

INCOMING TELEGRAM

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Action

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FROM: RIO DE JANEIRO

TO: Secretary of State

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NO: 373, AUGUST 21, 1 PM (SECTION THREE OF THREE)

PRIORITY

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FOR MARTIN FROM AMBASSADOR

CONSENSUS MY ADVISERS IS THAT SUCH DEPOSITION UNLIKELY IN NEAR FUTURE, DESPITE SOME INDICATIONS THAT GOULART ENTERTAINS PRECISELY THIS FEAR. AS TO COVERAGE FOR GOULART'S FALSE REFORMISM, PRESIDENTIAL SPEECHES WOULD HAVE TO BE DESIGNED TO MINIMIZE.

10. IF MAIN PURPOSE OF TRIP WERE TO INFLUENCE GOULART DIRECTLY. I WOULD BE OPPOSED. ATTORNEY GENERAL EFFORT IN DECEMBER HAVING SHOWN FUTILITY. POPULAR MASS RECEPTION AND REFLECTIONS THEREFROM ON GOVERNMENTAL ACTION, HOWEVER, SEEM TO ME SUBSTANTIALLY FAVORABLE POINTS.

11. IF ISSUE WERE SOLELY ONE OF VISITING BRAZIL, I WOULD BE HESITANT IN MAKING RECOMMENDATION, ALTHOUGH LEANING POSITIVELY. DECISIVE FACTOR IN MY MIND, HOWEVER, IS POSSIBLE EFFECT IN REVITALIZING AFP BY TYING IN WITH SAO PAULO MEETING OF MINISTERS IN LATE OCTOBER. THIS WOULD BE IDEAL OPPORTUNITY MAJOR KENNEDY SPEECH ADDRESSED TO CONTINENT AS WHOLE, IN ENVIRONMENT WHERE BRAZIL MIGHT BE HEAVILY PRESSED BY OTHER LATIN AMERICANS TO ADOPT MORE FORTHCOMING POSTURE. I HAVE OFTEN REGRETTED CLOSE DECISION 1961 AGAINST KENNEDY PRESENCE PUNTA DEL ESTE, WHICH BASED ON THEN RECENCY BAY OF PIGS FRACASSO AND COMPLICATIONS CUBANS' PRESENCE, BOTH NO LONGER RELEVANT. I HAVE IMPRESSION THAT STANDING OF ALLIANCE SUBSTANTIALLY BETTER IN OTHER COUNTRIES THAN IN BRAZIL, BUT STILL LEAVING MUCH TO BE DESIRED. KENNEDY PRESENCE AT SAO PAULO MEETING COULD BE MAJOR POSITIVE FACTOR. IDEAL WOULD BE FOR HIM TO HAVE VISITED CHILE AND ARGENTINA FIRST, AND THEN AT SAO PAULO TO TAKE LINE THAT HE HAS SEEN AFP EFFECTIVELY AT WORK IN CENTRAL AMERICA AND IN CHILE, AND HAS GREAT HOPES FOR NEW ERA OF COOPERATION WITH

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SECRET

-2- 373, AUGUST 21, 1 PM (SECTION THREE OF THREE), FROM: RIO DE JANEIRO
ARGENTINA IN VIEW REESTABLISHMENT CONSTITUTIONAL DEMOCRACY
THERE.

12. IF VISIT MADE, ITINERARY SHOULD INCLUDE BRASILIA, WITH
SPEECH TO CONGRESS, SAO PAULO, WITH SPEECH TO IA-ECOSOC MEETING,
RIO (NO MAJOR SPEECH), RECIFE BRIEFLY, AND NATAL WITH SPEECH
ON ALLIANCE FOR PEACE HARKING BACK TO ROOSEVELT-VARGAS
ALLIANCE FOR DEMOCRATIC VICTORY IN WAR. IA-ECOSOC TIMING
FITS WITH IDEA ARGENTINE VISIT AFTER ILLIA INAUGURATION, AND
WEATHER STILL REASONABLY FAVORABLE LATE OCTOBER EARLY NOVEMBER.
ORDER OF CITIES WOULD OBVIOUSLY DEPEND ON SCHEDULE VISITS
TO OTHER COUNTRIES.

13. WE MUST RECOGNIZE THAT BRAZIL UNDER GOULART HAS BECOME
VERY SICK COUNTRY INDEED, AND THAT AFTER EUPHORIA OF PRESIDENTIAL
VISIT THERE WOULD STILL BE VERY DIFFICULT PROBLEMS OF BALANCE
OF PAYMENTS, INTERNAL FINANCIAL INSTABILITY, DEBT RESCHEDULINGS,
AND LIKE, AS WELL AS CONTINUING INTERNAL POLITICAL PROBLEMS.
BUT WITH STAKES HERE SO GREAT, AND WITH SENTIMENTAL AND
EMOTIONAL FACTORS SO IMPORTANT IN BRAZILIAN POLITICAL SCENE,
I SEE POSSIBILITY THAT PRESIDENTIAL VISIT MIGHT BE SIGNIFICANT
FACTOR IN PUSHING EVENTS FAVORABLY. EVEN AT WORST. LOSSES
WOULD BE SMALL APART FROM PRESIDENT'S TIME. GAINS MIGHT BE
LARGE. MY JUDGMENT THEREFORE FAVORS HIS COMING ON TIMETABLE AND
SCHEDULES OUTLINED ABOVE. FOR REASONS PARAGRAPH 8 ABOVE,
AS WELL AS NEEDED PREPARATIONS, PROMPT DECISION AND EARLY
ANNOUNCEMENT HIGHLY DESIRABLE.

GP-2 GORDON

CC