54 a

TOP SECRET - No Distribution

MEMORANDUM OF CONVERSATION OF MARCH 28, 1964

SUBJECT: Brazil

Participants: Alexi

Alexis Johnson, Robert Adams, Ralph Burton, Gen. Goodpaster, Gen. Crawford, Richard Helms, Desmond Fitzgerald, J. C. King, McGeorge Bundy, Gordon Chase.

The group discussed the situation in Brazil with particular reference to Ambassador Gordon's message of March 27, 1964 (copy attached).

1. General - The group agreed that it would be preferable if we could waffle through to the next election. However, this is obviously not the primary consideration; we don't want to watch Brazil dribble down the drain while we stand around waiting for the election.

The group discussed the present situation vis-a-vis Goulart and the Brazilian military. It is not at all clear when and at what point we can expect the military to act against the regime. Mr. Bundy said that the shape of the problem is such that we should not be worrying that the military will react; we should be worrying that the military will not react. Mr. Adams thought that the military would certainly react if Goulart started firing any of the plotting army commanders. The group agreed that, in any event, all the plotters in Brazil should react on the same signal.

Others felt that this would not be a	serious	problem;
there would be plenty of signals we could act on.	EO (C)	12958 3.3(b)(1)>25Yrs

- 2. Ambassador Gordon's Request The group discussed Ambassador Gordon's requests for action by Washington.
- (a) Submarine Delivery of Arms The group agreed that this was a puzzling request. Mr. Johnson wondered why the Brazilian Army would need a drop of this relatively small size; the military must have plenty of arms.
- (b) Petroleum The group agreed that the request for POL was legitimate. Noting that the 2nd Army in the São Paulo area is the most likely to be anti-Goulart, Esso could keep a tanker within one to three days steaming time of Sao Paulo. This would be

Transie Accept - 94-294

TOP SECRET

and the contract of the contra

used if an anti-Goulart move takes place. It was noted that the Army must have the ability to march from Sao Paulo to take over Rio; such action, by the way, would probably end the fight.

- (c) Task Force The group questioned Ambassador Gordon's request for the early detachment of a naval task force for maneuvers in the South Atlantic. Mr. Bundy noted that "...the punishment doesn't seem to fit the crime...". Gen. Goodpaster also did not clearly understand how this particular move would be helpful to the anti-Goulart forces at this time.
- (d) Public Statement The general consensus was that there should not be a high-level public statement of concern about the deteriorating situation in Brazil. The group went on to discuss the possibility of stimulating an appropriate editorial in the N. Y. Times or the Washington Post. The group agreed, however, that this would have to be handled carefully since the editorial could easily come out in an unsatisfactory way (e.g. "Once again, the State Department has misunderstood the deep revolutionary forces in Latin America...").
- (e) Belo Horizonte Meeting The group agreed that we are better off to let the Belo meeting go on on April 21, and then do what we can to make it a flop.

 (b)(1) a flop if we try to stop the meeting and are successful, the meeting might be held in a place where our capabilities for making it a flop are not as great as they are in Belo.
 - 3. Action Items The group agreed that the following action should be taken:
- immediately to get relevant information and to set up an arrangement whereby a tanker will be located within one to three days steaming time of Sao Paulo. Mr. Bundy noted that we should not let Esso give us any troubles about money; we want no fuss.
 - (b) Mr. Burton will explore the possibility of getting the N. Y. Times to publish a satisfactory editorial calling attention to the situation in Brazil; among other things, he will try to determine what the N. Y. Times has said about Goulart in the past. Mr. Bundy will explore the possibility of getting an appropriate editorial from the Washington Post.
 - (c) State will send a cable to Ambassador Gordon which, inter alia, will say (a) that we are taking action with respect to petroleum, (b) that we are still not clear as to the rationale behind the Ambassador's requests for a submarine drop and for a task force appearance; (c) that we want the Ambassador to review our economic and financial relations with Brazil and give us his recommendation on action we should take; and (d) that we question

JOF SECRET - No Distribution - 3

the desirability of a high-level public statement at this time. The cable will also instruct Ambassador Gordon to keep a high level of security in his contact with anti-Goulart forces. We don't want to hamper him in making contact, but want him to use a cut-out. Above all, we don't want to turn off our hearing aids.

Gordon Chase

n een en verste gekon gegende en verste gekonde, nie gegende beste kein gegende de die gegende de ste beste ge De bloom de ste de beste beste beste beste de b