

Brazil 9

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Action

E.O. 12356, Sec. 3.4

NEJ 94-277

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By ljg, NARA, Date 9-28-94

Info

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DEPTEL 846

1. MY DATE TO DELIVER LBJ LETTER TO GOULART WAS ARRANGED FOR EIGHT FORTY-FIVE FRIDAY NIGHT AT LARANJEIRAS, WHERE UPON ARRIVAL I FOUND GOULART WAS GIVING DINNER TO RECENTLY PROMOTED ADMIRALS. ALL ADMIRALS WERE GATHERED IN ONE ROOM EXCEPT CANDIDO ARAGAO WHO WAS CONSPICUOUSLY TALKING WITH NEWSMEN IN LOBBY RATHER THAN WITH COLLEAGUES.

2. GOULART ARRIVED FIFTEEN MINUTES LATER AND SAW ME FOR FORTY MINUTES. HE INQUIRED HOW MY TALKS WITH SERPA WERE GOING, CFN 1294 21 12 846

PAGE TWO RUESUA 478 ~~NO N F I D E N T I A L~~ AND SPOKE OF SERPA WITH ENTHUSIASM AS A VERY INTELLIGENT YOUNG MAN WITH CONSTRUCTIVE IDEAS.

3. I THEN HANDED HIM LBJ LETTER, WHICH HE READ CAREFULLY, PAUSING TO COMMENT WITH ENTHUSIASM AT SEVERAL POINTS, E.G. REFERENCE TO OPENING PERSONAL CORRESPONDENCE, SPECIAL IMPORTANCE LATIN AMERICA, REFORMS, INTERNATIONAL TREATMENT TRADE PROBLEMS OF UNDERDEVELOPED COUNTRIES, AND INDEBTEDNESS PARAGRAPH. AT REFERENCE TO AFP, HE PAUSED AND SAID "THAT PROGRAM IS NOT SO POPULAR HERE," TO WHICH I REPLIED THAT PRESIDENT JOHNSON IS EXTREMELY INTERESTED IN HAVING THE ALLIANCE WORK WELL FOR PURPOSES OF PUNTA DEL ESTE CHARTER. AT END OF READING, GOULART SAID THIS WAS MOST WELCOME LETTER, WHICH HE WOULD LIKE TO PUBLISH EARLY NEXT WEEK, ALONG WITH HIM OWN. I RAISED NO OBJECTIONS TO THIS. (IF WHITE HOUSE OR DEPARTMENT OPPOSES PUBLICATION, I SHOULD BE INFORMED IMMEDIATELY, BUT I WOULD RECOMMEND LEAVING GOULART FREE TO DO SO.) SEE SEPARATE MESSAGE RE RELEASE).

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4. GOULART THEN SAID THAT IDEA NEW DIALOGUE WITH US ON KEY PROBLEMS SUCH AS INDEBTEDNESS AND TRADE WAS MOST IMPORTANT IN GIVING HIM SOME INSTRUMENTS TO COMBAT CAMPAIGN FROM EXTREME LEFT. SAID PRESSURE FOR UNILATERAL MORATORIUM WAS VERY HEAVY; HE WANTED

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TO RESIST IT; AND SURELY EUROPEANS AND JAPANESE AS WELL AS US COULD SEE LONG-RUN INTEREST IN MAINTAINING ECONOMIC RELATIONS WITH GROWING BRAZILIAN MARKET. HAD APPARENTLY LEARNED SOME FIGURES FROM SERPA, SINCE MENTIONED ONE BILLION DOLLARS OF PAYMENTS OVER NEXT TWO YEARS, OF WHICH PERHAPS HALF COULD BE COVERED BY INCREASING COFFEE AND COCOA RECEIPTS. HE UNDERSTOOD NEXT STEP WAS CONTACT WITH ORGANIZATION IN EUROPE.

