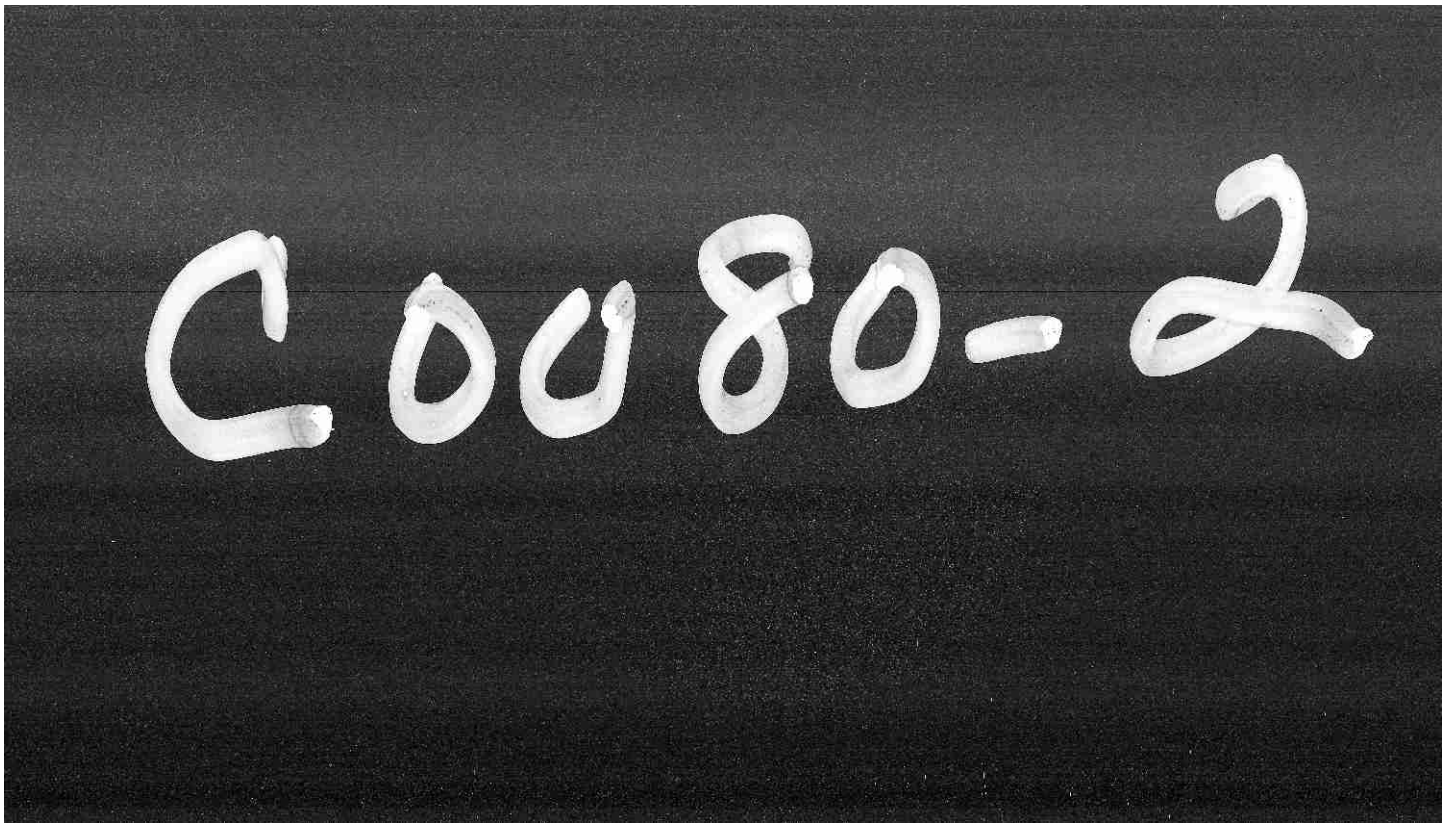

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RESOLUTION INTRODUCED BY GOVERNOR BRIZZOLA

I. Resolved that the 13th National Convention of the Brazilian Labor Party designate a special commission composed of five members for the purpose of drafting a revision of the constitution /which will/ consolidate in a clear and unequivocal manner, the structural reforms of the economico-social order as well as of the juridical order, /which were/ called for in the party program, and in terms which the party considers fundamental to the national sovereignty, to the development of the country and to social justice;

II. Resolved that within a period of 90 days the draft of this reform be printed and distributed to all the party organizations for the purpose of amendments and suggestions;

III. Resolved that all candidates for elective office on the party ticket, before being accepted as party nominees, sign an undertaking to support and defend the approval of this project, whether vis à vis public opinion or vis à vis the organizations to which they belong.

1250

and solidarity among underdeveloped states in order to fight for the elimination of underdevelopment;

(15) to condemn all modifications in the electoral system which might restrict the amplitude of the manifestation of the popular will and the proportional determination of the expressions of various currents of public opinion, including the return to the system of subdivision by /electoral/ districts, and to condemn any maneuvers which may have as their end the prolongation of terms of office and the putting off of elections;

(16) to launch wherever possible our own candidates to elective office identified with labor principles and with the cause of the Labor Party, and to collaborate with other political groups by means of agreements, understandings or alliances, under the orientation and with the approval of the national leadership, to the benefit of a better system of defending the popular interest.

1249

to and improving production, of creating profitable conditions for our products and of permitting within the shortest amount of time, the transformation of the living conditions of the rural population, bringing them assistance, education, and well being;

(11) to intensify in the entire country the battle for an agrarian reform which will extinguish the unproductive large landowners and avoid the uneconomic small holder, aiding those who live and work on the land, assuring to all equal opportunity of access to the use and the ownership of land and achieving, by means of law based on just principles, the best distribution of natural resources, preserving the country from the violent solutions which have occurred in other nations;

(12) to demand and support legislative and administrative measures which have as their objective the correction of regional inequalities and the harmonious development of the country, principally the large plans for the recuperation of the Northeast, for the economic improvement of the Amazon, for the development of the south of Brazil and the projects for utilization of the large valleys, such as those of San Francisco, of Rio Doce, of Araguaia and of Paraíba;

(13) to direct to the National Congress a call that it urgently approve the law which will regulate the exercise of the right to strike, that which regulates the juridical structure of labor organizations, assuring them liberty and autonomy, the laws which discipline the use of foreign capital in the country and the remissions of profits abroad and that which regulates the juridical rights of the rural worker, the reform of the Ministry of Labor, in order to enable it to oversee the observance of the labor laws, the participation of the workers in the management of industries, the nationalization of the banks of deposit and the application of federal resources to the expansion of education, in order to give to the country a diversified system of public schools, so that equal opportunities will be offered to all, without prejudice to the growth of and respect for private education;

(14) to give support to a foreign policy which takes it true inspiration from the sense of independence of the position of our country, from the proposition of promoting the peaceful co-existance of all peoples and from defending unconditionally the maintenance of peace, in accord with our democratic traditions and with the principles of nonintervention and self-determination of peoples.

This policy includes the establishment of commercial and diplomatic relations with all States, the support of the peoples who are battling to emancipate themselves from colonial systems and

1248

(4) to demand prompt and efficient measures to combat inflation and protect against the /rising/ cost of living, which means the reduction of public expenses, even those which are necessary, the heavy taxing of extraordinary excess profits and the repression of all forms of abuse of economic power, the control of bank deposits, the rigorous selection of credit, and the disciplining of the emissions /of paper currency/ through an act of the legislative power;

(5) to defend the medium and lower classes against the effects of an economic policy which has relegated the social aspect of problems to a secondary level and which, in not confronting the constant rise of the cost of living with adequate measures, has held back the re-adjustment of wages, which adjustment has become imperative due to the loss of the purchasing power of the currency and the consequent fall in real wages;

(6) to battle for the immediate revision of wage levels, with a view to compensating for the general rise in prices, because the sacrifices imposed by the policy of stablization of the currency must not fall solely on the workers, the federal employees, and the military;

(7) to defend the principle of union freedom, of unity and autonomy and fight for the unification of the labor movement, repelling divisionist maneuvers, which are carried out with a view to weakening the fighting strength and slowing down the victory of the demands of the workers;

(8) to reiterate the call to all political organizations that the National Congress /be made to/ face up to a courageous program of basic reforms, to be carried out by means of ordinary laws and by constitutional amendments, for the purpose of modernizing the politico-juridical structure of the country and adjusting the regime to present-day social and economic reality;

(9) to demand and support legislative and administrative measures which will protect and strengthen national industries, accelerate the process of national industrialization and give to both public and private industry advantageous conditions of competition with foreign industry, particularly by way of rationalization of production, nationalization of capital and growth of productivity;

(10) to recommend the development of a system of rural credit, to demand for agriculture a treatment capable of giving incentive

1247

Enclosure 1
Despatch No. 73
Rio de Janeiro

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RESOLUTION ON POLITICAL SITUATION

The 13th National convention of the Brazilian Labor Party gathered in Brasilia reaffirms the unbreakable unity of the party and the solidarity which unites the labor class in its aspirations and its demands within the framework of nationalist principles of the battle for economic emancipation of the country; reiterates its confidence in the leadership of João Goulart, who has made himself the legitimate interpreter of the popular demands by dint of the coherence and equilibrium of his attitudes and by his loyalty to the example of Getulio Vargas; alerts its members as to the growing party responsibility in this moment dawning political consciousness on the part of the Brazilian people because, forming part of the forces of the opposition to the actual government of the Republic, it is necessary for the Labor Party, more than ever, to undertake the task of definitely affirming itself as the loyal interpreter and legitimate defender of the workers of the city and the country; and resolves to direct to the party organizations and to its representatives in the Executive and Legislative at the federal, state and municipal levels the following recommendations, which define the party line with regard to the political situation of the country:

(1) to maintain the line of rigorously reviewing the acts of the Executive, in defense of the integrity of the regime, of the supremacy of the law, and the interests of the people, denouncing by every possible means the tendencies, either open or concealed, toward authoritarian solutions which might prepare the way for an extra-legal regime;

(2) to protest against any attempt to circumscribe the freedom of the press, radio and TV and demand of the Legislature measures which will protect it and which will at the same time define, in conformity with democratic principles, the responsibilities of those who have control of the organs of public opinion;

(3) to manifest its respect for the work which the National Congress is carrying out in Brasilia, under temporary conditions of exceptional difficulty, confident that the press, the radio and the television will give more ample coverage and support to parliamentary activities, because the preservation of the democratic regime depends upon the independence of the authority of the legislative power as well as that of judicial power, and upon the confidence which the country places in them;

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1246

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Enclosures: (Ltr 1)

1. Translation of Resolution on Political Situation

2. Translation of Resolution Introduced by Governor Brizzola

DISTRIBUTION: All consulates in Brazil, Service Attachés, USIS, Econ (2), Pol II, Brasilia, Labor, CF (3), Pol (5).

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1245

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To conclude (as many observers have) on the basis of this one Goulart-sponsored resolution, however, that the Vice President has opted definitively for a middle-of-the-road course for his party in Brazilian politics (and therefore has just as definitely turned his back on the Communist Left--with whom he has consistently made electoral deals) would seem to be unwarranted. Rather, it would seem much more likely that Goulart assumed this stance--both for himself and his party--with a view to facilitating his political freedom of movement in general and the "rapprochement" which he has recently concluded with President Quadros in particular. For while the resolution does not laud the President it also does not specifically attack him, and, on many subjects (particularly foreign policy) it reflects his policies with precision.

A Marriage of Convenience

That the President and Vice President have made a "deal" subsequent to the convention was made clear by their July 13 meeting--after which it was ostentatiously announced that Goulart would make his long-scheduled trip to Communist China as the head of an official Brazilian trade delegation. (Embassy Despatch 56 of July 21, 1961, Weeka 29). Though the dimensions of this marriage of convenience are unclear,11/ it is obvious that the convention--with its defeat of the viscerally anti-Quadros "Grupo Compacto" smoothed the path toward its consumation.

11/ It is rumored that Goulart will regain control of the Social Security Institutes, though this seems highly unlikely. It is quite probable, however, that Quadros has agreed to cease publicizing the results of investigations which implicate Goulart in administrative scandals.

For the Ambassador:

Harry A. Quinn
Second Secretary of Embassy

APPROVED:

Niles W. Bond
Deputy Chief of Mission

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1244

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roster of those who took a prominent part in the convention is also instructive in this regard: of those aiding Goulart as convention chairman (see above for list) only Leo Neves, Secretary General of the Paraná state organization, can be considered to be less than 100 percent pro-Goulart.7/ This being the case, the outcome was never in doubt. Thus, the party statutes and platform were not revised. Indeed, when this issue was raised by the "Grupo Compacto" (in the person of Almino Afonso), Goulart cooly noted that, according to the party statutes, the convention could only discuss those issues which the written convention call had specified--and the call (written, of course, by the National Executive Committee at Goulart's behest) had not mentioned these matters. Subsequently Afonso and his supporters tried desperately to introduce some fighting leftist language into the mild political resolution presented by Goulart, but were-as noted above--completely unsuccessful. Afterward, of course, Brizola engaged in a lengthy harangue about the need for basic reforms--but in the end his proposal 8/ amounted to relegating the matter to a committee for further study (a fact which did not escape the "Grupo Compacto"--as its journalistic friends were quick to note).

The Political Resolution: A Strategic Turn to the Right or A Tactical Maneuver

Much has been written about the 16-point political resolution which the convention adopted unanimously.9/ All are agreed that it is the mildest sort of pronouncement that might be expected from the PTB in the present political situation. This is not to say that it does not touch on the topics presently common to all such documents (e.g., the promise to "rigorously review" the acts of the Executive; the promise to "battle for an agrarian reform", and the praise of a Brazilian foreign policy of "independence") but that the language used in dealing with them is so mild that--as one observer put it--the domestic portions could just as well have been written by the conservative PSD and those on foreign policy by the UDN.10/

7/ And any differences Neves may have had in the past with Goulart (as is the case with almost the entire Paraná PTB) had nothing to do with the thesis of the "Grupo Compacto", but instead are linked to the consistently pro-Quadros stand of the Paraná organization.

8/ See enclosure No. 2 for English translation.

9/ See enclosure No. 1 for English translation.

10/ In fact, the UDN, at its recent convention (Embassy Despatch 999 of May 8, 1961) adopted a much more militant foreign policy resolution.

1243

at the March 15 inaugural session of congress, and there delivered a speech obliquely critical of Quadros. The radical wing of the party thus mollified, Goulart felt secure enough to convene the rubber-stamp national directorate and "ratify" the expulsion of Ferrari from the PTB's ranks--an expulsion which had been voted (as per party statutes) at the state level in Rio Grande do Sul under the watchful tutelage of Goulart's brother-in-law (and Rio Grande do Sul governor) Leonel Brizola. Ferrari, of course, protested loudly, publicly and long--but his acceptance of the hopelessness of his situation within the PTB became evident when, on May 24, he again convened the MTR in national convention and--as president and leader--guided it to a decision to become a political party in its own right (a course of action which he had rejected at the earlier conclave).5/

The Defeat of the "Grupo Compacto"

The extent and perfection of Goulart's preparations for the defeat of the "Grupo Compacto", however, became evident only at the convention itself. Indeed, the secrecy of this operation was such that pro-"Compacto" sources were still predicting on the convention's eve that the convention would result in a revamped, militantly leftist PTB--brought about by complete revision of the party's platform and statutes.

As indicated above, this proved not to be the case. Observers present at the convention unanimously noted the almost totally pro-Goulart inclination of most of the state delegations--a phenomenon which they--again unanimously--attributed to Goulart's careful pre-convention "cultivation" of most of the state organizations.6/ The

5/ In fact, Ferrari's downfall within the party was due to his own too-close association with Quadros during, and after, the 1960 campaign. His natural allies in the party were the "Grupo Compacto"--almost all of whose leftist reforms have previously been preached by Ferrari himself. The "Grupo Compacto", however, is by and large violently anti-Quadros--believing his leftist gambits to be publicity moves. Some of this distaste for the President inevitably wore off on Ferrari--thus robbing him of not-a-few potential followers.

6/ Again, it should be noted that this is not a new phenomenon: Goulart's unchallenged control of the majority of the state PTB organizations has always constituted a major reason for his dictatorial control of the national organization. That he has been able to maintain this control, however, is clear evidence that he still enjoys considerable "grass roots" party support.

1242

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A Goulart Triumph

It is generally agreed that the results of the PTB convention represent a clear-cut victory for party president João Goulart over his intra-party foes. Though PTB conventions have customarily ended in this fashion ever since Goulart was handed the party leadership by PTB founder Getulio Vargas, Goulart's victory upon this occasion has special significance since attained in the face of the unprecedentedly vigorous attacks which his leadership has suffered from within the party in recent months and since, in imposing his will upon the convention, he was unable (in contrast to past years) to utilize the large Labor Ministry pork barrel which he controlled prior to the accession to power of President Quadros. Goulart's triumph despite these obstacles clearly demonstrates that he is still a force to be reckoned with on the Brazilian political scene.

Pre-Convention Maneuvers

It is instructive to trace Goulart's tactics in preparing for the convention. As the Embassy reported at the time, Goulart was--5 months ago--under open and apparently successful attack by both PTB dissident leader Fernando Ferrari and the so-called "Grupo Compacto". (Emb Desp. 753 of March 1, 1961, Weeka 9) On the one hand, Ferrari called a national meeting of the Labor Renovation Movement (Movimento Trabalhista Renovador - MTR, the dissident PTB organization which he, Ferrari, had created to support his vice-presidential candidacy in the 1960 elections) and publicly dared Goulart to call a national PTB convention for the purpose of deciding who was boss--he, or Goulart. On the other, the PTB members of the Chamber of Deputies elected as their leader Almino Afonso, a leading spokesman of the anti-Goulart, doctrinaire Leftist wing of the PTB known as the "Grupo Compacto"--and in the process, soundly defeated the candidate openly supported by Goulart. As counterpoint to these louder anti-Goulart noises, there was, at the time, a continuous stream of propaganda calling for a "national labor congress". Supposedly such a convention would have comprised "labor" politicos from all parties, labor leaders, students, etc, and would have established an allegedly "democratic" labor movement. In fact, such a scheme was also aimed squarely at Goulart's dominance of the PTB and--through it--of Brazilian labor in general. Faced with these multiple threats, Goulart publicly compromised, while privately working hard to maintain his strength within the PTB organization. He ostentatiously agreed to Afonso's line of vigilant congressional opposition to the Quadros administration[4/] and signed an agreement with PSD national president Amaral Peixoto to this effect. In addition, he personally appeared

4/ Whereas he himself was known to favor a policy of accomodation.

1241

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presented by Goulart, and (3) ratified the expulsion from the party's ranks of PTB dissident deputies Fernando Ferrari and Alaim Mello. Though finally approved without changes, Goulart's resolution was the subject of heated debate--during which it was proposed inter alia that the convention declare itself sovereign and thereafter re-write the PTB's statutes and electoral platform with greater emphasis on "basic reforms" (proposed by PTB Chamber Leader Almino Afonso), that the resolution be amended to give explicit support to public (as opposed to private) education, and that the resolution call for approval of the right of illiterates to vote. All these proposals were defeated. The "ratification" of the expulsions of Ferrari and Mello[1/] was reportedly unanimous--though it was followed by a demand voiced by Aloisio Nonô (Federal Deputy, Alagoas) that President Janio Quadros also be expelled from the party's ranks, on the ground that he also violated party discipline in the 1960 campaign.[2/] On this proposal Goulart stated that the convention could take no action because the Paraná organization had not taken any.

The second session, which began late in the evening and ran until 7 a.m. the next morning was largely taken up with a motion of support for President Quadros' foreign policy (presented by ex-Chamber leader Oswaldo Lima Filho, and defeated); a speech by Francisco Julião (the contents of which has not been recorded in the press, but presumably had to do with Julião's present campaign to unite the PTB and the PSB--Brazilian Socialist Party--of which Julião is a member); and a 3 1/2 hour harangue by Brizola. The theme of Brizola's message was (as it has frequently been in the past) the need for immediate, and basic, constitutional revision--in order, allegedly, to avoid impending revolutionary upheaval. To this end, Brizola presented a resolution calling for creation of a 5-man committee to draft such a constitutional revision and present it to the party for discussion and revision, within 90 days.[3/] The motion was approved unanimously by the exhausted delegates, who thereupon closed the convention.

1/ As previously reported (Emb Desp 838 of 3-22-61, Weeka No. 12) Ferrari's expulsion was recommended by both the Rio Grande do Sul state organization and the National Executive Committee on the grounds that his 1960 vice-presidential candidacy (on the PDC ticket) violated party discipline. The sin of Alaim Mello was similar: He led the PTB dissidents in Bahia who supported Ferrari, for which his expulsion was voted by the Bahia PTB "regulars" (e.g. those loyal to Goulart) under the leadership of Clemens Sampaio--who presented the expulsion motion to the national convention.

2/ Quadros is still nominally a member of the Paraná PTB, on whose ticket he ran successfully for the Federal Chamber of Deputies in 1958.

3/ See Encl. 2 for translation of the Brizola motion.

1240

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO
73
DESP. NO.

July 28, 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : Embassy Despatches 664 of February 1, 1961; 753 of March 1, 1961; 13 of July 7, 1961; 56 of July 21, 1961

JUL 2 1961

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	ARA-4	RMR-2 REP-1 E-7 ICA-11 INR-7 P-3 S/IL-1
	RECD 8-2	INFO OTHER cia-10 usia-10 Lab-8 OSD-5 Army-4 Navy-4 Air-6 NSA-4 Coast-6 NSC-1 TR-3

SUBJECT: PTB Convention Confirms Goulart's Hegemony

SUMMARY

The PTB national convention of July 1-2 confirmed, once again, the absolute dominance in party councils, of party president João (Jango) Goulart--thus marking Jango's clear (though possibly temporary) victory over the forces which beset him in the immediate post-electoral period (namely the followers of Fernando Ferrari, on the one hand, and the doctrinaire leftists, on the other). At Goulart's behest, the convention struck a reserved political posture, adopting a mild political resolution which neither praised nor attacked the Quadros administration and shelving (for the moment at least) the radical reforms so dear to the leftist "Grupo Compacto". His political base thus strengthened, Goulart has subsequently proceeded to come to terms with President Quadros--though just how long this marriage of convenience may last is anyone's guess.

