTIONS ON MATTERS REFERRED TO DEPTTELS 211 AND 234, WHICH WE ARE ANSWERING SEPARATELY.

GP-2.

GORDON

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