5. I THEN MENTIONED LEFT-WING ATTACKS ON ME FOR "HAVING VETOED BRIZOLA," SAYING THAT GOULART KNEW PERFECTLY WELL THAT I HAD NO INFLUENCE TO VETO ANYONE. HE SAID SUCH ATTACKS WERE NATURAL, SINCE FAR LEFT WANTED TO PUT BLAME ON US FOR FAILURE TO GET BRIZOLA NOMINATED. I COULD SAY PUBLICLY, AND HE WOULD ENDORSE, THAT I HAVE HAD NO DISCUSSION WITH HIM ABOUT ANY CABINET APPOINTMENTS WHATEVER. "THIS BATTLE I HAVE TO FIGHT MYSELF," HE SAID. BEI* THEN REMARKED THAT I HAD READ CAREFULLY PROGRAM OUTLINED BY BRIZOLA, WHICH WOULD SCARCELY HELP BRAZIL'S ECONOMIC AND FINANCIAL PROBLEMS BUT WOULD MOST CERTAINLY CAUSE SERIOUS INTERNATIONAL REACTIONS. I SAID THIS WAS NEITHER THREAT NOR WARNING, BUT SIMPLY FRIENDLY ADVICE WHICH SHOULD BE WEIGHED. HE SAID HE RECOGNIZED AND APPRECIATED THAT.

6. GOULART THEN RAISED CUBA-VENEZUELAN PROBLEM. SAID HE WAS

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CONCERNED ABOUT DOMESTIC POLITICAL REPERCUSSIONS. SAID SOVIET AMBASSADOR FOMIN HAD RECENTLY GIVEN HIM MESSAGE FROM KHRUSHCHEV SAYING THAT USSR HAD NO DESIRE FOR TROUBLE IN CUBA, BUT COULD NOT FAIL TO HONOR COMMITMENTS IF CUBA ATTACKED. FOMIN HAD SAID

TENSION GROWING BETWEEN USSR AND CHINA, AND SOVIETS ANXIOUS TO AVOID CHINESE INFLUENCE GROWING IN CUBA WITH REFLECTION IN LA GENERALLY IN FORM OF VIOLENCE AND PRESSURES FOR IMMEDIATE REVOLUTION. SAID CP LINE IN BRAZIL ALSO ONE OF MODERATION. (IN SEVERAL RECENT TALKS I HAVE NOTICED GOULART'S REFERENCES TO HIM INTIMACY WITH OFFICIAL CP THINKING, INCLUDING VAGUE ALLUSIONS

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TO HIS "FRIENDS AMONG THE COMMUNISTS").

7. I ASKED WHETHER HE HAD REVIEWED WITH ARAUJO CASTRO LUNCHEON DISCUSSION THURSDAY. HE REPLIED AFFIRMATIVELY. SAID HE GENERALLY THOUGHT WELL OF IT, BUT WONDERED WHY ANY PREVENTIVE ACTION AGAINST CUBAN ARMS EXPORTS COULD NOT BE LIMITED TO BILATERAL UNDERSTANDING BETWEEN VENEZUELA AND US, AVOIDING FORMAL OAS ACTION. I SAID PROBLEM NOT CONFINED TO VENEZUELA, AND HE REPLIED THAT ANY OR ALL THE CARRIBEAN COUNTRIES COULD JOIN SUCH A PLAN, BUT CUBA WAS NOT ACTIVE IN BRAZIL AND HE DID NOT UNDERSTAND NEED FOR OAS INTERNATIONAL ACTION. HE SAID WOULD RESPECT TREATY ENGAGEMENTS, INCLUDING IMPLEMENTATION

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ANY SANCTIONS VOTED, BUT THOUGHT COMPULSORY SANCTION MOST UNDESIRABLE. (HIS VIEW EVIDENTLY MORE NEGATIVE THAN ARAUJO CASTRO, AND I THOUGHT IT WISE NOT TO PROLONG THIS DISCUSSION OR ENTER INTO DETAILS.)