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The Event

The Brazilian Labor Party met in extraordinary national convention in Brasilia on July 1-2. By unanimous consent, PTB party president (and Brazilian Vice-President) João Goulart chaired the convention, selecting as his immediate assistants Doutel de Andrade (Vice-Governor of Santa Catarina and Secretary General of the national organization), and Rafael Risco of Rio Grande do Sul. Also asked to sit at the "mesa," or chairman's table, with Goulart were: Badger Silveira (Rio State), Leo de Almeida Neves (Secretary General of the Paraná PTB), Parsifal Barroso (Governor of Ceará), Rezende Monteiro (Vice Governor - Goiás) and Francisco Julião (of "Ligas Camponesas" fame). Goulart's brother-in-law (and Rio Grande do Sul governor) Leonel Brizola, who arrived much later, also formed a part of this group.

During its first session the convention: (1) empowered the party's National Executive to arrange for the acquisition of a permanent national headquarters in Brasilia; (2) approved a 16-point political resolution

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part of any of those present or even any suggestion of their awareness that it was July 26. The only thing heard in the premises was a question by a local businessman asking why the United States did not take stronger action against Cuban and communist exacerbations and their plans to subvert the Free World.

Albert A. Rabida
American Consul

cc: Amemb Rio de Janeiro (2)
Amcongen Guayaquil (1)

1238

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JUL 28 1961

FOREIGN SERVICE DESPATCH

FROM : Amcon Recife

TO : THE DEPARTMENT OF STATE, WASHINGTON

REF : D-29 of July 18, 1961

NO. 5

July 27, 1961
DATE

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E&T/B: RHCrawford
9-18-61

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SUBJECT: July 26 Passes Quietly

After Guayaquil, it was a happy experience not to have to fend against sticks and stones on the Cuban commemorative day of July 26. There were no demonstrations against the Consulate or American citizens as such, no effort to paint up the town with red paint inviting Yankees to go home (though a few "Viva Cuba" signs were painted in white in hardly readable form on some downtown street surfaces), no local unruliness or even apprehension, and few indications of an effective organizational mechanism to advance Cuban or communist interests in celebrating the day. No reports have been received of any enthusiastic celebrations by the Peasant Leagues. The general quietness seemed to confirm the information reported in D-66 of June 30 to the effect that communist agitators have been ordered temporarily to pull in their horns.

A restrained and orderly "civic" meeting was organized by the Pernambucan section of the Brazilian Committee for Solidarity with the Cuban People and was held at a downtown open air theater at 8 p.m. but did not enjoy much success. Reports indicate that there were only about 150 in attendance (in a city of about 780,000). Leading the meeting were Jose Otavio de Freitas, president of the local committee; Sergio Murilo, a state legislator; Joao Barbosa, president of a syndicate of commercial employees, and Jarbas Holanda, a "professional" student probably in Cuban employ. At the meeting, they rendered the usual harangues and distributed publications entitled "Boletim de la Embajada de Cuba" dated April 1961, "Cuba" with the notation "Ano 1 Estado da Guanabara, Maio de 1961, No. 1", and "Boletin (sic) del Movimiento por la Paz y la Soberania de los Pueblos" with the notation "Ano 1 La Habana, 1 de Mayo de 1961, No. 1", one copy of each of which is being sent under separate cover.

Consular officers attended a luncheon at the Golf Club, a book-[illegible] cation in the afternoon at the Government Palace, and a lecture at night at the Academy of Letters, all without any suggestion of unpleasantness on the

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FOREIGN SERVICE DESPATCH

59 NO. 033.3237

FROM : Amcon Recife

TO : THE DEPARTMENT OF STATE, WASHINGTON. DATE July 27, 1961

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No action
ARA: EST/B
J W Wilson (pub)
8-28-61

REF : D-5 of July 6, 1961

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SUBJECT: The Strange Absence of Mr. Francisco Julião, Peasant League Leader

It has been reported that Mr. Francisco JULIAO Arruda de Paula, the prime mover behind the local peasant leagues and a representative of the Brazilian Socialist Party in the Pernambuco State Assembly, did not go to Cuba for the July 26 celebrations, because of illness, and that he is secretly confined in a hospital at Rio de Janeiro for the treatment of severe migraine headaches. This may or may not be true, and it is suggested that the Embassy endeavor to establish beyond doubt the apparently reliable reports that have been received to this effect.

Mr. Julião really may be in a hospital for headache treatment. Or he may be in a hospital using headaches as an excuse to duck, for whatever reason, the trip to Cuba. Or he may not be in a hospital at all but in Habana, Moscow, or elsewhere. While it has been represented by confidential informants that he is in a hospital and wants to keep this secret, his aversion to publicity seems strange and it is curious indeed that his headaches got so bad just at this particular time when he had been invited to Cuba and when the Soviet "good-will" mission has been in Brazil.

He was chided in the State Assembly on July 26 by Deputy Constancio Maranhão (probably at the behest of Governor Cid Sampaio) who tabled a request for information concerning Julião's apparent trip to Cuba and absence from the country in violation of a state constitutional provision prohibiting a deputy from travel abroad without the prior consent of the Assembly.

EMBASSY ACTION REQUESTED: It would be appreciated if the Embassy could try to establish whether Julião himself and not a plant really is in a hospital at Rio de Janeiro and whether he really has been treated for migraine headaches.

cc: Amemb Rio de Janeiro (2)

Albert A. Rabida
American Consul

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
AUG 14 1961

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44

1236

MEMBERS OF SOVIET GOOD-WILL MISSIONS WHO REPORTEDLY VISITED GOVERNOR CARVALHO PINTO

Mikhail Georgadze, chief of mission and Secretary of the Supreme Soviet: his son, Vladimir Georgadze: Nicolei Smeliskov, Vice-Minister of Foreign Trade: Sergei K. Romanovsky, First Vice-Chairman of the Committee on International Cultural Relations of the Council of Ministers: Dmitry Degtiar, Vice-Chairman of the Committee on Foreign Economic Relations of the Council of Ministers: Ambassador Anatoly F. Dobriny, Director of the Latin American Department of the Ministry of Foreign Affairs: Nikolai V. Mostrovets of the Institute of World Economics of the Moscow Academy of Sciences; Maria A. Ostapenko, Ukranian deputy: Nocolai I. Simonov, Assistant to the Secretary of the Praesidium: Leondard F. Kusmin, First Secretary of the Ministry of Foreign Relations (interpreter): Vladimir A. Kusmiche, Secretary of Soviet Association of Friendship and Cultural Cooperation with Latin American countries (interpreter): Galina Utoklaiana of Department of International Sports. Also, on the press and movie side, Oleg K. Ignatiov of the Soviet Telegraph Agency: Vladimir Tkatchenco of Izuestia: Vadim P. Koliakovsky of Za Rubenshon: Vitaly G. Levin of Pravda: and cameramen Peter Oprisko and Daniil Kaspiy.

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1235

readers that it was based upon a clearer appreciation of U. S. national interests in pursuit of social (sic) and international peace, that Brazilians need not therefor view such aid with suspicion. Later in the week leftist Ultima Hora's Guerreira Ramos, on the same subject, played the opposite theme and suggested that the U.S. might be taking over....Both Folha de São Paulo and O Estado de São Paulo praised Janio's contemplated program of visits to other South American countries as conducive to hemispheric solidarity -- recent editorials in O Estado de São Paulo appear to be following a practice of consistent reference to "Russian imperialism" and "Soviet neocolonialism" (such telling phrases can stick if repeated often enough).

Miscellaneous
9. List of Substansive Despatches

19. Finance Reaction in São Paulo to SUMOC Inst. 208
20. São Paulo Cost of Living Index June 1961
21. Correction in Item 2 of Despatch 14 July 14, 1961
22. Finance- São Paulo Seeks Financing from Inter-American Development Bank.
23. Finance- São Paulo Agricultural Expansion Fund.
24. Santos Weekly Report
25. Steel Program and Developments in Building of COSIPA Mill
26. São Paulo Weekly Summary No. 4. Week ends July 22.

William P. Cochran, Jr.
Minister Consul General

Enclosure

Contributors: Burton, Shea

Distribution: INR-RAR, Embassy Rio 3, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife, Salvador, Santos.

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1234

the State Federation of Commercial Workers, presided over most of the sessions and definitely enhanced his prestige as one of Brazil's leading non-Communist trade union leaders. The British Labor Attaché, the Embassy's Labor Attaché, and the Consulate General's Labor Officer attended. Communist Party trade union leaders were not invited but the Communists staged a separate meeting at the interior city of Campinas over the same weekend. However, in spite of this, a few put in brief appearances and Eugenio Chemp, a leading Communist metalworker, was drowned out at the opening session in a chorus of hisses and boos and declared to be persona non grata by the presiding officer, Magaldi, when he protested alleged discrimination against certain political ideologies, and declared the Congress was being directed by the American Embassy. A resolution signed by 242 delegates was approved at the final session protesting against possible legalization of the Communist Party. A vigorous declaration of principles lauding democracy and condemning Communism was approved. A statement outlining the legitimate aspirations of the Brazilian worker and condemning Communist tactics and coercion during previous trade union Congresses was also adopted by the delegates in attendance.

COMMENT: The Congress was one of the most significant anti-Communist demonstrations in recent years. Governor Carvalho Pinto and Minister of Labor Castro Neves received standing ovations when they lauded free and democratic trade unions working to better the lot of the Brazilian worker, and made derogatory remarks about foreign ideologies who seek only to exploit the misery of the workers. The Governor's appearance marked a brilliant closing to one of the most notable Brazilian trade union meetings in recent years. (A complete report is in the process of preparation and will be forwarded in the near future).

Local Press Reaction
8. Tunis, Berlin, Northeast Development, Etc. (Official Use Only)

Except for a heavy outpouring of praise for the latest papal encyclical (not unexpected in a Catholic country), local editorial comment in the past week has been scattered....Only O Estado de São Paulo gave particular attention to the France-Tunis explosion, reviewing the enlightened past conduct of DeGaulle and Burguiba and lamenting the loss of clear vision on the part of both -- like the "tragic figure of Colonel Nicholson in 'Bridge Over the River Kwai'" (publisher Mesquita Filho is an ardent Francophile)....Both Folha de São Paulo and Diario de São Paulo took note of the rising flood of East German refugees, both drawing proof therefrom of the unhappy state of affairs under communism; with Diario concluding further that the Allied position not only is in line with the policy of defense of the free world but also is responsive to the wishes of the German people. A little bit strange and timid was an O Estado de São Paulo expression of editorial concern over the firm tone of the allied response on Berlin; the editorial noted that there cannot be a resort to war in the atomic era and observed with pleasure that the U.S. also expressed a willingness to negotiate....On U.S. assistance to northeast development, O Estado de São Paulo assured its

1233

5. Electoral Reform (Official Use Only)

Although not officially divulged or due for transmittal to the Superior Electoral Tribunal until the following week, there were "leaks" on the electoral reform recommendations adopted this past week by the São Paulo Regional Electoral Tribunal. Among the reported recommendations were: the same price for radio and TV time to political candidates as to businesses (politicos pay much more); a single ballot under proportional representation (legislative candidates each now print and distribute ballots with only their name thereon); continued literacy requirements for voting; don't reduce frequent election contests by coinciding election dates and terms of office; separate voting of senatorial alternates; and more vigorous supervision of party organization and functioning.

COMMENT: Although there is a separate vote contest for senatorial alternate, the winning senator now carries his alternate running mate into office even though the latter gets less votes than competing alternates -- the absurdity comes now in having a meaningless vote contest for alternates. It is surprising too that nothing apparently was said about the absurdities of proportional representation whereby in selecting one of several hundred candidates, generally without attention to party label, that vote elects some other candidate who happens to bear the same party label at the moment as the one you chose.

6. Transit Fare Increases (Official Use Only)

On July 22, local transit fares were variously increased up to a maximum of fifty percent. Several thousand police were assigned to police key transit points to curb any protest manifestations.

COMMENT: In contrast with 1958, there was considerable advance notice this time and even the inauguration of new busses and trolley-busses on the day before the increase. In 1958 Mayor Adhemar de Barros without warning raised fares -- violence flared, busses were burned and destroyed, and before it was over, there were several dead and a number wounded. Although precautions are being taken, no violence is expected this time.

Labor

7. Democratic Trade Union Congress (Confidential)

Governor Carvalho Pinto was the keynote speaker at the closing session of the First Inter-State Congress of Democratic Unions held in São Paulo over the weekend July 22-23. Other leading figures ~~was~~ addressed the final session which was jammed with an estimated 700 trade union leaders from all over Brazil; also present were Labor Minister Castro Neves and UDN President Herbert Levy.

Practically every leading non-Communist trade union leader put in an appearance at the Congress. Antonio Pereira Magaldi, president of

1232

would interject themselves into 1962 elections in all states, accepting political alliances or fighting alone, in support of the popular democratic revolution initiated with the election of Quadros to the presidency.

3. Latin American Petroleum vs Trusts (Official Use Only)

Paulista federal deputy and regional PDC president Franco Montouro announced that he will propose an Association of State Petroleum Enterprises of Latin America at the upcoming conference of Christian Democrat Parties in Chile. This, he said, is the only kind of organism with sufficient strength to stand up to the international trusts which dominate the market, in technical as well as financial aspects. Montouro has in mind an organism like the European Coal and Steel Community. Montouro will also press for reduced military expenditures in Latin American countries, contrasting 30% of Brazil's budget for defense with 5 to 10% for health, education, etc.

COMMENT: Montouro favors economic integration in Latin America and considers his petroleum Association proposal consistent therewith. As previously reported, many Paulista Christian Democrats (and PDC strength is largely in São Paulo) think of capitalism in the patterns of exploitation of the early industrial revolution or as found in many less developed countries. Many still view the Cuban revolution with sympathy. Some regard capitalism as travelling under the Christian cloak for selfish dishonest ends. Yet the basic tenets of the PDC in Brazil reject communism as state capitalism.

4. Local Party Quarrels (Official Use Only)

While PL dissidents accepted, the São Paulo regional directorate rejected the idea of a "tripartite" peacemaking committee proposed by the PL national directorate. The PL held its state convention at the end of the week, ignored the dissident problem, and the new regional directorate is expected to select Rodrigues Alves Filho as president. However, UDN peace-making efforts in the São Paulo metropolitan directorate (torn asunder over the mayoralty contest) proceed optimistically, with talk of a metropolitan convention in early August. Meanwhile PTB national president João Goulart, passing through São Paulo, announced that the decision on next year's gubernatorial contest is entirely up to the state PTB organization, that he will campaign in the state for the PTB candidate only if asked.

COMMENT: (Confidential) Once more regional PTB president Ivete Vargas rides out the storm. One hears no more of Goulart maneuvers to unseat her or to set himself up as candidate for São Paulo governor in 1962. Once more Goulart shows how tough he is not in intraparty infighting -- a characteristic noted by many competent local political observers.



the mission head listed various products the USSR could import from Brazil (all agricultural -- i.e., vegetable oils, coffee, cotton, oranges, etc.) and various goods it could export to Brazil (all manufactured industrial equipment, i.e., tractors, turbines, motors, etc.). At night, the group attended a reception at the Polish Consulate General (the newspapers made it appear a reception for the mission; actually it was in honor of Polish national day) and visited the Brazil-USSR Cultural Union where the later's vice-president, Eduardo de Guarnieri, and others received them. At the cultural union, the mission chief recalled cultural ties (e.g. music of Vila Lobas much played in USSR). At all stopping places, souvenirs were distributed such as small photos of astronaut Gagarin or Lunik emblems.§§

COMMENT: The mission appeared to be going light on Communist propaganda or the promotion of specific ends, stressing peaceful coexistence, good will, "get-to-know-each-otherness," etc. -- evidently anxious to avoid stepping on any toes. However, a bit of Soviet "we-invented-it-firstness" popped out, when shown a prize milk-producing cow, in the form of a response that there were cows in the USSR producing more.

2. Bonifacio for Governor (Official Use Only)

At the close of the past week mayors of 28 municipalities of the Paraiba Valley region gave a dinner for José Bonifacio Coutinho Nogueira, São Paulo's Secretary of Agriculture, at which they announced a manifesto of support for Bonifacio for governor. Bonifacio, in thanking, neglected even to protest that his mind was on other more immediate tasks. José Ribeiro da Cunha, Taubaté mayor who promoted the dinner, announced he was breaking with the PSP and giving full time to campaigning in the Paraiba for Bonifacio. Meanwhile, governor Carvalho Pinto continued evidencing his Bonifacio-bias in going to the latter's coffee plantation for a few days where the two worked together on the governor's budget program.

COMMENT: The governor is again pushing Bonifacio for governor rather openly. Rumors of possible state cabinet changes are supported by reports that the governor is scheduling meetings with regional party presidents -- among the first, opposition PSP regional president Teotonio Monteiro de Barros (a PSP switch is unlikely unless national president Adhemar de Barros says so). But opposition forces are active too. Rumors that Faria Lima would withdraw from the race were quickly denied. Castilho Cabral, national president of the Movement Pro Janio Quadros returned from the movement's national convention in Rio announcing that sections would be reactivated in all states, that they

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§§ The group totalled 36. The names of those who reportedly visited governor Carvalho Pinto are listed in a separate attachment to this despatch.

AIR POUCH
PRIORITY

CONFIDENTIAL
(Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, SAO PAULO

26
DESP. NO.

July 25, 1961
CONSULATE GENERAL OF THE
UNITED STATES OF AMERICA

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

JUL 26 1961

20 For Dept. Use Only	ACTION	DEPT.	ICA-11 SAO PAULO, BRAZIL
	REC'D 7-29-61	INFO OTHER	RM/R-2 REP-1 INR-7 EUR-5 E-3 CIA-10 USIA-10 COM-10 4AG-8 NSA-4 OSD-5 ARMY-4 NAVY-4 AIR-6

SUBJECT: São Paulo Summary No. 4, Week Ending July 22, 1961

No action required
file
RM/R-AA/L
9 Aug 1961

Index:

Political
1. Soviet Good-Will Mission
2. Bonifacio for Governor
3. Latin American Petroleum vs. Trusts
4. Local Party Quarrels
5. Electoral Reform
6. Transit Fare Increases

Labor
7. Democratic Trade Union Congress

Local Press Reaction
8. Tunis, Berlin, Northeast Development, etc.

Miscellaneous
9. List of Substansive Despatches

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
AUG 7 1961

732.00/7-2561

CLASSIFIED FILE WS

Political

1. The Soviet good-will mission, headed by the Secretary of the Supreme Soviet Mikhail Gheorgadze, created some excitement by arriving at the São Paulo airport from Porto Alegre on July 21 at 10 a.m. instead of 5 p.m. The governor was at the farm of his Secretary of Agriculture, José Bonifacio Coutinho Nogueiro, where the two were working on the state budget. Various state officials did the honors, including a review of a battalion of state military police (there was admittedly some confusion over what constituted proper protocol). On the first day the group did some touring of city neighborhoods and visited installations of SESI (schools, medical services and other welfare facilities run by the state Federation of Industries). Later in the day they met with members of the Federation of Industries and exchanged information with them on industrial syndicates, labor organizations, foreign trade operations and Soviet foreign aid. The theme was exchange of information rather than promotion of specific ends. On the second and last day of their stay, the group visited Governor Carvalho Pinto at, and toured, José Bonifacio's farm for better than two hours. Here too the conversation was light. In reply to inquir-

see last page/mec
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1229

the strike was over, and no meaningful debates or speeches were made. ... Paraná's secondary students held their twelfth annual convention in Curitiba in the beginning of July. Motions approved at the plenary sessions supported state monopolies on petroleum distribution and the output of didactic materials, and the establishment of diplomatic relations with "socialist" countries. ... The Paraná University Students' delegation to the national convention at Niteroi will present a 12-point charter supporting, among other things, "self-determination", just land reform, state expropriation of the basic means of production, limitation of profits abroad, etc cetera. SOURCES: Local press, personal observations.

COMMENTS: The secondary students who attended the Curitiba meeting spent 95% of their time at social functions where, besides other diversions, they elected a new beauty queen. As is often the case, the political motions which were presented were the work of a small, well organized, and very "mature" group of "students". ... The university leaders' action resisting formal reaction to the obviously soviet oriented Recife strike is NOT incompatible with the socialist themes of the charter to be presented at Niteroi. Although preoccupation with socialist concepts is undoubtedly partly a result of far-left activity, it is also a natural product of concern over visible social and economic ills in Brazil. It is unfortunate that this concern tends to be ingenuously theoretical and that past U.S. economic predominance in Brazil seems to automatically include us ink the list of malefactors. The result is to create a youthful, idealistic pressure group which gives lip service to the dangers of Soviet socialism, but which pays practical, active attention only to U.S.-Brazilian economic problems in the field of international relations. This is a situation best attacked through the Educational Exchange program, including the sending of exchange professors to Brazilian faculties of law, economics, and philosophy. OFFICIAL USE ONLY

CULTURAL EVENTS

8. Eminent U.S. Visitors in Curitiba: Benjamin HIGGINS and Willem KOLFF

Professor Benjamin Higgins of the University of Texas achieved wide contacts and general acdeptance in his USIS-handled, USOM-sponsored visit to Curitiba. A professor of economics, Mr. Higgins lectured on "Monetary Politics and Economic Development", held press interviews, attended a Rotary Club meeting and took part in a round-table conference at the Paraná State Economic Planning Office (PLADEP). ... Coming at his own expense, American Cardiologist Willem KOLFF participated in the Seventeenth Congress of the Brazilian Cardiology Society held in Curitiba. Dr. Kolff gave lectures on the artificial heart (which he invented) and the artificial kidney, and gave press and television interviews. Although here in a private capacity, Dr. Kolff was assisted by USIS representatives in Curitiba.

