

TELCON

The President

Ball

4/2/64, 10:40 A.M.

9

The President asked for a memorandum after having talks with Australia and N.Z. and Ireland about their reducing their exports. ~~Heck~~ The Sec. of Agri. says the Dept. is purchasing 8 million pounds of frozen beef...Defense is stepping theirs up another 18 million...voluntary arrangements made with Australia and N.Z. should reduce their imports. Jan. '64 imports are about 53% higher than in Jan. '63. They are supposed to be slowing down. The President said if they didn't want to ruin themselves they had better let up on this quota. The President would like to have a memorandum saying who we have talked to and what we have done on it. These people are coming in to see the President and he wants to be able to show them this memo. They say we have a very high domestic production and we are ~~being~~ being flooded with these imports. There is a drought on and every cow in the pasture has to go to market and that includes those east of the Mississippi. They are going in as hamburger, sausage, etc. meat. This is going to drop the prices of beef and hog prices are going right with it. The President said there was not a chance for reflection if this happens and that we could not let someone like Australia do this to us when they really don't understand the situation. We should try to tell them that if they ~~did~~ do what they did last year it will murder us.

Ball said that they had publicly announced in Australia that they are cutting way back for this first quarter. Memo should say exactly what they are doing so it can be shown to these people. If they are cutting back it is not being reflect in the market. The market is perhaps $\frac{1}{2}$ ¢ higher. Ball said we would get something right over.

The President asked about Brazil. Ball told him of the last teltype conversation; that Goulart had gone down to the Souther state with his brother-in-law and ~~xxxxxx~~ that it is probably the last part that is holding out. 150 members of Congress have declared the presidency vacant and Mazzilli is now acting. He was next in line for succession. There is some question as whether or not this is legal. It is being challenged. If it can be upheld there will be formal elections within 30 days by the Congress--not a popular election. The situation throughout the entire country is quiet and things are going back to normal. They have arrested the leading communists.

Ball said that when the juridical point is cleared up we can then get some kind of a message down to the government. He said he did not want to tie the President or the Government on prematurely as long as the juridical point was not cleared up. The fact is that we will probably not have a recognition problem because this will be the same government and this will avoid the recognition of a new government. We will treat this government as a continuation of the old one.

The President asked if Mann was still out and ~~xxx~~ Ball said yes. The President wanted to know how Panama looked and that he had been told that they are about ready to take what we propose.

The President re-emphasized that he wanted to be able to show this memorandum, but he was not planning to publish it.