8. ON COFFEE AGREEMENT, I SAID SITUATION LOOKED MORE PROMISING FOR SOME METHOD AVOIDING LAPSE ON DECEMBER 31. I ALSO NOTED MANN'S ROLE IN ORIGINAL DEVELOPMENT IN INTERNATIONAL COFFEE POLICY. HE WELCOMED THIS, STRESSING IMPORTANCE COMMODITY STABILIZATION FOR LA GENERALLY. TALK THEN CLOSED WITH DISCUSSION OF CHRISTMAS TRAVEL PLANS AND CORDIAL WISHED.

GP-3
GORDON

*AS RECEIVED , WILL SERVICE UPON REQUEST.

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INCOMING TELEGRAM *Department of State*

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Action

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Authority State 7-23-76

Info

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OO RUEHCR
DE RUESUA 478 21/1520Z
O 211433Z ZEA
FM AMEMBASSY RIODEJANEIRO
TO SECSTATE WASHDC
STATE GRNC
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By RF, NARS, Date 8-25-76

CONTROL: 15368
RECEIVED: DEC 21, 1963
12:38 PM

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12 NOON

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9 COMMENT: SO FAR SO GOOD. GOULART REACTION TO LBJ LETTER SEEMED GENERALLY ENTHUSIASTIC, AND EARLY REMARKS INDICATED THAT SERPA PROGRAM HAS ENLISTED SOME REAL INTEREST ON HIS PAS. AS WITH ALL OUR TALKS SINCE AUGUST, HOWEVER, I HAD FEELING OUR TALK BEING CONDUCTED THROUGH GLASS WALL WITHOUT REAL CANDOR ON HIS PART. AT SAME TIME, HE SEEMED MUCH MORE RELAXED THAN THURSDAY, AS IF REPLACEMENT CARVALHO PINTO BY GALVAO HAD AT LEAST GOTTEN HIM THROUGH ONE DANGEROUS POTENTIAL CRISIS. WE SHOULD NOT LET OURSELVES BE CAUGHT UNAWARES, HOWEVER, AND MUST BE PREPARED FOR EVENTUALITY SUDDEN SHARP SHIFT TO LEFT. WE ARE POUCHING SHORTLY
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ECONOMIC POLICY PAPER FOR HIS CONTINGENCY.

10. ADDENDUM. ALTHOUGH I TOLD NEWSMEN AT PALACE ONLY THAT I WAS CONVEYING LBJ THANKS FOR GOULART CONDOLENCES, AND TOLD GOULART THAT I WOULD SAY NOTHING TO PRESS ABOUT LETTER, HE APPARENTLY MADE NO EFFORT TO CANCEAL FACT OF LETTER RECEIPT. ALL RIO MORNING PRESS REPORTS I DELIVERED LETTER, SPECULATION ON CONTENT RANGING WIDELY FROM ULTIMA HORAS OBSERVATION THAT IT SIMPLY EXPRESSED THANKS OF USG AND PEOPLE FOR BRAZILIAN SORROW OVER PRESIDENT KENNEDY'S DEATH TO CORREIO DA MANHAS VIEW THAT IT "COMES TO GRIPS WITH VARIOUS INTERNATIONAL AND LOCAL QUESTIONS, AMONG WHICH FIGURE HEMISPHERIC SECURITY AND THE AFP." JORNAL

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DO BRASIL SAID: "GOULART DID NOT REVEAL TERMS OF LETTER BUT SHOWED SATISFACTION OVER ITS CONTENTS." O GLOBO PURPORTED TO QUOTE GOULART AS HAVING SAID THAT LETTER WAS "VERY SIMPATICA AND PLEASING" FOR ALL BRAZILIANS AND THAT CONTENTS WOULD BE REVEALED IN DUE COURSE. O ESTADO DE SAO PAULO SAID PALACE SOURCES ADMITTED THAT PURPOSE MY CALL WAS TO INDICATE APPREHENSION OF US INVESTORS IN THE LIGHT OF WAY SOLUTIONS OF NATION'S ECONOMIC-FINANCIAL PROBLEMS ARE DEVELOPING.

GP-3 GORDON
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CFN 3

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