UNCLASSIFIED

Edward M. Rowell
American Consul



LABOR EVENTS

5. Labor "Democratic Action" Movement

The three month-old disruption of Paraná's "Labor Unity Movement" (founded a year ago) seems to be solidifying. The split occured when leaders of 15 of the 28 unions in the Labor Federation Council walked out because "some of the council's leaders and aims are communist". The dissident 15 unions (which include foodstuff and commercial workers,) are reportedly forming a "Democratic Action Front" which includes sympathizers from among the non-dissident unions. SOURCES: Local Press, Personal Conversations. OFFICIAL USE ONLY

COMMENTS: The leftist press (Ultima Hora) has accused the leaders of the dissident unions of sabotaging the Parana labor movement for personal political reasons, while the fifteen countinue to berate the Nationalist Labor Front (successor to the Labor Federation Council) as being communist oriented and a "lackey to PTB demagogues". There is probably a modicum of truth in all the accusations. ... It is too early to be able to predict the long run fate of the dissidents. They appear to have definite PDC (and some UDN) overtones. If governor Braga's PDC-PL-UDN alliance should have real success in the October 1962 elections (especially in the Curitiba municipal election), the "Democratic Action Front" may become a more or less permanent and influential organization. OFFICIAL USE ONLY

PSYCHOLOGICAL EVENTS

6. Controversial Press Conference ... U.S. Independence Day

The antagonistic flurry in Rio over a press conference given by Ambassador Cabot in early July also touched Curitiba. As might be expectad, the leftist press in Curitiba played upon nationalist sentiments with headlines denouncing the use of the word "committed". Center and rightist papers carried news of the event almost apologetically, although rightist (UDN-PDC) "O Estado do Paraná" was severely critical. The noise died down after Janio's and Foreign Minister Arinos' public statements on the matter, both of which received bigger headlines than the original press conference and the initial criticisms. ... July Fourth was specially recognized at the Curitiba Military Secondary School ("Colégio Militar") which inaugurated a study room dedicated to the United States. The room has pictures, periodicals, photographs, and literature concerning the United States. The inauguration was attended by the Branch Public Affairs Officer in Curitiba. UNCLASSIFIED

7. Student Activities: Reaction to Recife Student Strike; Student Union Meetings.

During the recent student strike at the University of Recife, Curitiba student leaders managed to delay calling a general meeting for so long (a few leftist agitators finally managed to have the union convoke its membership), that

1227

3. Regional Development Council Being Established

Following up their March 25 conference with President QUADROS at Florianópolis, the governors of Brazil's three southern states met in Curitiba and Florianópolis to sign an agreement establishing a Council for Southern Regional Development (CODESUL). The Council's financial arm will be the Southern Economic Development Bank (BADESUL) with capital contributed by state and federal governments. The Bank is expected to start operations in September 1962, and Leonel BRIZZOLA (PTB) is to be first President. SOURCES: Local press, personal conversations.

COMMENTS: Although already "approved" by Janio QUADROS at a special ceremony in Brasilia, CODESUL's and BADESUL's charters will take effect only when confirmed by the respective state legislative assemblies. This will take some time, especially in Parana where all the state legislators are out campaigning for October's municipal (county) elections. ... The governments of the three states range from moderate right to far left. Further, each state government is making sure that it gets at least its own share, if not more, of the financial resources available through BADESUL. As a result there is a lot of political jockeying behind the surface façade of immediate action on CODESUL and BADESUL and this is delaying final establishment of the organizations. ... Since only a governor can be president of BADESUL, and Brizzola's term will expire on January 30, 1963, the other two governors offered him the first presidency of BADESUL. Since the bank will commence operations only in September, 1962, no startling actions are expected during Brizzola's regency. OFFICIAL USE ONLY

4. BRIZZOLA Candidacy for Federal Deputy from Paraná

During Rio Grande do Sul Governor Brizzola's June 14-15 visit to Curitiba in connection with CODESUL and BADESUL (Item 2 above), PTB rumor mills worked overtime sounding out the possibility that BRIZZOLA might run for Federal Deputy from Paraná. BRIZZOLA himself was absolutely non-committal (except to say that he would study the matter carefully), but late June headlines imply that he has a similar and better offer from the Guanabara PTB. SOURCES: Local press, personal conversations. UNCLASSIFIED

COMMENTS: Though he might be a big vote getter, especially in southwest Parana, many PTB leaders are reluctant to have Brizzola on the state ticket. With the PSD in disintegration, and the conservative state government (UDN-PDC-PL) the new natural target of public disapprobrium, the PTB figures it can get as many votes without Brizzola as with him, and does not see why someone from outside Paraná should have one of the state's seats in the national congress. Experiences with Jânio QUADROS (elected PTB Federal Deputy from Parana in 1958) also give rise to caution, since Quadros' 1958-60 actions did much to disrupt PTB "unity" in Parana. OFFICIAL USE ONLY



COMMENTS: The present situation was created by the former Lupion PSD government which awarded multiple titles to properties in the west and south of Parana. Unsnarling tangled titles and granting secure deeds to persons who are actually working the land is a top priority project of UDN-PDC Governor BRAGA, and is the heart of his "agrarian reform" program. Since real estate is one of the few "secure" investments in inflationary Brazil, big land holders and companies which hold disputed titles are resisting the government's program tenaciously, and one reliable government source states that there is little hope for a peaceful and friendly solution as proposed by the government. Money is NOT the object, since the wealthy owners simply don't want to sell out. ... Solving southwest Parana's land problems could become one of the major campaign issues in the 1962 election. Assuming the problems are not settled, the state (UDN-PDC) government's hope of increasing its strength would be hurt. At the same time the PSD probably would be blamed for starting the trouble in the first place. This would leave the PTB sitting in the cat bird seat. ... Although the residents of southwest Parana are ruggedly independent, if the turmoil continues long enough communist agitators will probably make capital out of it. Commie organizers have recently completed initial soundings in the area. OFFICIAL USE ONLY

2. PDC Leader Paulo de TARSO's Curitiba Speech

Brasília's Mayor, PDC Leader Paulo de TARSO, delivered a controversial speech at the University of Parana during a visit here June 27-29. Following the leftist elements of the PDC's 1961 campaign platform (see Curitiba D-50, 4/18/61), Mayor Tarso approved Fidel's Cuba because of its anti-capitalist reforms, said Cuba proved the emptiness of a Panamericanism devoid of economic substance, and emphasized that Brazil's interests are best expressed in the neutralist bloc. SOURCES: Local press, personal conversations. UNCLASSIFIED

COMMENTS: Mayor TARSO appears to be representative of a leftist, starry-eyed group of Christian Democrats intent on socializing Brazil as fast as possible, ostensibly as a preemptive move against "communism". This group has an anti-U.S. bias which has existed for many years in Brazilian academic circles. Unfortunately its preoccupation with real or imagined hurts from past U.S. practices, and its caricatured concepts of the U.S. politico-economy makes it hypersensitive to economic and political relations with the U.S., and dangerously insensitive to the intentional destruction of Western values by Soviet "socialism". ... Mayor TARSO's speech received considerable acceptance among student groups and younger, "conservative" (UDN and PDC) politicians, but was privately repudiated by older member os the same parties.

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FOREIGN SERVICE DESPATCH

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732.00/7-2561

FROM : Amconsul, CURITIBA

TO : THE DEPARTMENT OF STATE, WASHINGTON.

NO. A-4

JUL 25 1961

July 25, 1961

DATE

REF :

B/FBC-5

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	S/PL	NEA	CU	INR	E	P	IO	ICA
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				6	4	10	4	5		10	1	4				

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD JUNE 16-JULY 15, 1961

CONTENTS

1. Land War in Southwest Paraná; Agrarian Reform; Political Reflections
2. PDC Leader Paulo de TARSO's Curitiba Speech
3. Regional Development Council Being Established
4. BRIZZOLA Candidacy for Federal Deputy from Paraná
5. Labor's "Democratic Action" Movement
6. Controversial Press Conference ... U.S. Independence Day
7. Student Activities: Reaction to Recife Student Strike; Student Union Meetings
8. Eminent U.S. Visitors in Curitiba: Benjamin HIGGINS and Willem KOLFF

732.00/7-2561 CS

POLITICAL EVENTS

1. Land War in Southwest Paraná: Agrarian Reform; Political Reflections

After three years of relative calm, sporadic land wars have erupted anew in southwest Paraná. Most of the fighting, centered in Cascavel ("Rattlesnake") county, is between squatters and armed raiders hired by persons or companies who claim title to the land. The fighting has been stopped for the time being by detachments of state military police and federal troops. The truce is uneasy. SOURCES: Local press, personal observations and conversations.

UNCLASSIFIED

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
AUG 8 1961

cc: Amembassy, Rio de Janeiro (2)

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REPORTER

FORM 6-61 FS-439 GPO 912596

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ACTION ASSIGNED TO		ACTION TAKEN		
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1224

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page 5 end Sao Paulo 0-74

Weekly Comment of April 26, Political item 1).

Comment: (OFFICIAL USE ONLY)

Mayor Gomes is enthusiastic over the assistance afforded him by the Consulate and now desires USIS films on municipal government to be shown once a month at the City Hall. The reporting officer is endeavoring to arrange with USIS/São Paulo to provide this Consulate with suitable films so that exhibitions may be made at the City Hall on a regular basis.

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1223

page 4 end 1 Saopaulo-24

2. Moore-McCormack to Alter Liners' Schedules (OFFICIAL USE ONLY)

Faced with mounting losses on the operation of its big luxury liners Argentina and Brasil (see item 1 above), Moore-McCormack Lines has decided to use these vessels increasingly for cruises to the Caribbean, Africa, the Baltic and the Mediterranean, and will experiment with shortened cruises by the two big ships to Brazil originating in New York and turning around in Santos, thus eliminating their calls in the River Plate altogether, at least for some months (see Weekly Comment of May 18, Economic item 3).

Comment: (OFFICIAL USE ONLY)

Commencing in November the runs to Brazil of the Argentina and Brasil will become much more infrequent, although Mormac is planning to have one of its two big liners call in at Recife in August.

IV CONSULAR

1. General (UNCLASSIFIED)

The post's consular operations continued normally during the past week, and there is nothing especial to report.

Comment: (UNCLASSIFIED)

The post has noted a marked increase in its shipping and seamen work during the past month or more.

V ADMINISTRATIVE

1. Principal Officer to Take Leave (UNCLASSIFIED)

The reporting officer plans to take leave the week of July 23-29. Consequently, there will be no Weekly Comment dated July 28.

VI PSYCHOLOGICAL

1. USIS Impact on Santos City Government (UNCLASSIFIED)

On July 14 the reporting officer presented to Mayor José Gomes a collection of information on U.S. municipal government previously requested by the Mayor and procured through USIS/Rio de Janeiro from USIA. The reporting officer also arranged for the showing of a short USIS film on city administration at the City Hall on July 17. This showing, attended by the Mayor, his leader on the City Council and a number of other high local officials, was an unqualified success, and continues the program of close collaboration which the Consulate has been able to establish with the current Santos government (see

/Weekly

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page 3 encl 1 Sao Paulo A-24

Comment: (OFFICIAL USE ONLY)

The reporting officer is informed by Copebras' manager that the three other American-controlled Cubatão plants (Alba, Union Carbide and Brazilian Styrene) since their inception have paid 30% extra dangerous work benefits and that 3 years ago the Chemical Industries Workers Union lost a suit against Copebras to receive similar extra wages. Since then the union has been attempting to win "unhealthful" pay from Copebras, which has resisted. The latest incident is but another effort by the union to gain higher pay.

The Copebras manager added that the union chief and the doctor were finally admitted to the plant, although it was by then too dark for the inspectors to see anything. (See Weekly Comment of May 18, Labor item 4.)

III ECONOMIC

1. Surcharge on Freight from U.S. to Continue (UNCLASSIFIED)

The Santos Centro de Navegação has voted to continue the 15% surcharge on all goods imported from U.S. East and Gulf Coast ports through Santos until September 4 (see Weekly Comment of May 18, Economic item 1), although port congestion here is currently only moderate. On July 21 six ships were anchored in the roads outside the estuary awaiting to come alongside, while 10 vessels were riding at anchor in the estuary itself.

Comment: (OFFICIAL USE ONLY)

The reporting officer is given to understand that the priority system recently invoked by the Brazilian Government for ships berthing in all Brazilian ports was actually prepared by officials of the Santos Dock Company. According to the local manager of Moore-McCormack, the Santos Dock Company is most unhappy with the prolongation of the 15% surcharge on incoming cargo from the U.S. and, apparently in retaliation, on July 17 rescinded permission (granted in March) for use of the Saboo oil piers as berthing space for incoming cargo ships, which may tend to increase port congestion.

The Dock Company is also piqued at Moore-McCormack having secured authorization to keep its liners Argentina and Brasil in port in Rio and in Santos for 36 hours, following a decision wrested from the Brazilian Government by Moore-McCormack and the local Centro de Navegação which "clarified" the words "período" and "turmo" in the recently-promulgated priority regulations (see Weekly Comment of July 7, Economic item 2).

Some local shipping companies have come to the conclusion that the Santos Dock Company is simply not interested in having passenger liners on the order of the Argentina, Del Norte et als. remain in port here overnight, since the Dock Company makes little profit from them in comparison with freighters.

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1221

page 2 encl 1 Sao Paulo A-74

Theater Commission at the same time withdrew its co-sponsorship of the Santos Festival.

Comment: (OFFICIAL USE ONLY)

The reporting officer has learned that the play in question but more especially a second play "A Semente" by Francesco Guarnieri to have been presented July 22-25 and full of pro-communist innuendo, had alarmed Santos Bishop Dom Idilio Soares; and that a number of local communists, including Luiz Rodrigues Corvo (see Weekly Comment of June 14, Political item 1), Frederico Aflalo (see Weekly Comment of July 7, Political item 3), the latter's wife Katalin Nador Aflalo and Oswaldo Leituga (see Weekly Comment of April 7, Political item 2) are active in the Santos amateur theater group actually putting on the plays. It is possible that the Bishop communicated his apprehensions to the Santos city government through Father Americo Soares, the Municipal Secretary for Culture.

Cries of arbitrary censorship have erupted from all quarters as a consequence of the cancellation of the Theater Festival. The theater group is now casting about for ways and means of putting on "O Testamento do Cangaceiro" without assistance from the Santos Cultural Commission. To keep the issue before the public on July 19 and 20 the left-leaning O Diario ran long editorials composed by Oswaldo Leituga blasting Mayor Gomes for his action. A Tribuna has been much less sensational in covering the affair.

On July 20 the controversy raged fiercely in the Santos City Council. Its President Fernando Oliva accused the State Theater Commission of being infiltrated by the communists and the Theater Festival of being at the service of communism. Communist PTB Councilman Antônio Rodrigues, a bitter foe of Mayor Gomes, replied in a long speech denouncing Vitali's censorship, gestapo-type methods, etc. and called for a vote of repudiation of Vitali's ban, which was beaten down by only one vote.

Mayor Gomes' political opponents of all shades of opinion have seized upon the episode in an effort to discredit the municipal government as led by Gomes. The communists are in the vanguard, crying out against police methods and in favor of free speech.

II LABOR

1. Copebras Management Criticized (UNCLASSIFIED)

O Diario has criticized the American management of the Copebras carbon black plant at Cubatao for last week refusing admittance to the President of the Sindicato dos Trabalhadores nas Indústrias Químicas e Farmacêuticas de Cubatão and a doctor from Rio de Janeiro investigating alleged "unhealthful" conditions at the plant.

/Comment:

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FORM DS-582
0-1-60

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page 1 emb / Sao Paulo 0-24

OPERATIONS MEMORANDUM

TO: American Consulate General São Paulo **Date:** July 21, 1961

FROM: American Consulate SANTOS, Brazil VPRIII

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Municipal Finance Secretary Resigns (UNCLASSIFIED)

On July 18 Municipal Finance Secretary Artur Rivau handed in his resignation to Mayor José Gomes, who accepted it at once. Rivau will resume his seat on the City Council as leader of the 4-man PDC delegation on that body, whose support of Gomes is now wavering.

Comment: (OFFICIAL USE ONLY)

Reportedly Rivau left Mayor Gomes' administration because the latter is planning to raise local taxes and Rivau, a popular politician, wishes to avoid the odium which must attach to the municipal official who makes the eventual announcement. The PDC is jockeying for big things in the 1962 State elections and is anxious to avoid incurring any unpopularity with the Santos electorate.

Rivau's resignation has shaken Mayor Gomes' unstable city government, and it is likely that a reshuffling of his administration is in the offing. It is rumored that Gomes will try to name Rivau's successor from the PDC, on whose support the Mayor has strongly relied up to this time.

2. Santos Cultural Commission Bans Theater Festival (UNCLASSIFIED)

On July 17 Afonso Bernardo Vitali, President of the Santos Cultural Commission, abruptly cancelled the Second Santos Theater Festival, running from July 14-31. In consultation with City Council President Fernando Oliva, Vitali communicated his decision to Mayor José Gomes, who approved.

Vitali took action because he considered the play "O Testamento do Cangaceiro" by Francisco de Assis to be presented on July 18 "offensive to the moral and religious principles of our people", i.e., anti-clerical, and suggested another piece be substituted for it. When the actors refused, Vitali ordered the remainder of the Festival cancelled. The São Paulo State

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CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
JUL 21 1961
SAO PAULO, BRAZIL

★U.S. GOVERNMENT PRINTING OFFICE: 1959-508158



AIR POUCH
PRIORITY

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FA 832.00

FOREIGN SERVICE DESPATCH

FROM : Amcongen, SAO PAULO — 24 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — July 24, 1961 DATE

REF :

55 For Dept. Use Only	ACTION	DEPT.
	AAA-4 *	RM/A-2 INA-7 REP-1 CU-5 E-3 ICA-11
	REC'D 8/3	INFO OTHER CIA-10 USIA-10 OSD-5 army-4 navy-4 air-6 NSA-4 COM-10 TR-3 TAR-2 4AIB-8

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated July 21, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/7-2461 CS

Enclosure: Santos Weekly Report dated July 21, 1961

cc: Amembassy, Rio

RBurton/mec
REPORTER

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FOREIGN SERVICE DESPATCH

For Department Use Only
732.00/7-1861
JUL 20 1961

FROM : Amcon Recife

NO. 29

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE July 18, 1961

REF :

			DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR		P		
55 For Dept. Use Only	ACTION	ARA-4	INFO	2								7		3		
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D	7/25		AIR 6	ARMY 4	CIA 10	NAVY 4	OSD 5	OCD	USIA 10	NSA 4					

SUBJECT: Possible Local Demonstrations on July 26

RM/R Assgnd 8-3-61

In connection with the Cuban celebration of July 26, military authorities of the IV Army in this area reportedly have been alerted to the possibility of widespread demonstrations of a pro-Cuban and anti-US nature, especially on the part of the Peasant Leagues. Many of the latter reportedly have plans to hoist Cuban flags over their headquarters. It is believed that the military authorities have orders to cope with any attempted demonstrations in as relaxed a manner as circumstances permit. No really serious trouble is anticipated, but the matter of the flags may lead to emotional displays between those who may attempt to fly Cuban flags and those who may attempt to prevent this.

State police, reportedly at the order of Governor Cid Sampiao, probably will be even more relaxed than the federal military, as the Governor is said to be anxious to avoid any upsetting of his political apple-cart at this particular time.

If pro-Cuban and communist demonstrators use reasonable prudence, therefore, they probably will be able to celebrate the day with considerable success, and, if they are peaceful, with little molestation.

Albert A. Rabida
American Consul

cc: Amemb Rio de Janeiro (2)

732.00/7-1861

CLASSIFIED FILE

AARabida REPORTER — CONFIDENTIAL

FORM 6-61 FS-439 GPO 912596

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ACTION ASSIGNED TO:		ACTION TAKEN	
NAME OF OFFICER & OFFICE SYMBOL		DATE OF ACTION	DIRECTIONS TO RM/R

1217

W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 16

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BOX: 1576

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 732.00/7-1861 HBS

Document Date: 18/07/61

Document Ser.#:

DESP 17 FR SAO PAULO TO STATE

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00016



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Page 3 encl 1 Sao Paulo D-15

II. LABOR

1. Santos City Central Adopts Resolutions (UNCLASSIFIED)

On July 10 the Forum Sindical de Debates under the presidency of Expedito Guedes Rodrigues approved a number of resolutions, among them one of solidarity with the São Paulo newspapermen's union against the recent decree of Jânio Quadros restricting the freedom of the press and another urging the Mayor of São Vicente and the São Paulo State Government dismiss the police officers who recently "arbitrarily" detained Gilberto Perreira da Costa, President of the Sindicato dos Trabalhadores nas Indústrias de Vidros, Cristais e Espelhos de São Vicente while he was distributing labor propaganda.

III ECONOMIC

1. Russian Ship Visits Santos (UNCLASSIFIED)

On July 10 the 5,840 gross-ton Russian ship Ivan Pavlov arrived here from Russia in ballast to load 83,000 bags of coffee from the IBC for the Soviet Union. At the same time the German ship Quadriga was loading 69,000 boxes of oranges for shipment to Leningrad.

Comment: (OFFICIAL USE ONLY)

The reporting officer is sending further details concerning the Russian ship to the Naval Attaché in Rio de Janeiro.

IV CONSULAR

1. General (UNCLASSIFIED)

The post's consular operations continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE

1. USIS Officials Visit Consulate (UNCLASSIFIED)

On July 12 Messrs. John Mason and Charles Mertz, respectively from USIS/São Paulo and USIS/Rio de Janeiro, visited Santos to discuss USIS/Santos' motion picture program, currently reaching nearly 30,000 persons per month.

Comment: (UNCLASSIFIED)

The two USIS officials called at the local daily A Tribuna, which gave their visit full publicity, including a photo in its next edition.

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dissident PTB-ists are talking of forming a new party, but so far have been unable to come to any agreement. Their revolt centers about dissatisfaction over the Mayor's failure to bring representatives of his own party's regular organization into the Santos City Government and was calculated to provoke a general rebellion against Gomes in the City Council. The PTB's revolt failed for two reasons: its timing was a little too late, as Gomes had already managed to consolidate his administration to a point where its overthrow would have hopelessly disorganized the city and (2) the PTB's hoped-for allies, the PSP, UDN, PSD and others did not respond to the challenge, either being divided among themselves (PSP and PSD) or else reluctant to try to overthrow the Mayor's administration, hoping to salvage some influence in it for themselves.

On July 13 Councilman Mario Capp (see above) announced his resignation from the Ação Socialista, stating that he had not been consulted before the group announced its support of the Mayor. He becomes an independent and reduces the Gomes bloc on the Council to 16, a bare majority.

Incidentally, PDC Councilman Aristóteles Ferreira, a strong supporter of Gomes, was seriously injured on July 6 in an automobile smash on the Via Anchieta between São Paulo and Santos.

2. New Municipal Transit Chief Takes Office (UNCLASSIFIED)

On July 10 Dr. Hélio H. Caiaffa assumed office as Superintendent of the city-owned Santos municipal transit company (SMTC) after being confirmed by the City Council (see Weekly Comment of July 7, Political item 2). He at once stirred up a hornet's nest by proposing the abolishment of the long streetcar line #1, which serves the outlying Areia Branca section of the city and links Santos with São Vicente.

Comment: (UNCLASSIFIED)

Caiaffa has been vigorously attacked by UDN Councilman Antônio Bento de Amorim Filho, PTB Councilman Joaquim Coutinho Marques, O Diario and others for intending to suppress a much-used public transit line. Caiaffa has countered that his proposal derived from considerations of economy.

On July 12 Caiaffa countered with a worried Mayor Orlando Intrieri of São Vicente, for which line #1 is the most direct transit route from Santos. Caiaffa's father has told the reporting officer that the SMTC Superintendent explained that the streetcar line had to go as a consequence of the highway clover-leaf to be built at the entrance to the Via Anchieta (see Weekly Comment of May 26, Political item 1) and would be replaced by modern busses without any interruption of service. The São Vicente Mayor expressed his satisfaction with this plan.

/II LABOR

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OPERATIONS MEMORANDUM

TO: American Consulate General, São Paulo **Date:** July 14, 1961

FROM: American Consulate SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Mayor Gomes Finds Council Leader (UNCLASSIFIED)

Seeking to weld together a viable majority in the Santos City Council, over the weekend Mayor José Gomes picked up important support in the 31-member Council in the persons of its 3 Ação Socialista members, Esmeraldo Tarquinio, Mario Capp and João de Morais Chaves. Tarquinio, a bright and ambitious lawyer and the only Negro on the Council, also consented to become the leader of its pro-Gomes bloc (see Weekly Comment of June 30, Political item 1), replacing Oswaldo Justo of the PSP, who resigned two weeks ago and passed over into the opposition. Roberto Assef of the PST has agreed to serve as Gomes' Vice-Leader in the Council.

The present line-up on the Council is as follows: favoring Gomes are 5 members of the PDC, 4 members of the PL, 3 from the Ação Socialista, 2 from the PST, and one apiece from the PSP, PRT and PR. Opposing Gomes are 3 members of the PSP, 3 from the PTB, 3 from the PSD, 2 from the UDN, 2 from the PRT and 1 from the PTN, some of whom are weakening in their opposition to Gomes.

Gomes' opponents on the Council, so strong only a week ago, have now lost some of their punch with the Mayor having re-organized his majority on the Council and having succeeded in placing his choice at the head of the municipal transit company despite criticism from the Council over his manner of choice (see Weekly Comment of July 7, Political item 2).

Comment: (OFFICIAL USE ONLY)

Gomes' own PTB continues in a state of local dissolution. Its municipal directorate, executive committee and advisory council, constituting virtually the party's entire Santos leadership, have all resigned, leaving only a skeleton which appears to be falling by default into Gomes' hands. The /dissident

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, SAO PAULO

15
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

July 17, 1961
DATE

REF :

File, No action: EET/B: JWAulson - Inc
5-21-64

End Report in RD

For Dept. Use Only	ACTION	DEPT.
55	ARA-4	INFO Rm/R-2 INR-7 REP-1 E-3 ICA-11 EUR-5
	REC'D 7/22	OTHER CIA-10 USIA-10 COM-10 TAR-2 AER-10

SUBJECT: Santos Weekly Report LAB-8 OSD-5 army-4 Navy-4 air-6 NSA-4

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated July 14, 1961.

For the Minister Consul General
Ralph Burton
Ralph J. Burton
Consul

732.00/7-1761 CS

Enclosure: all
Santos Weekly Report
Dated July 14, 1961

cc: Amembassy, Rio

JRPyle/mec
REPORTER

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1212

"invisibles"--that group within the party which has, since the 1960 elections, called for a more radical, leftist appeal to the electorate. He is, however, the only member of the group to hold a top party position. Keffer can probably be most kindly described as inoffensive and, apparently, unambitious. Padre Netto, though a popular personality, is neither a leader of national stature nor an innovator.

In short, the possibility of meaningful reform at the October national convention and resultant vigorous action in the 1962 campaign seems presently to be just as remote as when the Embassy last reported on this subject.[2] There is, of course, always the possibility of a revolt in the ranks during the convention. Such occurences, however, are rare in Brazilian politics generally and even rarer in the conservative confines of the PSD.

The Position of ex-President Kubitschek

There has been considerable speculation (in the pro-Quadros press) to the effect that the PSD election of officers was a Peixoto "coup" designed to prevent ex-President (and Senator-elect) Juscelino Kubitschek from "taking over" the PSD--presumably by unseating Peixoto as party president. Upon close examination, however, it seems likely that this version is the product of the hopeful imaginations of Kubitschek's political opponents. As the Embassy has previously reported (Embassy Despatch 407 of November 16, 1961), Kubitschek has for some time been chary of tying his political fortunes too closely to those of the PSD --a policy he would be hardly likely to reverse in the face of the signals (noted above) of political bankruptcy which the party continues to emit.

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2 Embassy Despatch 466 of December 6, 1960.

For the Ambassador:

Harry A. Quinn
Second Secretary of Embassy

APPROVED:

Niles W. Bond
Deputy Chief
of Mission

DISTRIBUTION: All consulates in Brazil, Service Attachés, USIS, Econ (2), Labor, CAS, Brasilia, CF (3), Pol (5).

1211

Differing Interpretations

Party propaganda has attempted to depict the National Directorate's conclave as the first step of a program designed to re-invigorate the PSD for the 1962 congressional and state elections. The October convention, these sources claim, will not only re-write the PSD's statutes, but its electoral platform as well,--with a view to presenting a new facade to the Brazilian voter. Most observers agree, however, that the re-election, almost to a man, of the PSD's "Old Guard" officers--most of whom are both collectively and individually discredited as an electoral force, due to party and individual defeats in 1958 and 1960--is hardly an augury of success for such a venture, if, indeed, such a venture will ever be launched. There is considerable evidence to support this opinion. Though PSD President Peixoto is not, historically speaking, a member of the PSD's "Old Guard" 1 (the so-called "Ala Velha", or conservative wing), he is nonetheless peculiarly bereft of the type of electoral credentials which would fit him to lead the party back to the seats of power. As party president, his is the principal responsibility for the collective defeats of 1958 and 1960; and, as long-time chieftain of a state PSD machine (Rio State) which was thumpingly defeated in 1958 and was unable, even in relatively favorable circumstances, to deliver a goodly margin of victory in his state to the party's chosen presidential candidate in 1960, Peixoto is a political leader without a demonstrable local following. The same is true, to a lesser degree, of most of the other re-elected officers: the Minas Gerais forces led by Valadares suffered the worst defeat in their history last year; under the leadership of Felinto Muller (as its gubernatorial candidate), the Mato Grosso PSD also went down to defeat in 1960; Hermes Pereira de Sousa is the leader of the so-called "orthodox" wing of the Rio Grande do Sul PSD which was so soundly trounced by the Ferrari-Janio forces last year. The originality of the thinking of these men is well illustrated by the fact that, in meeting the mortal challenge posed to their power and prestige by the defeats of 1958 and 1960--and, more recently, by the Quadros administration--they could think of no better solution (at least in the realm of leadership) than that already tried and found wanting.

The three newcomers to the party leadership do little to change this pattern. Waldir Pires is, of course, a member of the so-called

---

1 Peixoto, in fact, played the rôle of mediator between the party's conservative and liberal wings in the 1955 campaign.

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

36
DESP. NO.

July 14, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

File, no action
P.87/8 Federation - Law
7-31-61

For Dept. Use Only	ACTION	DEPT.
	ARA-4	INFO RMR-2 P-3 INR-7
	REC'D 7-19	OTHER cia-10 usia-10 OSD-5 Army 4 Navy 4 Air 6

SUBJECT: The PSD Elects Its Officers: A Triumph of the "Old Guard"

The Elections

Meeting in Brasilia on July 7, the National Directorate (equivalent to the national committee in U.S. terms) of the Social Democratic Party (Partido Social Democratico-PSD) elected the party's national officers for a term of four years. Those elected were: Ernani do Amaral Peixoto (ex-Ambassador to the United States) President; Bendito Valadares (Federal Senator--Minas Gerais), Félinto Muller (Federal Senator--Mato Grosso) and Ferreira Keffer (São Paulo), Vice Presidents; José Martins Rodrigues (Federal Deputy--Ceará), Secretary General; Francisco Waldir Pires (Federal Deputy--Bahia); Dirceu Cardoso (Federal Deputy--Espírito Santo), Hermes Pereira de Sousa (Federal Deputy--Rio Grande do Sul) and Father Luiz Medeiros Netto (Federal Deputy--Alagoas), Secretaries; Ovídio Xavier de Abreu (Federal Deputy--Minas Gerais), Joaquim Piuza Ramos (Federal Deputy--Santa Catarina) and João Pacheco e Chaves (Federal Deputy--São Paulo), Treasurers. With the exceptions of Keffer (a relatively unambitious party hack from São Paulo who fills the spot previously held by ex-Minister of Justice and Federal Deputy Cirilo Junior), Waldir Pires and Medeiros Netto (both of whom were elected to newly-created positions) all these officers (collectively referred to as the Executive Committee) were merely re-elected to the positions they already held. Reportedly, all selections were unanimous.

In addition, the National Directorate agreed to call the PSD's next national convention for October 26, 27 and 28 of this year. And, reportedly with a view to infusing new spirit into the regional party organizations in preparation for the October convention, the Directorate voted to create a Juridical Department (to be headed by Federal Deputy Nelson Carneiro), a Political Propaganda Department and a Department of Indoctrination (the latter two to be organized in the near future).

Though ex-President Kubitschek was not present at the meeting he was represented by Federal Deputy Carlos Murilo.

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CLASSIFIED FILE

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REPORTER

CONFIDENTIAL

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUL 25 1961

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Page 6 end 1 Sao Paulo 070

children, the largest such exhibition coverage in any one month since the Consulate arranged last year with the city government for it to show a constantly-changing series of films loaned by USIS.

Comment: (UNCLASSIFIED)

USIS/Santos has received an excellent Portuguese-language film on the Castro-communist take-over of Cuba, which will be widely shown throughout this consular district.

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1208

page 5 and 1 Sao Paulo D70

Weekly Comment of May 18, Economic item 6), is in danger of being fired for failing to embark the contraband 717 cases of Scotch whisky (see Weekly Comment of June 30, Economic item 1) aboard the first ship outward bound for Antwerp, in defiance of orders received from Luis Vicente Belfort de Ouro Preto, Director of Customs Receipts, an omission which cost Lloyd Brasileiro, which was loading the cargo of the ship in question, Cr$32.000.000,00 in lost freight revenue.

Comment: (UNCLASSIFIED)

On July 3 the liquor was finally loaded on board the Dutch ship "Zemeland", sailing for northern Europe on July 4.

The reporting officer is inclined to feel that Nascimento's lack of promptness in complying with his chief's instructions will not cost him his job.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations continued normally during the past week. During the last quarter of the Fiscal Year 1961 the Consulate issued or revalidated 54 non-immigrant visas and collected $204.00 in consular fees. During the quarter 63 American vessels entered the ports of Santos. During the same period the post extended or took applications for 5 passports.

Comment: (UNCLASSIFIED)

On July 6 the Consulate arranged repatriation to the United States for one Gurt Moros, a destitute American seaman who had been (more or less illegally) in Brazil for nearly 2 years. Moros was signed on the American ship "Del Oro" as an A.B. at wages of $284.52 per month.

With the departure of Moros the Consulate has rid itself for the time being of its shipping and seamen problems.

V ADMINISTRATIVE - Negative.

VI PSYCHOLOGICAL

1. USIS Films Still Reaching Large Santos Audience (UNCLASSIFIED)

During the month of June the Santos municipal government, using two film projectors loaned by USIS/Sao Paulo and films from USIS/Santos, made 129 exhibitions before 29,944 Santos adults and school-/children

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1207

unions have expressed their willingness to abide by the court's ruling, but will appeal the case to a higher court and fight the matter through legal channels.

Comment: (LIMITED OFFICIAL USE)

The Santos shipowners' association has fought against stevedore vacation pay being turned over to the unions with every means at its disposal, including bribery, objecting strenuously to swelling the coffers of stevedore unions with funds which might eventually be used against the shipowners for further stevedore demands against the private stevedore contractors.

2. Priority System Established for Ships in Brazilian Ports (UNCLASSIFIED)

The reporting officer has been told by the local manager of Moore-McCormack that his company is endeavoring to obtain exemptions for its 3/5 "Argentina" and "Brasil" from the new system of priorities just placed into effect by the Ministry of Transport for ships berthing in Brazilian ports, as the priority system allows only about 12 hours alongside for cargo-carrying passenger liners and much less for non-cargo-carrying passenger vessels. Included also in the new priority system is a rather complicated priority schedule for freighters.

Comment: (LIMITED OFFICIAL USE)

The reporting officer has been told by the Santos representative of the U.S.-Brazil-Canada Freight Conference that some three months ago Dr. Jose Menezes Berenguer, chief of the Santos Dock Company, had warned him that if the Conference presisted in levying a surcharge on imports into Santos (due to the losses sustained by shipping companies from the port congestion here) (see Weekly Comments of April 19 and May 18, Economic items 1) the Brazilian Government would take retaliatory measures. It is more likely, however, that the direct cause of the new priority regulations is the complete breakdown of the priority system hitherto in force in Santos: some weeks ago it was discovered that cargo ships carrying less than 1,000 tons of cargo and passengers could come alongside without delay. In recent weeks virtually every cargo vessel arriving in Santos from Rio with less than 1,000 tons of cargo aboard also had passengers embarked, often free of charge, so as deliberately to circumvent the previous priority regulations.

It might be added that if the new ship priority regulations are enforced, both Moore-McCormack and Delta Lines will be forced to alter the schedules of their passengers liners calling in Brazilian ports.

3. Chief Customs Inspector Under Fire (UNCLASSIFIED)

Under scare headlines, the local daily O Diario has reported that Argemiro Nascimento, the new Santos Chief Inspector of Customs (see Weekly

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page 3 encl 1 Sao Paulo 70

July 3 chose its new officers as follows: president, Marcos Walter Sessa; 1st vice president, Orlando de Almeida Matos; 2nd vice president Fernando Salgado Luiz; secretary general, Frederico Jose Aflalo; 1st secretary, Julio Ricardo Preaia; general treasurer, Manoel Simplicio Ferreira; 1st treasurer, Joao Evangelista de Almeida; 1st procurador, Waldemar Neves Guerra; and 2nd procurador, Francisco Celestino Soares da Cruz.

Comment: (OFFICIAL USE ONLY)

The above-named directorate containes the names of at least 6 communists. Orlando de Almeida Matos is an important PSD City Councilman, with no known previous communist ties. The group's "consultative council" also contains a number of communists, as well as 3 non-communist City Councillors as window dressing.

The reporting officer is preparing a despatch on this subject.

4. Communist-Dominated Worker-Student Center Organized (UNCLASSIFIED)

On July 5 a Workers-Students Center was created by a commission composed of Manoel de Almeida, President of the Port Services Workers Union; Orlando Sposito, President of the Typographic Workers Union; Waldir C. de Oliveira, a secondary student; and Jose Alves dos Santos Filho, a local university student.

Comment: (OFFICIAL USE ONLY)

The idea for the establishment of a Centro dos Operarios-Estudantes is a product of the communist-run Worker-Student Convention held in Santos last December. Both Sposito and Almeida are well-known and active communists, while the Santos Students Center is completely controlled by communists, and it will be through this latter organization that the students side of the Worker-Student Center will be dominated by the local reds.

II LABOR - Negative.

III ECONOMIC

1. Paid Vacations for Stevedores to Cease (OFFICIAL USE ONLY)

The reporting officer is informed that as of July 2 those shipping companies (including Delta and Moore-McCormack Lines) which were named in an injunction against a decision earlier this year by the Brazilian Merchant Marine Commission confirming the right of Brazilian stevedores' unions to collect their members' vacation pay directly from stevedore contractors will no longer have to obey the Commission's ruling and pay into the union stevedores' vacation pay - all this as a result of a recent Federal court decision, which applies to all Brazil. The reporting officer is further informed that the stevedore /unions

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questioning. Aflalo, resident of the City Council last year, as manager of a private supply firm, had his company sell the City Hall an asphalt plant. Although Gomes (who is opposed and distrusted by Aflalo) brought out this transaction in his report to the Council in an effort to discredit Aflalo, the Mayor was not able to inculpate Aflalo, since the latter was not dealing personally with the City as a Councilman, but rather as an employee of a private firm (however unethical the whole transaction might otherwise have been).

Gomes' discourse was also denounced by one of his sharpest critics in the Chamber, Antonio Bento de Moraes Filho (UDN), who called the speech "long and sterile".

But Gomes was able to dull a little of the splendor of Mayor Fernandes Lopes' administration by ticking off his lavish expenditures, unfinished projects and deficit spending, all of which contrasted with Gomes' own more cautious disbursements.

The interpellation of Gomes by the City Council may be judged a draw: Gomes side-stepped criticism of his own government but was unable to stir any real disapproval of the acts of Fernandes Lopes, which had of course been taken with the approval of the incumbent City Council.

2. Mayor Gomes Attacked for Municipal Transit Appointment (UNCLASSIFIED)

Mayor Gomes is now under fire for his appointment of Dr. Celio Caiafa as Superintendent of the city-owned public transportation system (SMTC) (see Weekly Comment of May 26, Political item 1). It has turned out that the SMTC's statutes insist upon a chief aged at least 35, and Caiafa was but 34. Gomes also is charged with failing to adduce documents attesting to Caiafa's "well-known" capacity to hold the job. As a result, Gomes is being attacked for administrative ineptitude (nobody questions Caiafa's suitability to head the SMTC), especially by Councilman Jose Aflalo Filho, stung by the Mayor's earlier insinuation of dishonesty (see item 1 above).

Comment: (OFFICIAL USE ONLY)

On July 5 the SMTC was left without a chief when the interim appointment of an acting boss expired. It is expected that the City Council will shortly approve Caiafa, after "tut-tutting" Gomes' hasty action in naming Caiafa without first having cleared the appointment with the Council.

The SMTC incident points up the wariness with which Gomes must tread in dealing with the City Council, which is growing more fractious by the week. But the Mayor's opposition in the Council is still unorganized, and according to O Diario Gomes still has a majority of 18 in the 31-member Council, distributed as follows: PDC - 5; PL - 4; PSP - 2; PST - 2; PTB - 1; and Acao Socialista - 3.

3. Communist-Front Political Organization Chooses Officers (UNCLASSIFIED)

The "Santos nucleus" of the Movimento Nacionalista Brasileiro on July 3

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1204

FORM DS-582
8-1-50

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page 1 and 1 Sao Paulo 10

OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo

Date: July 7, 1961

FROM: American Consulate SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Mayor Gomes Gives Accounting of the Santos City Government (UNCLASSIFIED)

On June 30 Mayor Jose Gomes appeared before the Municipal Council at its request (see Weekly Comment of June 23, Political item 1) in order to give detailed "esclarecimentos" of his 76-day-old administration and also to answer questions relating to the conduct of the preceeding regime of Mayor Silvio Fernandes Lopes. Speaking for nearly 3 hours before a large audience, the Mayor furnished explanations concerning (1) his recent contract with the Sao Paulo State Highway Department for construction of an access cloverleaf at the Santos entrance of the Via Anchieta from Sao Paulo (which the Mayor signed without consulting the City Council) /see Weekly Comment of May 26, Political item 2/ (2) the possibilities of an improved telephone service for Santos (nil at present) (3) the installation of an electric trolleybus system, a project dear to the heart of ex-Mayor Fernandes Lopes (23.7% of the overhead wiring completed, busses yet to arrive from Italy, overall cost much higher than originally forecast) /see Weekly Comment of September 16, 1960, economic item 17/ (4) the hiring of municipal employees under the previous administration (616 "extranumerary" functionaries, besides "140 regulars", costing the city Cr$10.830.800,00 monthly) and hirings by his own administration (none) (5) public works completed by Mayor Lopes' government (all were legally performed, said Gomes) and (6) the city's over-all financial picture for 1961 (a Cr$693.863.324,00 deficit is anticipated).

Comment: (OFFICIAL USE ONLY)

Gomes' performance before the Council was accounted a good one (after all, he is a successful radio announcer and actor). Gomes did anger several Councilmen (most notably the communist-flirter Jose Aflalo Filho of the PSP) by leaving the Council at the conclusion of his prepared speech [illegible] CONSULATE GENERAL OF THE UNITED STATES OF AMERICA /oral

JUL 7 - 1961

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, SAO PAULO

10
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

July 11, 1961
DATE

REF :

5-5 For Dept. Use Only

ACTION: ARA-4
REC'D: 7/19

INFO DEPT. OTHER: RM/R-2 INR-7 REP-1 SY-2 E-3 ICA-11 CIA-10 USIA-10 OSD-5 army-4 navy-4 air-6 NSA-4 LAB-8 COM-10 FBI-1

SUBJECT: Santos Weekly Report

End Reported in RD

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated July 7, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/7-1161 CS

CLASSIFIED FILE

Enclosure:
Santos Weekly Report
Dated July 7, 1961
Amembassy, Rio

cc

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REPORTER

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Document Date: 11/07/61

Document Ser.#:

DESP 3 FR SANTOS TO STATE

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He also has quite a bit of prestige amongst the rank and file metal-worker. An opposition slate made up of Catholics and ex-Communists is now running against Forli and the Communists and there has been some talk to the effect that Forli will switch to this ticket. However, Dr. Marzagão feels that the opposition will have little chance of success if Forli sticks with the Communists. He expressed the opinion that perhaps it would be better for Forli to continue as President, as the Communist machine in the metalworker local is powerful and will be hard to beat, and at least Forli cannot always be completely controlled by the Communist Party which would be better than having a Communist Party member as president of this powerful local.

14. Dr. Marzagão bid the Minister Consul General and the Labor Officer goodbye with a reassuring note. He said he feels confident that the policies of the Quadros administration will result in the liquidation of the Brazilian Communist Party within a short time.



the recently elected Mayor, Prestes Maia, should increase fares at this time while he is still enjoying a political honeymoon, as the issue could really become a political football if the Mayor waits until next year when the gubernatorial campaign will be in high gear. He lauded Hari Normanton, president of the Paulista Railroad Workers Union and A PTN federal deputy. He insisted Normanton is not a Communist and he considers him to be an outstanding trade unionist (Normanton has a left-wing background. However, in a recent letter published in the influential daily O Estado he categorically stated he is not a Communist. He is regarded as one of the few labor leaders on intimate terms with President Quadros).

9. Dr. Marzagão claims he told Secretary of Agriculture José Bonifaçio Countinho Nogueira to build a political base among the workers in his campaign to succeed Governor Carvalho Pinto. This was in response to a comment by the Labor Officer that the Secretary of Agriculture has recently appeared and spoken at a number of union meetings.

10. Dr. Marzagão discussed the fiscal policies of the Quadros administration. He touched on such subjects as credit and Regulation 204. He feels the fiscal policies are paying off and that the pace of the increase in the cost of living is slackening. He pointed out that the union research department the Departimento Intersindical dos Estasticas (Interunion Department of Statistics) shows a definite slowdown in the increase of the cost of living during May.

11. Dr. Marzagão had words of praise for the recent seminar on productivity conducted by Point IV in São Paulo. He lauded the U.S. professors who lectured and went on to say Point IV is lending him a great deal of assistance in São Paulo.

12. The State Secretary of Labor said the São Paulo industrial trade union leaders will hold a caucus in the near future to decide whom they will back in the biannual elections of the National Confederation of Industrial Workers (CNTI) scheduled for December. He also said that he was not too pleased with the recent activities of Dante Pellacani, secretary-general of the São Paulo State Trade Union Council, one of the leading candidates for the position of President of the CNTI, who has been playing with the Communists and attempting to preserve unity. Nevertheless he did not indicate whether or not he would oppose Pellacani.

13. He said he was attempting to arrange a lucrative government sinecure for Remo Forli, president of the São Paulo local union of metalworkers, a Socialist who is backed by the Communists, in order to remove him from the running in the important biannual elections scheduled for August. Forli was elected president in 1957 and 1959 with Communist support. However he has at times exhibited independence of action, and the Communists have not always been able to control him.

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3. During the lunch Dr. Marzagão mentioned that he felt that ORIT was devoting too much time and attention to the three national confererations located in Rio, and neglecting what he considered to be the important federations and local unions in São Paulo. He also stated that the only time he had ever met Serafino Remualdi, Inter-American Representative of the AFL-CIO who has visited Brazil many times during the past years, was through the Labor Officer's initiative. He indicated that he would like to discuss future ORIT activities in Brazil with Executive Board members during the August ORIT convention.

4. Dr. Marzagão commented on the need to train trade union leaders. In his opinion there are no outstanding young trade union leaders on the Brazilian labor scene. He asked how much money Point IV was spending on each labor leader grantee who spends three months in the U.S. When informed that the figure was about $3500.00 a piece he stated that it would be better to finance a friendly non-Communist labor daily or weekly newspaper, to offset the party-line Ultima Hora's impact upon the masses.

5. He was particularly critical of the Bishop of Santo Andre, Dom Jorge de Marcos Oliveira, leader of the PDC arm O Frente Nacional do Trabalho (National Labor Front). Dr. Marzagão feels the Bishop does not know what he is doing and said the Bishop asked Governor Carvalho Pinto to nationalize a biscuit factory during a five month strike in 1960. He ridiculed this proposal and caustically remarked that all Brazil needed now was a Biscoito Brasileiro (Brazilian State Biscuit Factory) and then they would go on to a Marmelada Brasileira (Brazilian State Jam Factory).

6. He had similar disparaging remarks to make about the activities of O Movimento Renovador Sindical (MRS) (Trade Union Renovation Movement) which is led by an ex-Communist journalist, Geraldo Maio of the influential daily O Estado and is seeking to reform the existing Brazilian trade union scene. Dr. Marzagão feels this group has little influence in São Paulo and is making no positive contribution towards improving the trade union movement.

7. In the same vein he ridiculed the recent activities of Herbert Levy and some of his UDN associates who are reported to be lending some financial support to the new aforementioned democratic groups. He could hardly contain his laughter in his comments on "reactionary right-wing bankers now attempting to get active in the labor movement".

He discussed at some length transportation problems in São Paulo. He felt the only solution for the Paulista railroad problem was the recent expropriation by the São Paulo State Government. He also stated he did not believe railroads can now compete favorably with highway transport. He said he has a real problem with the CMTC (City owned streetcar and bus company). The workers are seeking substantial increases in wages, the company is in dire financial straits, and the only solution would be an immediate increase in fares. In his opinion



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(Classification)

Page 1 of
Encl. No. 1
Desp. No. 9
From São Paulo

MEMORANDUM OF CONVERSATION June 23, 1961

Participants: Dr. Paulo Marzagão
Secretary of Labor State of São Paulo

Minister Consul General
William P. Cochran, Jr.

Labor Officer
James F. Shea

Date: June 23, 1961

Dr. Marzagão was in good spirits, very friendly and eager to talk during the luncheon which lasted about an hour and a half. Two significant statements made by him were the following:

1. His feeling that President Quadros is still consolidating his strength and won't show his true policies until September or October.

2. His statement that he is calling the shots through Gabriel Greco (President Quadros' special trade union adviser) on the recent split in the São Paulo State Trade Union Council and the attempt to create a Democratic National Trade Union Movememt made up of reliable non-Communists. In discussing this Dr. Marzagão admitted he was carrying out President Quadros' orders, and that he was applying behind the scenes pressures to bring some recalcitrants into the democratic camp. E.g., Luiz Menossi who is theoretically still president of the badly split São Paulo State Trade Union Council (CST), is being pressured by Dr. Marzagão to take his State Federation of Building Trades out of the CST and into the democratic camp.

Dr. Marzagão also expressed his opinions on the following matters:

1. ORIT (Inter-American Regional Organization of Workers). Although President Quadros is reported to have promised to address the opening session of ORIT's (Inter-American Regional Organization of Workers) tenth anniversary Congress scheduled to be held on or about August 21 at Brasilia he feels the President will not put in an appearance. Marzagão does not feel his president would make such a firm gesture toward ICFTU's Latin American affiliate.

2. He also feels ORIT should not directly finance any particular Brazilian trade union current or ideology; e.g. it is reliably reported that the ORIT office in Rio has lent some financial assistance to the Movimento Sindical Democratico (Democratic Labor Movements,) which are springing up in São Paulo, Rio de Janeiro, Parana and Minas Gerais. Dr. Marzagão feels ORIT should only lend what he termed "indirect aid" such as financing a trade union weekly or daily. On this point, however, he was somewhat vague.

CONFIDENTIAL

1197

(3) Dr. Marzagão now appears to be lined up with Governor Carvalho Pinto in the behind the scenes struggle between the Governor and President Quadros for control of the São Paulo political machine. Although he alleges to have been completely informed regarding the strike on the Paulista Railroad which led to expropriation by the State Government, for example, this post was informed by reliable sources that the Secretary was caught by surprise, and was not appraised of the situation by Janista labor leader Harry Normanton, the strike leader.

(4) Dr. Marzagão has a tendency to criticize all who threaten or even fail to contribute to, his preeminence in the labor field. He is particularly critical of Labor Minister Castro Neves. This might be because Castro Neves was selected as Minister of Labor a position to which Dr. Marzagão has long aspired, and the "bad Health" of Dr. Marzagão could be a diplomatic illness.

(5) Marzagão's record on predictions of local political races has been particularly poor. E.g., he picked Cantidio Sampaio to win the March mayoralty race. Sr. Sampaio ran a poor third to Prestes Maia who won by an overwhelming margin. He has also distorted facts to serve his own purpose.

(6) His observations of ORIT must be carefully weighed because of possible injured pride. It appears that Dr. Marzagão believes that ORIT has snubbed him. This is probably true to some degree as ORIT officials do not generally believe in consulting labor ministry officials on every move they make even in a country like Brazil where the government exercises a great deal of influence over the labor movement. Nevertheless, it is felt that his views will be of interest to the Department.

William P. Cochran, Jr.
Minister Consul General

Enclosure:
Memorandum of Conversation

cc: Amembassy, Rio

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, SAO PAULO

9
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

July 11, 1961
DATE

CONSULATE GENERAL OF THE
UNITED STATES OF AMERICA

REF : Tels. Department CA-871 B: J.W. Wilson - June 9-18-61

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JUL 14 1961
DEPARTMENT OF STATE
SAO PAULO, BRAZIL

SUBJECT: Conversation with São Paulo Janista Labor Secretary

Transmitted herewith is a memorandum of a recent luncheon conversation between the Minister Consul General the Consulate General's Labor Officer and Dr. Paulo Marzagão Secretary of Labor for the state of São Paulo. During the successful presidential campaign of Janio Quadros, Dr. Marzagão devoted a great deal of time and attention in lining up the labor vote. He was considered a leading candidate for Labor Minister but many reliable trade union leaders report that he was not selected because of poor health. (He has a bad case of ulcers. There, is however some talk to the effect that he will be chosen as a successor to Labor Minister Castro Neves within the next six months. He is generally regarded as having a good knowledge of the Brazilian Labor Movement. Perhaps his most significant statement was that Janio Quadros is still consolidating his strength and won't fully show his true policies, internal or external, but especially the former, until September or October. Many local observers also agree on this. However they are inclined to believe it will take Janio even longer fully to consolidate his position and show his real intent.

The following reservations however should be made concerning the Secretary's observations:

(1) Dr. Marzagão gives the impression that he is Janio Quadros' closest advisor on labor matters. This is definitely not true as the President also relies on Minister of Labor Castro Neves, and, in São Paulo alone, on Dante Pellacani, Secretary General of the São Paulo State Trade Union Council (CST), Gabriel Greco, former president of the now extinct Communist-influenced Unity Pact and now a special advisor on trade union affairs in President Quadros' civil household, and the Bishop of Santo Andre, Dom Jorge Marcos de Oliveira.

(2) In addition Janio demonstrates great independence and it is difficult to advise him on anything. However he respects positions of strength. In connection with the maintenance of the São Paulo State Trade Union Council (CST) or support for the democratic group the reporting officer feels that Quadros' has no ideological position but will only support what he feels will be the strongest group.

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VI ADMINISTRATIVE

During the quarter the Consulate received authorization for a new and much-needed upward revision of the post's local salary schedule, effective May 28. Also in May the per diem allowance for Santos was increased from $9.00 to $13.00.

Most important of all, toward the end of June the Department approved the authorization of a second American officer position for this Consulate. Filling this position, urgently needed by the post, will do much to relieve the Principal Officer of a crushing routine workload and will improve the post's overall efficiency.

The end of Fiscal Year 1961 found the Consulate and its USIS section in good administrative order. The post's administrative reporting is current; its files are properly screened and maintained; there are no personnel, budget or fiscal problems; supplies are adequate; and all needed equipment is on hand and functioning.

VII PSYCHOLOGICAL

Local reaction to the American-sponsored invasion of Cuba in April was mild, with only one small anti-U.S. demonstration occurring here, and no threats made against the Consulate (see Section III above). Most Santistas (with the exception of the communists, of course) appear to regard Fidel CASTRO as an increasingly communist-oriented and dangerous threat to the hemisphere. And the city's non-communist students reacted to Castro's abortive tractors-for-prisoners deal with disgust.

In June the Principal Officer and his wife were instrumental in organizing a benefit to aid the Santa Casa de Misericordia de Santos, one of Brazil's largest charity hospitals, which netted the institution over $400.00.

During the quarter the Santos municipal government, using two film projectors loaned by USIS/São Paulo and a constantly-changing series of films from USIS/Santos own library, made over 300 exhibitions before more than 75,000 Santos adults and schoolchildren, pursuant to an agreement made by the Principal Officer with the Mayor of Santos last year. This coverage was over and above the post's normal program of local USIS film exhibitions.

(END UNCLASSIFIED)

Virgil P. Randolph, III
American Consul

1194

Congestion in the port, continuing from the last quarter, was a source of great concern to local shipping companies. The situation improved greatly during the month of April, largely due, however, to shippers diverting their vessels to other ports. Effective May 15, the shipping lines serving Santos and members of the U.S.-Brazil Freight Conference imposed a 15% surcharge on all goods imported from U.S. East and Gulf Coast ports through Santos in order to recompense the shipping companies for the lost revenue and expenses they had sustained on account of the February and March congestion (the shipping companies originally had intended to levy a 25% surcharge and decided to lower it to 15% only just before it was put into effect). This surcharge, applicable only to incoming cargoes, vexed the Brazilian authorities, especially after it was renewed by the shipping lines in mid June for at least one more month after Santos toward the end of May again began to be congested. Moderate congestion prevailed through the end of June, when the Brazilian Transport Ministry promulgated a new system of priorities for ships berthing in Brazilian ports (superseding an earlier priority system which had been circumvented by the shipping lines themselves) which, if adhered to, may force Delta and Moore-McCormack Lines to alter the schedules of their passenger liners calling at Brazilian ports.

During the quarter no Russian or East German ships called here. The Consulate, nonetheless, has been furnishing the Embassy's Naval Attaché with regular data on all Polish and Yugoslavian vessels calling at this port.

In April 154 Okinawan emigrants enjoying the protection of the U.S. Government passed without incident through Santos en route to their new homes near Santa Cruz de la Sierra in Bolivia.

(BEGIN UNCLASSIFIED)

V CONSULAR

This post's consular operations continued normally during the quarter, with the usual services being rendered by the Consulate. During April-June the Consulate issued or revalidated 54 non-immigrant visas, and during the Fiscal Year 1961 issued or revalidated a total of 168 non-immigrant visas, compared to 123 during FY 1960 and 74 in FY 1959. During the quarter 63 American-flag vessels cleared the port of Santos. During the entire Fiscal Year 1961 270 American ships called at Santos, while in the same period the post collected $759.00 in consular fees.

During the quarter the post dealt with approximately half-a-dozen protection cases, all but one routine in nature. (See the Consulate's despatch No. 50 of June 19.)

1193

students in Recife, scheduled for June 15, was a complete fiasco, the communists have succeeded in infiltrating the Santos Union of Local Improvement Societies, representing nearly 50 neighborhood betterment groups (the Union's president is a PCB member), and a communist portworker, Antonio RODRIGUES, was transmogrified from PTB alternate to member of the Santos City Council upon Jose Gomes' election as Vice Mayor.

Satellite diplomatic and consular establishments in Brazil continued their efforts (without much success) to introduce communist propaganda into the consular district's information media, as reported in the Consulate's despatch No. 55 of June 29.

The reporting officer holds the opinion that the Santos PCB organization will grow considerably more active in the next few months, especially among student and labor groups, and will seek to exploit the rising tide of popular discontent with the austere and increasingly autocratic policies of President Jânio QUADROS.

(BEGIN OFFICIAL USE ONLY)

IV ECONOMIC

The consular district's principal economic developments during the quarter revolved, as always, about coffee and the port. The IBC's new regulations governing Brazilian coffee exports promulgated in May were enthusiastically greeted by the Santos exporters as an earnest of the Quadros government's sincere desire to boost Brazil's #1 export and dollar earner. During the quarter the practice of rebating on coffee exports to the United States virtually ceased, as related in the Consulate's despatch No. 41 of May 17.

During the three-month period the Santos Customs House, largest in the country, was the target of well-founded charges of graft and corruption. In May the Chief Inspector held over from the previous administration was fired along with his top staff, to be replaced by the personal choice of the Chief of Quadros Civil Household, who immediately vowed to put an end to smuggling through Santos. A subsequent probe of the Customs House's affairs during the KUBITSCHEK régime brought to light many irregularities, not the least of which was the implication of a former Chief Inspector in a fabulously profitable automobile smuggling racket. But by the end of June the new Chief Inspector himself was under fire for not obeying quickly enough his superior's instructions regarding the disposition of a large quantity of smuggled liquor, and strict examination of all types of imports through the port area was the rule - for the time being.



communist-infiltrated Sindicato dos Trabalhadores nas Indústrias Químicas e Farmacêuticas de Cubatão (a total defeat for the union), the small communist-dominated Sindicato dos Trabalhadores da Indústria de Tinturarias e Lavanderias do Vestuário de Santos (a partial victory for the union), and the communist-controlled Sindicato dos Trabalhadores nas Indústrias Gráficas de Santos (dispute pending at the quarter's end).

At the end of June Brazilian shipping companies won a victory over the stevedore unions when a Federal court ruled that private stevedore contractors no longer must pay into the unions their individual members' vacation pay and that, indeed, all paid vacations for stevedores must cease, since a vacation cannot be commuted into a money payment. The shippers' fight was spearheaded by the Santos shipowners' association, which objected strenuously to handing money over to the unions which might eventually be used by the latter against the shipping companies' own interests.

Two labor conventions were held in Santos during the quarter: the non-communist First Regional Workers-Students Congress, sponsored by the Santos branch of the State of São Paulo Students Union and by the Santos City Central; and the non-communist Second Congress of the Metallurgical, Mechanical and Electric Material Industries Workers of the State of São Paulo.

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III SUBVERSIVE

The Santos municipal organization of the Communist Party of Brazil (PCB) was reorganized in June (see Consulate's despatch No. 54 of June 27), and by the end of the quarter local red activity was on the upswing, with their (somewhat successful) efforts being concentrated on the Santos docks and amongst the city's youth, as well as on a membership drive. The reporting officer has identified by name and occupation to the Department at least 140 local PCB members, including the Party's most important local agitators, and estimates that the Santos PCB's current strength is running between 300 and 350 persons.

During the second quarter of 1961 the communists continued their efforts to subvert the non-communist Santos City Central (Consulate's despatch No. 40 of May 9) and to infiltrate the city's student youth through the medium of the communist-controlled Santos Students Center (Consulate's despatch No. 35 of April 21). On April 18 a small communist-led student group demonstrated in the main city square against the United States over the Bay of Pigs invasion of Cuba, but no such incidents occurred at the Consulate. And although a communist-instigated rally in support of the striking university

1191

named parties plus the UDN and other janista-carvalhista groups. This volte-face by Gomes has been and will continue to be accomplished only at the cost of considerable stresses and strains within not only the local political parties but also within the city's government as well (see Consulate's despatch No. 43 of May 25). But Gomes, albeit inexperienced in municipal government (he is a successful radio announcer with very little formal education), appears well-intentioned and thus far enjoys the good-will of the bulk of the populace. He has adumbrated his own "Plan of Action" for Santos, moved to pare expenses and has demonstrated his predilection for chosing his collaborators on the basis of talent as well as political connections. And, although elected with the held of unsought-for communist support, Mayor Gomes has repudiated (and been repudiated by) the local communists and has even evinced his intention to cooperate with the American Government (see Consulate's despatch No. 37 of April 27). In a tenure of less than 3 months Mayor Gomes has thus completely altered the complexion of Santos politics, and it is conceivable that his break with the PSP and his close rapprochement with Governor Carvalho Pinto may presage the elimination of Santos as a PSP bastion and its transfer to the carvalhista column, with consequent repercussions upon São Paulo State politics as a whole.

(BEGIN LIMITED OFFICIAL USE)

II LABOR

The labor scene in Santos during the quarter was generally quiet. There were no strikes, and May Day passed calmly. During the period the communists in elections retained control of the 2,000-member Sindicato dos Trabalhadores nas Indústrias da Destilação e Refinação de Petróleo de Cubatão /the PETROBRAS refinery workers union/ (see the Consulate's despatch No. 33 of April 17), the 2,300-member Sindicato dos Empregados na Administração dos Serviços Portuários de Santos and the Sindicato dos Empregados em Estabelecimentos Bancários de Santos (Consulate's despatch No. 47 of June 8). The communists won control of the approximately 650-member Sindicato dos Arrumadores /Warehousemen/ de Santos (Consulate's despatch No. 45 of May 24) and lost a bit in the 3,000-member Sindicato dos Estivadores de Santos (Consulate's despatch No. 44 of May 26). The Soviet Government financed a month's journey to Russia and the satellites of 4 local labor leaders, which was not especially productive for communism, as related in the Consulate's despatch No. 49 of June 12.

During the quarter local labor agitation was concentrated in the non-communist Sindicato dos Trabalhadores nas Indústrias Urbanas de Santos (eventually settled), the communist-controlled PETROBRAS refinery workers union mentioned above (a defeat for the union), the



Regional Election Tribunal pronounced 4-2 in favor of Gomes and against the necessity for new elections, bribery being practised by both sides. This judicial decision, although it ensured Gomes' continuance as Mayor for some time to come, did not definitely solve the question of the legality of his tenure, since the verdict can be appealed to the Superior Election Tribunal in Brasília, and doubtless eventually will be by Gomes' political opponents.

Nonetheless Gomes interpreted his legal victory as a mandate to consolidate his position in office. Mindful that he was in fact beholden for his office not so much to the PSP and/or PTB (in the March mayoralty election he ran well ahead of the PSP's nominee for Mayor) as to an act of fate, the de facto Mayor commenced to look beyond his PSP-PTB ruling alliance and draw unto himself representatives of the city's janista-carvalhista forces as well as make friendly overtures to Governor Carvalho Pinto, which were accepted with alacrity. Gomes then surprised all, and angered many of his supporters in early June by naming 6 municipal secretaries, equivalent to city department heads, most of whom were whilom political opponents, much less members of the PSP-PTB ruling clique. As a result of this and other independent measures taken by the Mayor, his majority in the City Council, which must ultimately approve all important municipal projects and expenditures, began rapidly to fall away. The local regular PTB organization, completely ignored by the Mayor and split among itself, by mid June found itself in a state of near-dissolution, its municipal directorate resigning and its 3 City Councillors announcing their disertion of the party. To halt this break-up of the PTB, in late June Regional Director Ivete VARGAS (an ally of Gomes) moved into Santos to "reconstruct" the party and named Gomes chairman of the party's new local directorate. The PSP, seeing itself pushed out of its hitherto-impregnable position of local leadership, angrily withdrew its support from its quondam collaborator. At the end of June Gomes' own PSP managers in the City Hall threw over their leadership of the City Council, announcing they could no longer exercise effective control over the Mayor's majority in the City Council. Thus by the end of the quarter Gomes had forfeited his PSP-PTB-based majority in the city's legislative body in exchange for a loosely-ordered and much more conservatively-oriented alliance based mainly upon the PDC, PL, PST and other lesser parties, most of them his erstwhile adversaries. By the end of June anti-Gomes strength in the City Council was mounting, but as yet remained unorganized and so posed no immediate threat to the conduct of his local government.

The reporting officer believes that the independent attitude displayed by Mayor Gomes can be interpreted as (1) a bid for all-out financial support from Governor Carvalho Pinto and (2) a complete re-ordering of the basis of his administration away from the long-time PSP cum PTB coalition which has recently run Santos towards a more conservative rassemblement, with elements drawn from the above-

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FOREIGN SERVICE DESPATCH

Last 55

FROM : Amconsul SANTOS, Brazil

DESP. NO. JUL 12 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON. DATE July 7, 1961

REF : Consulate's Despatch No. 31 of April 4, 1961

20 Per Dept. Use Only	ACTION	DEPT.
	ARA-4	RM/R-2 REP-1 INR-7 E-3 ICA-11 VO-1 SCS-2
	REC'D 7-20-61	INFO OTHER CIA-10 USIA-10 NSA-4 OSD-5 Army-4 Navy-4 Air-6 AGR-10 LAB-8 Com-6 TR-5

SUBJECT: QUARTERLY SUMMARY OF EVENTS IN THE SANTOS CONSULAR DISTRICT

This despatch summarizes the chief events occurring in the Santos consular district from April 1 through June 30, 1961, and is based in part upon the "Weekly Comment on Events in Santos" submitted by the reporting officer to the Consulate General in São Paulo by Operations Memoranda.

(BEGIN CONFIDENTIAL)

I POLITICAL

Local politics have been in ferment since the tragic death of Mayor-Elect Luiz LA SCALA, Jr. (PSP) and the assumption of power on April 14 by his PTB running mate, Vice Mayor-Elect José GOMES. The locally-dominant PSP, fearful of losing its long control of the municipal government should new elections be called, determined to back Gomes as La Scala's legal successor, counting on Gomes' record of cooperation with the PSP in the Santos City Council to ensure the party's continued preponderance of influence in the city's affairs. But although Gomes accepted the proffered PSP support and initially appeared willing to be guided by the policies of local PSP bigwig ex-Mayor Silvio FERNANDES LOPES (who controls one wing of the city's PSP), it soon became evident that Gomes would pursue increasingly independent courses of his own and would attempt to disengage himself from PSP behind-the-scenes tutelage.

At the same time Santos was receiving a new Mayor, next-door São Vicente cast off the corrupt and inept administration of Mayor Roberto ANDRAUS and swore in Orlando INTRIERI, previously Vice Mayor, as its new chief executive. Intrieri at once repudiated Andraus' wasteful expenditures, cut expenses to the bone and sought reconciliation with São Paulo Governor Carlos Alberto de CARVALHO PINTO - in a bid for State funds to rebuild the graft-ridden city administration.

In the meantime, the legality of José Gomes' position as Acting Mayor of Santos was challenged in the courts by the anti-Fernandes Lopes bloc of the PSP and also by the local UDN. In early May the

cc: Amembassy Rio de Janeiro; amconsul São Paulo.

CONFIDENTIAL

Virgil P Randolph, III/vpr
REPORTER

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DEPARTMENT OF STATE
BUREAU OF
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JUL 25 1961

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W I T H D R A W A L N O T I C E

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DESP 2 FR SAO PAULO TO STATE

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NND: 949515

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Page 4 and 1 Sao Paulo 0-1

Comment: (UNCLASSIFIED)

This decision seems to satisfy Santos Chief Customs Inspector Argemiro Nascimento and should close the scandal-smirtched case of the valuable consignment of smuggled liquor (see Weekly Comment of June 2, Economic item 2).

2. Congestion in Port of Santos (UNCLASSIFIED)

This week local port congestion remained almost unchanged from last week, with 6 ships on June 30 being anchored in the Santos roads outside the estuary awaiting berthing space alongside and 10 vessels anchored inside the harbor proper waiting to come alongside.

Comment: (UNCLASSIFIED)

The reporting officer expects this slight congestion to endure for some weeks to come.

IV CONSULAR

1. General (UNCLASSIFIED)

The post's consular operations continued normally during the week, although there was an unusually heavy workload involving American seamen.

Comment: (OFFICIAL USE ONLY)

The reporting officer is consulting with the Chief of the Consulate General's Consular Section with respect to a complaint by an American seaman of maltreatment at the hands of the local police.

V ADMINISTRATIVE - Negative.

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1186

Page 3 encl Sao Paulo D-1

Council President Fernando Oliva, National Stevedore Federation President Oswaldo Pacheco and Federal Deputies Tenorio Cavalcanti and Gustavo Martini.

Comment: (LIMITED OFFICIAL USE)

Looking rather glum, outgoing President Laerte Carneiro da Silva handed over the union to Vasconcelos, a bitter enemy. Silva, a crypto-communist, had backed a heavily-communist slate, while Vasconcelos' own group, only slightly less red, managed to win only due to a split in the union's communist strength (see Weekly Comment of May 26, Labor item 1 and the Consulate's despatch No. 44 of May 26, 1961).

2. Light & Power Employees Agree on Wage Increase Demands (UNCLASSIFIED)

The Santos Light & Power Company employees union on June 26 approved the terms of an agreement which the local and similar unions in the State of São Paulo intend to sign with the Light Group, effective June 1, under which the employees will receive a 35% wage increase, an automatic 5% increase in January 1962, increased Xmas bonuses and other benefits.

Comment: (UNCLASSIFIED)

João de Marais Chaves, a Santos City Councillor and President of the local union, had worked out the agreement in Rio de Janeiro with his São Paulo colleagues at the Light Group's headquarters. To meet the wage increases the local power company will have to receive government authorization to raise its rates.

3. Local Strikes Averted (UNCLASSIFIED)

The Santos construction workers' union has agreed to accept a 28% increase in their pay over last November's salary schedule, while the local typographic workers have accepted a truce in their threat to strike over their demand for a 20% wage increase. Local printers are contending that SUMOC Instruction 204 has so increased operating costs as to make raises impossible at this juncture. The Regional Labor Court is now pondering the question.

III ECONOMIC

1. Contraband Liquor Ordered Returned to Shippers (UNCLASSIFIED)

The troublesome 717 cases of Scotch whisky imported into Santos manifested as "linen thread" (see Weekly Comment of February 9, Economic item 1) have been ordered returned to the shippers in Antwerp on the first vessel outbound for that port by the Tribunal Federal de Recursos.

/Comment:

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page 2 encl. 1 desp. Sao Paulo 0 -1

Comment: (OFFICIAL USE ONLY)

José Gomes is edging closer and closer to Governor Carvalho Pinto and to Mayor Prestes Maia, and further and further away from the PSP of Adhemar de Barros. In Santos Gomes has picked up the editorial support of the conservative daily A Tribuna, an asset that former Mayor Silvio Fernandes Lopes never enjoyed.

On June 25 Gomes was in São Paulo to confer with Mayor Prestes Maia about mutual cooperation between their two city governments. In an atmosphere of utmost cordiality Maia declared, "I am with Santos and its administration."

One of the new officers of the Santos PTB, Manoel de Almeida, President of the important Santos Port Services Union, has been identified to the reporting officer as a communist sympathizer. Almeida was quoted as having said: "Let's organize a different kind of labor party without excess city employees and without bosses."

The previous local PTB directorate was at odds with Ivete Vargas, and presumably henceforth Gomes, the local PTB and Ivete will be able to act as one - at the cost of a number of defections from local PTB ranks.

2. Communist Rally a Fiasco (LIMITED OFFICIAL USE)

The reporting officer is reliably informed that a "monster rally" planned by local communist student-worker elements for June 15 in this city's main square was a complete fiasco. DOPS refused to grant authorization for it to take place, and the weather was rainy and cold (57°). Reportedly, DOPS picked up for questioning several communist student leaders, among them Luiz Rordigues Corvo, who very recently resigned as chefe de reportagem of the left-leaning local daily O Diario to work full-time in the law office of Frederico José Aflalo, who now represents 10 communist-infiltrated labor unions here. Aflalo is the son of PSP City Councilman José Aflalo Filho and a close associate of Corvo, which latter will now have more time to devote to his Communist Party work not having to meet press deadlines.

Comment: (OFFICIAL USE ONLY)

The "monster rally" was to support the university students' strike in Recife, which was over before the communists here could organize a demonstration.

II LABOR

1. Stevedore Union Officers Installed (UNCLASSIFIED)

On June 24 Raymundo Soares Vasconcelos ("Ceará") and his slate of officers of the Santos Stevedore Union were formally installed in office before a crowd of notables, including Mayor José Gomes, Council

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1184

Page 1 of 1 / Sao Paulo-1

FORM DS-602
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OPERATIONS MEMORANDUM

TO: American Consulate General São Paulo Date: June 30, 1961

FROM: Amconsul SANTOS, Brazil VPR

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Local Politics in Confusion (UNCLASSIFIED)

The fluid political situation created by the unexpected assumption by José Gomes of the Santos mayoralty office 70 days ago after the death of Mayor-Elect La Scala continues, and this week local politics have become more blurred than ever. Over the past weekend Oswaldo Justo (PSP) resigned as leader of the Gomes bloc in the City Council, shortly followed by the Vice Leader, his PSP colleague Nelson Antunes Mattos. Justo gave as his reason his inability to control the pro-Gomes bloc, which has been dissolving in view of Gomes' predilection for appointing his erstwhile political enemies to high municipal posts without consulting his nominal allies on the Council (see Weekly Comment of June 9, Political item 1). It is rumored that Esmeraldo Soares Tarquinio de Campos Filho, a rising young Socialist politician, will be Gomes' new leader in the City Council. Reportedly also, Council President Fernando Dias Oliva, probably Gomes' staunchest ally on the Council, will resign from the PSP, leaving Gomes with virtually no PSP support on the Council.

Meantime the PTB, Gomes' own party, is in a state of near-chaos. The PTB's entire municipal directorate has resigned out of protest against Gomes' complete failure to work with the orthodox group within the party, and State Chairwoman Ivete Vargas has stepped in to reconstruct the Santos PTB. Her choice for its new officers has come as a surprise to many (not including the reporting officer, who knows that Ivete and José work well together) as Mayor Gomes heads the "reconstruction" slate. At least one PTB politician, Benedito Neves Goes, a one-time communist sympathizer, has announced his resignation from the PTB as a consequence of its "reconstruction".

On June 30 the Mayor will make his reply to a series of searching questions posed by the City Council relating to the city's administration under the previous regime of Silvio Fernandes Lopes and under his own short tenure in office (see Weekly Comment of June 23, Political item 1).



DEPARTMENT OF STATE
/Comment AMERICA
SAO P... BRAZIL
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FROM : Amcongen, SAO PAULO

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DESP. NO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

July 5, 1961
DATE

REF :

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	REC'D 7/18	INFO OTHER CIA-10 USIA-10 OSD-5 army 4 navy 4 AEC-6 NSA-4 COM-10 GAB-8 FBI-1

SUBJECT: Santos Weekly Report.

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated June 30, 1961.

William P. Cochran, Jr.
Minister Consul General

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUL 2 1 1961

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Enclosure: a/s 1

Santos Weekly Report
dated June 30, 1961

cc: Amembassy, Rio

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1182

State of Guanabara; Cid Sampaio, State of Pernambuco; Magalhaes Pinto, State of Minas Gerais; and Juraci Magalhaes, State of Bahia. (Carvalho Pinto does not need help and he knows how to handle the problem of Quadros' encroachment on his power.) Consideration should also be given to aiding the State of Rio Grande do Sul. Although its present Governor, Leonel Brizzola, is leftist, a new governor is due to be elected next year.

For the Ambassador:

Philip Raine
Counselor of Embassy
for Political Affairs

DISTRIBUTION: All consulates in Brazil, Amembassy Buenos Aires, Service Attachés, USIS, Econ (2), CAS, Labor, Brasilia, CF (3), Pol (5).

1181

Some months back the Embassy learned from a good source that the President informed Vice-President Goulart that his plan of government is orientated toward Labor Party objectives, but that he was having trouble putting it into effect because of resistance from rightist elements, particularly in the armed forces. At that time, he asked not only for the support of the PTB, but also for the support of Kubitschek-Lott forces in the Army.

Janio Quadros is undoubtedly anti-Communist, but less for ideological reasons than because the Communists are a potential threat to orderly government (his style). He will fight with equal vigor (if with different methods) any actual or serious potential opposition from whatever quarter. Quadros to date has made an apparent concerted effort to disassociate himself from the United States to the extent even of appearing to be basically anti-American. For political reasons, he is shifting his ground, but the past gives little assurance that he will in the future cast his lot firmly with the United States and allies, unless it becomes clear that that is the winning side and that his own prestige and position will be increased by working with the Western nations. His character and political style (highly successful to date) lead him to attempt to rule Brazil singlehandedly (since he has little or no confidence in anyone but himself) and to identify himself with the state. It may thus be expected as time goes on that the traditional Brazilian political structure will suffer violent tremors at its foundations while Quadros continues to undermine the traditional positions in Brazilian national life of the governors, the Army, and the legislature.

On the other hand, it still remains true that Quadros in today's Brazil may well be the best hope for the country's salvation from the instability of a potentially powerful, rich country straining at the chains imposed on it by social backwardness and economic underdevelopment. It is still true as the Embassy has reported many times that the man is equally capable of great good and of great evil. It thus appears to be in the U.S. national interest to continue to aid the country (at a rate, however, that would discourage his acting without consideration of the importance of maintaining the good will of the United States) but at the same time to encourage forces that would be likely to have a restraining influence on his dictatorial and other extremist tendencies. The following means are suggested:

(1) To expand programs for bringing Deputies, Senators, and other political leaders to the United States to strengthen their democratic convictions;

(2)Maintain assistance to the Brazilian Army for internal security as well as hemispheric defense;

(3) Give economic aid to friendly key governors before they lose political leverage by becoming entirely dependent on the federal government for economic assistance. Among these would be Carlos Lacerda,

1180

masses.[4] The President used the occasion of the visit of Ambassador Stevenson and party, which took place at the height of this period of political tension to take the unprecedented (for him) move to identify himself as closely as possible with the United States, contrasting with his previous reluctance, not only to be photographed with visitors from the United States, but even to receive them. His objective, undoubtedly, was to ease rightist pressure from the Congress, military, church and industrialists.[5]

In sum, it may be said that there is discontent and social unrest among the masses, as well as various sectors of the Brazilian elite. Quadros constantly refers to this unrest as a legacy from the past administration. There is no doubt, however, that he has contributed to it through his efforts (a) to establish the image of himself among the masses as the revolutionary champion of the people against the vested interests, (b) his refusal to consult with and work in cooperation with traditional elite groups, and (c) his modus operandi of "divide and conquer". The result is that potentially dangerous divisive influences are at work in Brazilian society. Nevertheless, no clear evidence of serious dissatisfaction (such as exists among elite groups) can be found among the less favored portions of the population to whom Quadros continues to direct many of his official acts, to their continued delight. Nor will he knowingly permit the situation applying to the elite group to reach a stage dangerous to national stability, although he can, of course, miscalculate. It is more likely that when pressures build up high enough, he will begin to work with political parties, and other elite groups to a limited degree.

IMPLICATIONS FOR UNITED STATES POLICY

Quadros sent word through a trusted aide to Governor Lacerda, the anti-Communist critic of his foreign policy, that he needed the support of the Right for a tougher policy he intends to pursue against the Left.

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4. Quadros' announcement early in July that he intended to run the government for one week each month from different state capitals undoubtedly reflects his urge to correct this weakness by moving down as far as possible to the personal level.

5. While Quadros provided full publicity for the meeting, privately he refused to budge from his position on Cuba, and, in fact, shortly afterwards ordered a study of possibilities of trade promotion with that country, causing some wits to inquire whether the intention was to trade sugar for sugar.

1179

Vasco Leitão da Cunha, the one stable and effective officer in the Foreign Office whose departure has left that institution in very weak hands indeed. Nevertheless, opposition to the Administration's foreign policy has still not reached what could be called a critical point, principally because the Administration through sometimes subtle and somethimes not so subtle devices, has made U.S. aid appear to the Brazilian people to be the result of its new foreign policy.

One of the sectors undoubtedly most unhappy with the President's flirtation with the Sino-Soviet bloc is the rightist element in the Army which approved his domestic austerity measures and, aware that foreign policy is a prerogative of the President, to date, at least, has been in no position to take action likely to hamper the President's moves. The President also has opposition on the Left, although, at the moment, it is less serious than that on the Right. In fact, pressure against the President's foreign policy and certain aspects of domestic political policy caused so much uncertainty and resistance in rightist circles that leftist, ultra-nationalist Ultima Hora early in the month felt constrained to denounce a purported political coup against the President and to pledge its support to his policies.

The Communists and Ultra Nationalists

It is not clear that this attitude necessarily reflected the position of the Communists or even strong ultra-Nationalists. It was clear, however, that the Communists and the ultra-Nationalists approved and supported Brazil's new foreign policy, while it made not very loud noises of opposition to the retrenchment aspects of financial policy, on the grounds that the cost of living was rising as a result thereof. It seemed inevitable in fact, that following through on the official position adopted earlier in the year, the Communist party would continue to oppose President Quadros but in terms not sufficiently severe to bring about an irrevocable break. The Communist Party--as well as ultra-Nationalists and supporters of a development-at-any-cost policy--was almost irretrievably committed to opposing the President's domestic policy. Quadros has let it be known privately that before the end of the year he would be conducting an all-out anti-Communist campaign. The Embassy doubts that the President will carry out such a program, since it is unlikely that the Communists will commit themselves to all-out opposition to the President, if for no other reason than that they are still seeking legality and further extension of relations with the Sino-Soviet bloc.

It is interesting to observe in the light of the foregoing that Quadros was, in fact, as of the middle of June, beating a retreat from his leftist position, forced by the pressure from the Right and perhaps a feeling that he did not yet control the full loyalty of the

1178

After the ill-fated invasion of Cuba and Quadros' continued support of the Castro revolution, the Brazilian people were apparently more willing to listen to the opposition, since throughout the country even traditionally leftist anti-American students began to attack not only the Cuban regime, but also the Communist party, as when meetings attended by the Communist chieftain, Luis Carlos Prestes, were broken up. A Parliamentary Democratic Action front in the Chamber of Deputies was established. Its manifesto, sharply critical of some Administration foreign policy objectives and aimed particularly at the Communist party and ultra-Nationalists had by mid-June been signed by 148 deputies. The Senate showed its displeasure with Quadros by refusing to confirm a diplomatic appointment (the second such refusal in Brazil's history).

General

A polarization of Brazilian opinion pro and contra the new Administration and President Quadros began to develop in June along two principal fronts: on the domestic, the issue was development; and on the foreign, it was Cuba.

Domestic Issues.

Early in June, signs began to appear of slowing down, not only in economic development, but in the economy in general. Symptomatic were the facts that some 20,000 aspirants turned up for a thousand vacancies in street-cleaning jobs in Rio de Janeiro and some 4,000 employees in the automobile industry in São Paulo were released in the second week of June. Not only did supporters of ex-President Juscelino Kubitschek criticize the Government's austerity program, but business and industrial leaders suffering from credit restrictions added their voices to the chorus. Kubitschek himself returned to Brazil amid the plaudits of his countrymen and won his race for Senator for Goias with over 80 percent of the vote. Also symptomatic were two manifestos drawn up by unnamed military leaders criticizing the Administration's financial program. These manifestoes reflected the concern of pro-Juscelino-Lott forces in the military who, while they had been pushed out of key positions of power, are nonetheless still a formidable group.

Foreign Affairs.

On the foreign front, criticism of the Administration's policy has taken the form of almost violent attacks on the Foreign Minister by such respected journals as the Estado de São Paulo, and Rio de Janeiro's Jornal do Brasil, and the Jornal do Comercio, to name only a few. Unhappiness with the foreign policy crystallized to the extent of, for a time, perhaps even threatening the stability of the regime with the forced resignation of the Foreign Office Secretary General, Ambassador

1177

a civilian headed Ministry of Defense, at the top of a considerably weakened three arms.[3]

OPPOSITION GROWS

The Political Parties

Fearful not only that their political survival is involved, but also that Quadros has in mind the establishment of a dictatorship if he cannot reach his objectives by legal means, the political opposition has begun to organize. Symptomatic of this state of mind was the establishment by the conservative Social Democratic Party (PSD) of a committee composed of several of its leading members to study the alleged unconstitutional acts, past and future, of President Quadros. Although the possibility is remote, the party did not attempt to stop speculation that the ultimate objective of such a committee would be to institute impeachment proceedings against the President. President Quadros' bad tempered rejection of a letter from Vice President Goulart also served to stiffen the opposition's resolve.

Equally of concern to the PSD and other center and rightist parties has been the Government's foreign policy which the opposition (without the support of the Brazilian Labor Party (PTB)) has publicly and privately condemned as leftist in orientation. Earlier in the administration general acceptance of the need for foreign policy change and the general tendency to blame the United States for the trouble in Cuba (without actually supporting the Castro regime) made it difficult for opponents of the Administration's foreign policy to gain a hearing. However, as the real nature of the Cuban situation became more apparent and as Quadros evinced steady sympathy for virtually any cause or regime not supported by the United States, more responsible elements in Brazilian national life began to express concern.

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3. Quadros' chosen instrument for the task of neutralizing the political power of the Army seems to be General Cordeiro de Farias, pro-American, anti-Communist Chief of the Armed Forces General Staff whose political ambitions (he was, at one time, Governor of Rio Grande do Sul and Pernambuco) are apparently stronger than his loyalties to the Army and his concern regarding the trend of foreign policy. Blocking Cordeiro de Farias' path (a) the War Ministry and (b) the Ministry of Defense, is the aging War Minister, General Odilio Denys, traditional in outlook, anti-Communist, who retains the loyalty or at least support of most of the quarrelling factions in the Army. Denys continues to act as a brake on Quadros' extreme tendencies and Quadros is not yet strong enough to dislodge the War Minister.

1176

at those meetings, Governors were often bypassed in favor of mayors or other local political chieftains in tactics reminiscent of his highly successful efforts, when Governor of São Paulo, to win the support of mayors for the Cavalho Pinto campaign through open-handed distribution of largess for political purposes.

While breaking no Brazilian law in conducting national business on this level, the President was, nonetheless, causing real concern to political leaders because of the danger of breakdown in the Brazilian political structure that traditionally has given considerable autonomy to the state governments and to municipalities, the effect of which was to give them a real measure of independence from the all-pervasive economic control exercised by the Federal Government.[2]

Quadros also made clear an intention to weaken the traditional position of the army in Brazilian life. With few exceptions, the Brazilian Army has been a stabilizing influence in the nation, watchdog of constitutional government, uninterested in power for its own sake. It has, however, been the constant representative of the elite in the government, despite recent evidence of more populist orientated interests in higher echelons (including even some Communist influence). Favoring neither group, (while asking for the support of both) their division nevertheless serves his objectives. Quadros' objectives appear to be

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2. A not untypical example of the President's methods was his unilateral appropriation of grant money scheduled to be made available from the last PL-480 Agreement, earmarked for use in the Northeast. Without warning to the United States Government (except by casual mention in a Presidential press conference that he would soon issue a decree making financial assistance available for improving conditions in the Northeast), President Quadros issued a decree allocating the money to specific projects, many of which were specifically ~~prohibited~~ restricted by United States law. With a stroke of his pen, the President arrogated to himself (with, however, a bow to the United States for making the money available) the disposition of a considerable sum, the expenditure of which was to have been planned jointly by the two countries. While some of these projects had real merit, it is also true that many were designed to increase the President's political power at the municipal level by establishing city hospitals, student centers, labor union headquarters, etc.

1175

this definition equates the free and democratic world with that of the Sino-Soviet bloc.

Quadros himself made few attempts to state the new Brazilian position, leaving it to his Foreign Minister to explain. Arinos has tried many times to explain it to the press, over the radio and television and in lengthy debates in the Chamber of Deputies and the Senate. The Foreign Minister's tortuous reasoning reached low points in June, when, on several occasions, the attempt was made to inform the Brazilian people that, in fact, Brazilian policy had not changed, that it continues to follow its traditional paths. Later he told listeners that massive U.S. aid to Brazil was proof-positive that the United States had no objection to Brazil's foreign policy and, in fact, inferred that it was proof that it, indeed, approved of Brazil's policies.

In a confidential lecture at one of Brazil's military schools, Arinos is reported to have explained Brazil's new policy as deriving principally from: (a) U.S. abandonment of its traditional position of neutrality and "honest broker" between quarrelling factions in the world, to assume leadership of a committed group and (b) the rise of new African and Asian nations who no longer have an important uncommitted nation in whom they can deposit confidence and look to for guidance as they could in times past. Arinos stated that Brazil intended to fill the vacuum created by the abandonment by the United States of its traditional position.

PERSONAL RULE - THE POLITICAL REVOLUTION

Government by bilhetinhos, and the President's attention to the smallest detail, his concern to decree the character of Brazilian morals, and his insistence on discipline in the military not demanded in recent years, all have contributed to an atmosphere of authoritarian inclinations on the part of the Chief Executive. This atmosphere was further charged by intolerance to criticism of any sort, outward manifestations of which were his order to investigate foreign news agencies and the closing down of Radio Jornal do Brasil for four days on charges which made all too clear the fact that he was seeking ways to strike back at conservative, independent Jornal do Brasil, which had over the past several months changed from loud support of the President's policies to strong criticism. A decree issued June 16, set up machinery for strict control of radio and television which amounted to severe censorship. Added to the early move to establish branch offices of the Civil and Military Households in the State Capitals, the President made clear, through his handling of the regional meetings with State Governors, that one of his principal purposes was to establish bases at the State and municipal levels for the strengthening of his political power. Thus,

1174

had it that the President was given an overly-alarming report on the situation and ordered an overwhelming show of force in a situation which most agreed could have been handled without the movement of troops from one part of the country to the other. Some political opponents, on the other hand, claim that the occasion was seized by the President to put on a dramatic show in the Northeast for the benefit of visiting Ambassador Adlai Stevenson and party. Whatever the real motivation, the fact remains that the President was successful in establishing his authority in a traditionally difficult area without damaging concessions.

The President's first efforts at improving the moral climate of Brazil, however, bruised some sensitive toes. Limiting horse racing and betting to Sundays and holidays by decree, brought distinct displeasure from some rural and urban elite who run the principal jockey clubs in Brazil, many of whom supported Quadros in the campaign. The prohibition on cockfighting found critics not so much on the basis of principle but rather because during the campaign, Quadros had promised in writing that, troubled by far more serious problems, he had no interest in limiting the "sport". He ordered advertising in cinema houses stopped; he prohibited card playing of any sort in public. It was precisely on this ground that more firmly grounded criticism began to develop: that Brazil's real problems were indeed large and needed constant attention and planning, and the President was devoting too much time to details of daily existence which smacked in not inconsiderable degree of "Papa knows best."

FOREIGN AFFAIRS

In five months in office, President Quadros has made few contributions to clarifying Brazil's position in the world beyond the statements made shortly after he took office. It is, however, becoming increasingly clear that the policy will indeed be an independent one, guided by at least two principal motivations: (1) to use his foreign policy as an instrument for building his position internally; and, (2) to project himself on the world scene. In almost all of its manifestations, that policy ran counter to United States foreign policy objectives. Its broader aspects indicated (a) virtual indifference to hemisphere unity (although there were indications of possible future interest in leading a bloc of Latin American nations within the western hemisphere or on the larger world stage); (b) a pro-Cuban policy clothed in legalist verbiage attempting to indicate impartiality; (c) expanded relations with the Sino-Soviet bloc, part of the objective of which was trade and part an endeavor to fix Brazil's new independent position; and (d) Quadros' belief that he and, of course, Brazil have a special position "between the two worlds" and that it is an objective of Brazilian policy to decrease tension between those "two worlds." While much criticism has been voiced against the first three, the last has fared better, with many Brazilians failing to appreciate the point that

1173

ment; instituted investigations in virtually every branch of the Government; ordered severe cutbacks in Government spending; and took the first steps toward bringing back sanity to the country's financial policies. No one could effectively find fault because these were the bases on which his campaign had been conducted. Some criticism was voiced at the exchange reform by defenders of the past Administration's economic development policy on the grounds that economic development would be slowed down and, by the Left, which sought to find usable political capital in the inevitable rise in some costs. However, neither found any noticeable echo among the people.

On the positive side, the President has also made clear his intention to establish order and discipline within the Government, and his own authority in and over many phases of Brazilian life. In this objective he had the support of many vocal and thinking persons who believe that the often too-relaxed atmosphere of Brazilian public life, the tendency of the military to engage in non-military activities, the sacrosanct position of students, and other similar expressions of Brazilian civilization, are delaying progress in the country. The President, therefore, moved fast on the civil service front to demand more and better work. The first occasion to establish his authority on the military front was not so happy. He ordered the ex-Chief of Petrobrás, General Sardenberg, placed under arrest for four days because he had made public statements defending his administration of the petroleum monopoly (a civilian job) and contradicting the President, who had claimed in a broadcast that Petrobrás was all but bankrupt and otherwise in dire circumstances.

The President also ordered the house arrest and removal from their positions of two Admirals who voiced public criticism of a projected Ministry of Defense which would put the three services under one cabinet head. The often rambunctious and recently leftist staffed Military Club was given its comeuppance by the transfer of virtually all its present principal officers to positions outside Rio de Janeiro, and by the brief house arrest of most of the officers because they made a political pronouncement (in this case, one supporting the President's foreign policy).

In his first major test in preserving public order, Quadros cracked down hard on striking university students in Recife who had to be removed by military force from university buildings. He ordered the air lift of nearly 800 troops from Rio de Janeiro to Recife, as well as the despatch of a cruiser and two destroyers to that port. Some reports

1172

a group of politicians and a new industrial elite (as well as parts of a still powerful rural elite in the less advanced parts of the country) led by Getulio Vargas and successors who had, as the years passed, become fat and complacent and often corrupt in office. The Brazilian voters wanted a change, a thorough cleaning out, and general reform. A master politician and probably the most effective demagogue in Brazil, he understood the people's discontent, talked to it, and capitalized on it. The result was a foregone conclusion, only the degree of his overwhelming victory a surprise, even to himself.

The foregoing was reasonably evident to most observers willing to see. What was less clear was the fact that the Brazilian people were apparently ready for an equally radical change in the country's foreign policy, orientated away from its traditional ties with the United States. Part of this discontent with traditional policy derived from: (a) increased political maturity and unwillingness to play the role of little brother to the United States (rise of patriotic nationalism); (b) Communist and ultra-Nationalist unrelenting attacks on the United States, its policies and motives and their effectiveness in branding many leaders friendly to the United States as entreguistas--interested less in Brazil's welfare than in personal gain which they conceive to be tied to the United States; and, (c) the unquestionable fact (as unpleasant as it may be) that Brazilians were disappointed and disillusioned with US policy toward Latin America in general, and Brazil in particular, over the past 10 to 15 years (see Despatch No. 186 of September 1, 1960), which furnished the base without which factors (a) and, particularly (b), could never have been so effective.

DOMESTIC AFFAIRS

Having moved, with a heavy vote of confidence, into a situation in which even his political opponents would have been happy to collaborate in his Government (at the price of their political survival and preservation of at least some of their privileges), Quadros lost little time in making clear that his Government would be revolutionary.[1] Quadros intended not only to junk traditional foreign policy and close relations with the United States (historically the cornerstone of that policy) but also to change the social and economic structure of the country and last, if not least, the political structure.

Faithful to his promise and to the people's expectations, Quadros began a whirlwind of activity to clean out the old Administration to the limits permitted by the law: lengthened the hours of Federal employ-

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1. This is without consideration of whether or not revolutionary methods are required for Brazil to fulfill its economic and political potential without a social explosion. The reporting officer, nevertheless, believes that because of Brazil's unique social structure it can at least approach its potential with nothing more violent than evolutionary changes in the economic and social structure.

1171

TR POUCH — PRIORITY — CONFIDENTIAL (Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO — 5 DESP. NO. — July 5, 1961 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	RM/R-2 INR-7 S/P-1
	REC'D 7-18-61	INFO OTHER CIA-10 USIA-10 NSA-4 ARMY-4 NAVY-4 AIR-6 OSD-5

SUBJECT: JANIO QUADROS FIVE MONTHS AFTER

This report is submitted in lieu of the Political Review for April - June 1961.

SUMMARY

As Janio Quadros moved to his sixth month in office it became increasingly clear that he identified the Brazilian Government with himself pretty much to the exclusion of most ponderable factors other than some of the more immutable laws of economics and human behavior. Little short of a political genius, with a talent for dazzling footwork and change of pace, but with a sometimes uncontrollable temper, he managed in his first five months in office, to please none of the more important groups that traditionally bear on the exercise of power in Brazil, nor to displease them sufficiently to take direct action against him, despite growing unrest from expected quarters, but because of less expected reasons, His foreign policy continued to run counter to that of the United States. His objectives appeared still to be revolutionary change of the economic and social pattern in Brazil, as well as the political structure. He might be slowed down in this process to the benefit of his own country and Western Hemispheric unity by support to the Brazilian legislative power, the Army and key governors.

INTRODUCTION

The "fenômeno" Janio Quadros, as even his detractors are willing to call him, came into the Presidency with an overwhelming plurality of something near a million and three-quarters votes over his nearest competitor in a three-cornered race in which a total of only about twelve and one-half million votes were cast. Without the political support that many seasoned Brazilian observers had come to believe a requisite to winning the highest office of the land, Quadros was sensitive to and played on the aspirations of the Brazilian people for a better life and, more immediately, a change from 30 years of rule by

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DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS JUL 24 1961

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1170

receptive without offering any formal reception or entertainment. SOURCES: Personal observations. UNCLASSIFIED

11. Other Miscellany: New Commander Fifth Naval District: USOM Public Safety Programs in This Consular District

After two months of being without a flag officer, the Fifth Naval District (headquartered at Florianópolis, with jurisdiction over Brazil's three southern states) finally received a new commander, Rear Admiral Clovis Luiz de OLIVEIRA, a native of Bahia. ... Both Paraná and Santa Catarina chiefs of public safety have requested USOM technical assistance in this field. USOM Public Safety Advisor Joseph LINGO visited Curitiba in this regard and was very warmly received, receiving full and favorable press coverage. SOURCES: Local press, personal observations. UNCLASSIFIED

COMMENTS: The Brazilian Navy considers Fifth Naval District Headquarters to be a kind of purgatory for senior officers. ... Interest in public safety assistance is sincere and the climate is favorable. If it is financially possible, this is a most propitious moment to inaugurate this program in the Curitiba Consular District. OFFICIAL USE ONLY

Edward M. Rowell
American Consul

1169

8. Psychological Miscellany: Quadros-Goulart Wrangle; Kennedy-Khruschev Vienna Meeting; Trujillo Assassination; Alabama Race Riots

The almost open feuding between President Quadros and Vice President Goulart has been fully ventilated both in news columns and in editorials, with comments being canted according to the political views of the various newspaper owners (e.g., the leftist press deplores "vendetta"-type investigations into Goulart controlled social security institutes, while the right licks its lips). ... Local comments on the Kennedy-Khruschev meeting were similar to opinions expressed in the northern hemisphere: first fear that the West might inadvertently give away a position, then relief that this didn't happen, and finally reflection that the personal measuring by chiefs of state certainly brought no harm, and conceivably might lead to good. ... Trujillo's assassination was unlamented, even by those Latin's who almost always have a tear for the recently departed. Editorials worried that either the dictatorship would continue as before, or that there might be a leftist take-over, while an isolated "Ultima Hora" writer tried to use the event to claim the U.S. was responsible for maintaining Trujillo in power all these years. ... Inevitably, the Alabama race riots ("Freedom Riders") were front page news. The socialist, center and rightist press played the events straight, making no editorial note of the matter, while the far left slung mud in its own inimitable manner. SOURCES: All local press. OFFICIAL USE ONLY

MISCELLANEOUS EVENTS

9. New British and CZECH Consular Offices

The President of the Paraná Consular Society, Honorary Swiss Consul Hans KIEFFER, reports that the Czech government plans to open a consulate in Curitiba and that an advance man has already been here to look for quarters. ... In a private conversation during a recent visit to Curitiba, the British Consul General in São Paulo, Mr. James Currie, stated that the hopes the British Foreign Office will approve funds to re-open the honorary Vice Consulate at Florianópolis. The post was closed ten years ago as an economy measure. Mr. Currie also stated that with the death of the former honorary British Vice Consul in São Francisco do Sul, that that post will be permanently closed. OFFICIAL USE ONLY

COMMENT: We have been unable to confirm the Czech steps to open a consulate here from any other source except Dr. Kieffer. Since there is already a Polish Consulate General here, one wonders why the Czechs would come here too. OFFICIAL USE ONLY

10. Swiss and Austrian Ambassadors Visit

The Austrian Ambassador made an informal visit to Curitiba where he was banqueted by former Austrian Honorary Consul (now President of Paraná State Bank) Máximo KOPP. The only official activity of the Ambassador was to become casually acquainted with candidates for Kepp's vacated position . ... The Swiss Ambassador made a formal tour of Santa Catarina and Paraná, areas in which there is a large concentration of Swiss investment, a fact which the Ambassador emphasized. He was royally entertained at Florianópolis, but the Paraná government showed the new face of austerity by being pleasant and



COMMENTS: Under Janio QUADROS' firm leadership, local public opinion (including most students) definitely opposes direct intervention in Cuba, though political and financial leaders still wish privately that the United States would assume the onus of unilateral intervention to resolve the situation. Since no intervention was attempted in the Dominican Republic, it appears that no one would publicly dare propose it in Cuba. ... The disaffection of student non-communist leftists with the Castro Soviet regime, should not be confused with better attitudes towards the United States. It makes improvement of our own relations with Brazil easier, but it does not automatically bring such improvement about. Traditional doubts about "economic imperialism" [classical] capitalism", the "role of international trusts in repressing Brazilian industrial development", and the "historic inter-relationship between these forces and U.S. economic assistance" X/ are still strong, and can be allayed only over a period of time and with intensive effort. OFFICIAL USE ONLY

6. Stevenson Visit-

Ambassador Stevenson's visit to Brazil was well publicized and evoked generally favorable comment. Editorials showed satisfaction over the "Alliance for Progress", new economic aid for Latin America, and the moral and political advantages of U.S.-Latin American friendship in preserving the "Western way of life". Leftist commentators sniped at the visit, of course, but most of the pot-shots were directed at Janio QUADROS rather than Ambassador Stevenson. SOURCES: "Diario do Parana" (June 9,13,15) and "O Dia", June 15. UNCLASSIFIED

7. Brazil's "Independent" Foreign Policy; DANTAS Mission

Janio QUADROS' "shotgun" approach to foreign policy (simultaneous economic missions to the U.S., to Western Europe, and to Soviet Europe) seems to have all of his critics on the ropes. In the confusion only disparate and uncoordinated corplaints are heard. While disagreeing with particular elements of Janio's policies to date, most observers emphatically approve Brazil's "independence in foreign affairs", which they call a "fourth approach", not pro-U.S., not pro-Soviet, and not "neutralist". ... The João DANTAS protocol with the East German government which resulted in the dismissal of Brazil's former Ambassador to Cuba, Vasco Leitão da CUNHA, as Secretary-General of the foreign office, brought cheers from the left and worried frowns from the center and right. Interestingly, left, center and right all agreed that Brazil lost some international prestige in the event. SOURCES: All local press. OFFICIAL USE ONLY

X/ Items contained in quotation marks depict stereotyped Brazilian student opinions as observed by the reporting officer.

1167

ten years FARACO has been director of the Federal Transport Employee's pension institute (IAPETC) in Criciuma, a coal mining center in the southeast of the state. SOURCES: "O Estado" (Florianópolis), "A Gazeta" (Florianópolis), and personal conversations.

COMMENT: One of the agreements between the Santa Catarina PSD and PTB in forming their victorious coalition last year was that the PTB would have the right to name the Labor Secretary. ROUSSENQ was nominated last February as a temporary measure while the PTB argued among itself whom it would like to have in the position. Apparently the party has decided on FARACO. OFFICIAL USE ONLY

4. Subversive Politics in Paraná Rural Circles

Northern Paraná's rural workers' organizations (patterned after Pernambuco's "Ligas Camponesas") are struggling on toward their second annual convention to be held in Maringa in mid-August (delayed from mid-May). Again this year, as last year, leftist Pernambuco State Deputy Francisco JULIÃO will be honorary President. Invitations also have been sent to Fidel CASTRO and Che GUEVARA. ... The crypto-commie "socialist" party (PSB) appears to be making some political progress in the north, using the rural workers as a base (though PSB membership apparently is still small). There are also signs that rural workers in western and southern Parana are being proselyted by some of northern Parana's rural "workers". OFFICIAL USE ONLY

SOURCES: Local press, personal conversations, observations.

COMMENTS: Responsible business leaders in Curitiba seem determined to ignore these developments. However, one of the prime objectives of the new state government is to see that rural workers actually tilling the land in areas of disputed titles (mainly northwestern and southwestern Paraná) are given deeds to the property they are working. This should deflate some of the subversives' sails. Unfortunately it will take at least 18 to 24 months before the state government can show concrete results on this project. OFFICIAL USE ONLY

PSYCHOLOGICAL EVENTS

5. Cuba

The Cuban problem remains in editorial focus. The elimination of elections, the history of summary executions, the quarrel with the Vatican, and the obvious Soviet influences antagonize all Brazilians except the communists. UDN State Deputies in Santa Catarina (Sebastião NEVES and Carmelo FARACO) are leading an anti-CASTRO campaign, while student leaders at the University of Parana are sufficiently disenchanted with Castro to resist efforts of leftist student elements to continue to build him up as an American Messiah. The Cuban regime also has its apologizers (Santa Catarina PTB Vice Governor Doutel de ANDRADE; University of Santa Catarina senior law student Frygnani BAYER), but they are much weaker than they were a year ago. SOURCES: All press, personal observations and conversations. OFFICIAL USE ONLY

1166

COMMENT: First attempt at a conservative-PTB alliance fell through in early May when the disorganized and fratricidal PSD state assemblymen managed to pull themselves together long enough to elect one of their dissident members President of the State Legislative Assembly. ... In this three-way courtship the PSD has the advantage of having a larger and better organized electoral base. However, besides its internal dissention it also has the disadvantage that it is known as Parana's "party of corruption". On the other hand the UDN-PDC-PL has the advantage of controlling state patronage, of having some candidates with fairly good personal appeal, and, in the absence of cohesive opposition in the state assembly, of being able to run the state pretty much as it wants. The PTB is not strong enough to be able to sweep the 1962 election on its own. On the basis of past extreme antagonism between the Parana PSD and PTB, there is a good chance that the PTB and the conservative government will find themselves in a marriage of convenience similar to that of the Pernambuco election of 1958.
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2. UDN Convention of National Party Leaders in Curitiba

Parana UDN party chairman (and probable UDN Candidate for Senator in 1962), Newton CARNEIRO, called a meeting of national party leaders in Curitiba June 4-5, ostensibly to discuss great national problems for the public benefit in order to help popularize the party among the "proletarian masses". Prominent among participants were "Young Turk UDN governors" Cid SAMPAIO (Pernambuco) and Aluizio ALVES (Rio Grande do Norte), as well as Parana's own Ney BRAGA (PDC). National Finance Minister Clemente MARIANI, IBC President Sergio FRAZÃO, Public Works Minister João AGRIPINO, Federal Deputy Ernani SATIRO and National Party Presidente Herbert LEVY all gave talks, mostly on economic problems. The convention approved motions to (1) support São Paulo alderwoman Dulce Sales CUNHA's literacy campaign, (2) to support a federal loan of Cr$50 million to fight erosion in northern Parana, and (3) to promote social reform for, and unionization of, farm labor. SOURCES: Local press, personal observations and conversations, see Curitiba D-67 (6.13.61).
UNCLASSIFIED

COMMENT: The convention included a massive Sunday afternoon barbecue to which the UDN claims representatives from 16 unions came. It was closed with a "Giant Rally" supporting Newton CARNEIRO for Senator. The rally followed the Curitiba tradition in such matters and was less than overwhelming. It is clear that the first objective of the convention was to help build a base for electing Newton CARNEIRO Senator. At this moment (18 months Before the election,) his chances are reasonably good.
OFFICIAL USE ONLY

3. New Labor Secretary for Santa Catarina

In early June Criciuma PTB alderman Vanio FARACO was named Santa Catarina Secretary of Labor, vice PTB State Deputy Walter ROUSSENQ. For most of the past

1165

AIR POUCH
PRIORITY

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DESP. NO. 72

JUN 30 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE June 30, 1961

REF :

file location: E 27/3 J. Watkins - Linn 7-31-61

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	REC'D 7/17	OTHER CIA-10 USIA-10 OSD-5 army-6 Navy-6 Air-6

DEPARTMENT OF STATE
JUN 30 1961

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD MAY 16 - JUNE 15, 1961

CONTENTS

1. Paraná Party Politics
2. UDN Convention of National Party Leaders in Curitiba
3. New Labor Secretary for Santa Catarina
4. Subversive Politics in Paraná Rural Circles
5. Cuba
6. Stevenson Visit
7. Brazil's "Independent" Foreign Policy; DANTAS Mission
8. Psychological Miscellany: QUADROS-GOULART Wrangle; KENNEDY-KHRUSCHEV Meeting; TRUJILLO Assassination; Alabama Race Riots
9. New British and CZECH Consular Offices
10. Swiss and Austrian Ambassadors Visit
11. Miscellaneous Items: New Commander Fifth Naval District; USOM Public Safety Programs in Curitiba Consular District.

732.00/6-3061

POLITICAL EVENTS

1. Paraná Party Politics

Paraná's governing conservative alliance (UDN-PDC-PL) is vying with the opposition PSD for the affections of the state PTB. Since none of the state's political groupings (UDN-PDC-PL, PSD, PSB-PTB) came close to a majority vote in last October's election, all parties are eyeing each other coyly to see if a deal can be worked out which would provide the new incumbents (or, conversely, the opposition) with a working majority in the state legislature. The UDN-PDC-PL coalition also believes that if it can elect a substantial number of Paraná's federal representatives in 1962 (two senators, all federal deputies), it should be able to increase its leverage with the federal government. SOURCES: Local Press, personal conversations. OFFICIAL USE ONLY

LWS

cc: AmEmbassy, Rio de Janeiro (2)

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1164

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Page 7 Encl #1
Desp # 489
SAO PAULO

who rallied both the local American and English communities behind the project. Rain, wind and low temperatures (58 degrees) prevented the "American Night" from being held on the beach as planned, but the affair was transferred to the Santos Athletic Club, where it was a complete success and netted the hospital Cr$105.000,00. A considerable number of Brazilian guests contributed to the success of the benefit.

Comment: (UNCLASSIFIED)

Mrs. Randolph must take credit for having engineered a rare display of local Anglo-American cooperation for a most worthy Brazilian cause.

VII SOCIAL

1. American Shipping Executive Weds Brazilian Society Girl (UNCLASSIFIED)

On June 23 Roy S. Higgins, Delta Lines manager here, was married to the attractive Maria Luiza Suplicy Hafers, a member of a prominent Santos family. The reporting officer witnessed the couple's civil wedding on June 21.

Comment: (UNCLASSIFIED)

Brother-in-law of the American groom is Joao Roberto Suplicy Hafers, IBC representative in New York - a Kubitschek appointee who has been held over in his job by President Janio Quadros.

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1162

as it does not now seem that the port congestion is likely to decrease in the near future. 6-27-61

5. Santos Maritime Police Girds for Battle Against Contraband (UNCLASSIFIED)

Francisco de Campos Morais, director of the Air and Maritime Police detachment here, has issued instructions to his agents to intensify their vigilance against contraband. He also announced that Cr$100.000,00 is required in order to improve the Maritime Police's physical plant and strengthen its personnel. Campos Morais has asked Governor Carvalho Pinto to take up this requirement with President Quadros himself.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations continued normally during the week. The reporting officer successfully handled a protection case involving an American priest, the details of which have been reported by despatch.

V ADMINISTRATIVE

1. Consulate Authorized Second American (UNCLASSIFIED)

The reporting officer has learned from the Embassy's Personnel Officer that Santos has been authorized by the Department a second American position, to be designated Chancellor of Consulate.

Comment: (UNCLASSIFIED)

Te reporting officer has struggled for well over a year to obtain this badly-needed second American position for the Consulate, and is most gratified that the Department has agreed to its establishment.

VI PSYCHOLOGICAL

1. Consul's Wife Aids Local Hospital (UNCLASSIFIED)

At the request of the Santa Casa de Misericordia de Santos, which last year handled 24,000 patients and depends on charity to meet its operating expenses, the reporting officer agreed to sponsor an "American Night" at the Cidade Junina on the Santos beach, the proceeds from which to be turned over to the Santa Casa hospital. The task of organizing the food, beverages and raffle prises fell largely upon the reporter's wife, Mrs. Virgil P. Randolph, III, /who

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1161

Page 5 Encl #1
Despatch 459
SAO PAULO
6-27-61

irregularities and demanded strict compliance with the law from everyone connected with customs enforcement and collection. He also explained new regulations affecting career customs personnel which are designed to attract and hold capable employees and provide a trained force of customs examiners.

With Dr. Ouro Preto was the Director General of the Finance Ministry, Afonso Almiro Ribeiro da Costa.

Comment: (OFFICIAL USE ONLY)

Dr. Ouro Preto's intent was fully appreciated by his audience: the Quadros administration will not tolerate customs scandals such as rocked the Santos alfandega during the Kubitschek regime. It was clear that Ouro Preto's visit was occasioned by his wish to get to the bottom of the recent expose of the corruption prevailing in the Santos customs under former Chief Inspector Mario Daltro Dantas (see Weekly Comment of June 14, Economic item 1). Right now the local customs are caught up in a spate of boards of inquiry and special investigations, and rigid morality is the order of the day. Strict examination of every type of import through Santos is the rule, and no exceptions are being made - for the time being at least.

So far during 1961 the Santos customs has collected Cr$12.940.070.737,70, as compared to Cr$8.988.982.566,10 at this time last year.

3. New Guarda-Mor for Santos (UNCLASSIFIED)

On June 17, before Customs Receipts Director Dr. Luiz de Ouro Preto (see above) and Santos Chief Customs Inspector Argemiro Nascimento, the new Guarda-Mor (chief customs examiner), Jose Maria de Morais Parente, was sworn into office. He replaces Joao de Oliveira Freitas (see Weekly Comment of June 14, Economic item 2).

Comment: (UNCLASSIFIED)

Parente is not known to the reporting officer.

4. Port Congestion Continues (UNCLASSIFIED)

On June 23 some 6 ships were anchored in the Santos roads outside the estuary awaiting berthing space alongside, while 8 vessels were anchored inside the harbor proper waiting to come alongside.

Comment: (OFFICIAL USE ONLY)

The Santos Centro de Navegaçao has continued the 15% surcharge on freight charges on imports into Santos from Canadian, Atlantic and U.S. Gulf ports until July 16, when the Centro will reconsider the situation. It is likely the surcharge will be continued or possibly even raised,

/as it

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1160

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Page 4 Encl #1
Desp # 489
São Paulo
6-27-61

III ECONOMIC

1. Santos Shipping Center Fights Stevedoring Bill (LIMITED OFFICIAL USE)

The reporting officer is informed by directors of the Santos Centro de Navegaçao, the local shipowners association, that on June 8 Federal Deputy Aarao Steinbruch insisted that the Speaker of the Chamber of Deputies report out of the Transport Committee of that Chamber draft law 850/55 which, if passed, would take stevedore contracting all over Brazil out of the hands of private contractors (mainly shipping companies) and give it to the stevedore unions. This bill, now over 5 years old, has been strenuously resisted by all Brazilian shipping interests, which now fear that the Chamber may be forced to take a vote on it, which could conceivably go against them. The local Centro also fears that should the Chamber and the Senate pass the bill President Quadros (who is supposed to oppose the bill) would be hard put to veto it, since killing the project, dear to the hearts and pocketbooks of the well-organized and politically powerful stevedores, would surely provoke labor unrest and perhaps violence.

The Santos Centro de Navegaçao is now mobilizing all the similar Centers and associations along the coast to lobby with their Deputies and Senators against passage of the bill, and will try to have a number of crippling amendments and riders tacked onto the bill if it comes onto the floor, or will attempt, better still, to keep the bill in committee.

Comment: (LIMITED OFFICIAL USE)

The local Centro is even working on cabinet-rank members of the Quadros administration, for Brazilian shipping circles attach the highest importance to defeating this measure, which they regard as ruinous to their own business and injurious to Brazilian commerce as a whole.

The reporting officer is preparing a despatch on this and related questions.

2. Santos Customs Visited by Reforming High Official (UNCLASSIFIED)

On June 17 the Director of Customs Receipts of Brazil, Dr. Luiz Vicente Belfort de Ouro Preto, was in Santos to make a first-hand examination of the Santos customshouse and impress upon its functionaries the no-nonsense policies of the Quadros administration. Dr. Ouro Preto announced the formation of a squad of "fiscal commandos" in this port, and at a gathering of customs brokers he declared that "the customs are facing a severe crisis.... before an avalanche of fraud...." Dr. Ouro Preto exhorted the local customs officials to greater vigilance, threatened penalties for those who brooked /irregularities

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1159

Page 3 Encl #1
Desp # 459
Sao Paulo
6-27-61

Sao Vicente's finances were left in indescribable disorder by Mayor Andraus and his inept predecessors, and Intrieri's present task rivals that of Hurcules in cleansing the Augean stables. His efforts so far strike the reporting officer as reasonable and conscientious, although they may not be popular or expedient.

Mayor Intrieri is also endeavoring to cooperate to the fullest extent possible with Sao Paulo Governor Carvalho Pinto -- which is absolutely essential if he is to receive any State aid for his blighted municipality.

3. New Norwegian Consul for Santos (OFFICIAL USE ONLY)

The reporting officer is informed by A. P. Brode, Norlines manager here, that he will shortly be named honorary Norwegian Consul in Santos, replacing the late Olav Syrdahl, also Norlines manager. Brode some time ago quietly resigned as honorary Consul of El Salvador out of protest against the previous government in that country.

Comment: (OFFICIAL USE ONLY)

The Norwegian Government earnestly solicited Alexander Grieg, son of the founder of the Agencia Maritima Grieg here and himself a former Norwegian Consul, to take the vacant post. Grieg reluctantly declined owing to his youth (he is the same age as the reporting officer) and lack of time to devote to the office, which represents the interests of scores of Norwegian vessels which call at Santos each year. The consulship fell to Brode, of German extraction and Brazilian birth, almost by default. (See Weekly Comment of December 15, 1960, Political item 1.)

II LABOR

1. Laundrymen's Strike Averted (UNCLASSIFIED)

The Santos laundry and dry-cleaning workers union, for some weeks increasingly restless for higher wages and recently threatening a general strike (see Weekly Comment of June 9), after a round-table discussion held under the auspices of the Regional Labor Delegacy, proposed an immediate 10% over-all wage increase or a general Cr$1.000,00 raise. On June 21 the employers signed an agreement with the union providing for the one-conto raise (Cr$500,00 for minors) payable on the 15th of each month, commencing with June. A strike was thus averted.

Comment: (OFFICIAL USE ONLY)

The President of this union, Benedito dos Santos, and two of the union's lawyers, Frederico Aflalo and Luiz R. Corvo, have been reliably identified to the reporting officer as communists.

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1158

Page 2. End #1
Desp # 489
São Paulo
6-27-61

as to its attitude toward the Mayor (see Weekly Comment of June 14, Political item 2) but will shortly define its position.

Comment: (OFFICIAL USE ONLY)

On June 19 the Mayor told the Santos consular corps at luncheon that he intended to serve out a full four-year term, that teamwork would be the guiding spirit of his administration and that he would try to cooperate as closely as possible with the State Government.

The Mayor's forthcoming interpellation by the City Council will be the first time a Santos Mayor has undergone such an ordeal from the Council for years and indicates that the Mayor's support in the City Council is now insufficient to protect him from searching inquiry and criticism. But the interpellation will offer the Mayor a golden opportunity to turn the Council's plan to embarrass him to his own advantage by facing up to the inquiry in a full, frank and dignified manner. Gomes should be able easily to parry criticisms of the Fernandes Lopes regime, with which he was not intimately associated, and there has been no serious suggestion that Gomes has abused his legal prerogatives as Mayor during his two months in office.

2. Sao Vicente Mayor Struggles for Solvency (UNCLASSIFIED)

Sao Vicente Mayor Orlando Intrieri has publicly deprecated the efforts of State Deputy Pinheiro Junior, President of the Union of Public Employees of the State of Sao Paulo, to force the Mayor to reinstate 153 "humble day-laborers" recently dismissed as part of Intrieri's desperate economy measures. Intrieri has asserted that when he took over as Mayor of Sao Vicente on April 15 after Roberto Andraus had resigned under fire for incompetence and inefficiency (see Weekly Comment of April 19, Political item 2), he found the city's payrolls swollen with excess municipal employees at a time when Sao Vicente could not afford to meet even their back pay. Since then, said Intrieri, he has striven to prune the municipal rolls of 200 extra employees in order to be able to save about a million cruzeiros a month. Intrieri admitted that he had reached this decision reluctantly in full realization that it would throw many deserving persons out of work, but that maximum economy was imperative if Sao Vicente was to survive.

Intrieri allowed that the city now owes its employees their pay 'only' for the months of November and December 1959 and for May 1961, and that he hopes to have Sao Vicente's economy on an even keel shortly, but only with the practice of rigid economy. Intrieri observed that his critics could better serve the Sao Vicente employees by "obtaining from the State the means for the City Hall to honor its obligations to the municipal personnel" rather than seeking to perpetuate inflated budgets.

Comment: (OFFICIAL USE ONLY)

/Sao Vicente's

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1157

Page 1 Encl #1
Despatch 489
SAO PAULO
6-27-61

FORM DS-624
8-1-50

LIMITED OFFICIAL USE

OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo

Date: June 23, 1961

FROM: Amconsul SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

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I POLITICAL

1. Mayor Gomes Embattled (UNCLASSIFIED)

Opposition to Mayor Jose Gomes has been conspicuous this past week, as opposition City Councilman Alvaro Fontes of the PSP managed to push through the Council a motion forcing the Mayor to make formal reply next week to a series of detailed and potentially embarrassing questions relating to the city administration, both under ex-Mayor Silvio Fernandes Lopes and under the 60 days administration of Gomes himself, the questions to be formulated by the City Council.

Santos communist chief Arlindo Lucena has announced that the local communists will henceforth actively oppose the Mayor "reserving the right to support his measures when they coincide with the good of the people of Santos." Worse yet, 10 opposition City Councilmen spearheaded through the Council a measure creating a special commission for the purpose of "accompanying through the courts the matter relating to the exercise of the /city's/ Executive Power, in view of the strange situation in the case...." i.e., forcing a ruling from the Superior Election Tribunal in Brasilia as to the legality of Gomes' status as Acting Mayor.

Although the Regional Election Court (TRE) in May voted in favor of Gomes continuing as Acting Mayor of Santos after the death of Mayor-Elect Luiz La Scala, Jr., the TRE has yet to publish its decision in the case, which can be appealed to Brasilia. The local UDN and the anti-Gomes faction of the PSP have announced their intention to fight the case to the bitter end, and a councilmanic commission charged in effect with keeping the issue alive is the last thing Gomes wants at this time while he is trying to consolidate his new administration (see Weekly Comments of May 18 et sequitur).

Local PTB chieftain Jose Gonçalves, who last week offered his resignation as the party's Santos president, has declared that his party (which is Gomes' as well) is still in confusion

Consulate General Foreign Service
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End Report in RD

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

489
DESP. NO.

June 27, 1961
DATE

FROM : Amcongen, SAO PAULO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

20 For Dept. Use Only	ACTION	DEPT.
	ARA-4	
	REC'D 7-7-61	INFO RPM/R-2 RER-1 INR-7 P-3 ICA-11 E-3 PER-2 EUR-5 OTHER OIA-10 USIA-10 COM-10 AAA-8 TR-3 OSD-5 NSA-4 Army-4 Navy-4

SUBJECT: Santos Weekly Report.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
file
no action ESTIB 7/7/61

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated June 23, 1961.

For the Minister Consul General

Ralph J. Burton

Ralph J. Burton
Consul

732.00/6-2761

H33

Enclosure:
Santos Weekly Report
dated June 23, 1961

cc: Amembassy, RIO DE JANEIRO

CLASSIFIED FILE

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1155

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TAB #: 12

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Document Date: 27/06/61

Document Ser.#:

DESP 54 FR SANTOS TO STATE

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X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00012

1154

W I T H D R A W A L N O T I C E

RG: 059

TAB #: 11

ENTRY: CDF60-63

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Document Date: 27/06/61

Document Ser.#:

DESP 490 FR SAO PAULO TO STATE

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X Security-Classified Information

NND: 949515

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FOIA RETRIEVAL #: 949515 01576 00011



Comment: Both Federal deputies are members of Adenauer's Party, and Hermann Goergen lived in Minas Gerais for many years as an exile from the Hitler regime. He is a great friend of Brazil and has visited this country at least a couple of times after his return to Germany. The Consulate has no knowledge of any economic activities they might have engaged in. In casual conversation between the reporting officer and a cabinet member in the State Government, the Secretary said that one of the German deputies had expressed his anxiety over Brazil's recent flirting with East Germany. The Brazilian official told him that he had no reason to worry. As an apparently convincing argument for this assertion, he said that if the United States, which was vitally concerned with Brazilian foreign policy, was not worried, there were really no grounds for anyone else to worry at all.

Edmund A. da Silveira

Edmund A. da Silveira,
American Consul

7



newspaper, Adami de Carvalho is not himself known to be unfriendly toward the United States. Certainly, the Chateaubriand papers in Belo Horizonte, for which he has also worked, have been friendly.

6. Return of Former President Kubitschek

On his return from Europe, former President Juscelino KUBITSCHEK stopped briefly in Belo Horizonte during May 6-7 before proceeding to Goiania to launch his successful senatorial campaign. Not surprisingly, he was enthusiastically received by the city. Although he saw many political cronies, his most important activity during his brief stay was a collective press interview he gave in which he defended his Administration against present attacks. He stated at the outset, however, that he would not discuss politics, and he confined himself largely to the economic aspects of his policies.

He justified his inflationary policy by saying that no purpose was served in stabilizing the currency if the people and the country were economically strangled in the process. He pointed out, moreover, that in an ideal situation money in circulation should amount to 25 percent of the gross national product. This goes to show that Brazil has no inflation, he continued, since the volume of money in circulation is not even up to that percentage of the GNP, which in 1960 had risen to Cr$ 2.2 trillion.

Comment: Indications are that Kubitschek does not intend so much to spend his energies defending his past Administration as he does running for President in 1965. He smiled benevolently and matter-of-factly at any mention or sign of his Presidential nomination for 1965. He accepted naturally what he felt to be the overwhelming desire of the electorate to see him President again and gave the definite impression that he would not refuse a call to patriotic duty. He will undoubtedly use Minas Gerais, his native State, as a political base, and the Consulate will keep the Department and the Embassy informed of any significant developments in his political plans as observed in this area.

7. Visit of West German Deputies

Two West German Federal deputies, Hermann M. Goergen and Bruno Heck, arrived in Belo Horizonte on May 5 for a stay of a few days. They were the guests of the State Government while here. The announced purpose of their visit was to investigate in conjunction with the State Government the possibility of increasing the volume of cultural and socio-economic exchanges between West Germany and this State. Also, Dr. Hermann Goergen gave a series of lectures on German postwar history at the State and Catholic Universities.



supporting evidence and that since the investigating committees are subordinated to the President, he could not properly address himself to anyone else.

About the same time, a PTB State deputy, Wilson MODESTO, introduced in the Legislative Assembly a resolution declaring the Assembly's unqualified solidarity with the Vice President. The legislators split along party linesm with the PTB and the Social Democratic (PSD) ranged on Jango's side against a hesitant opposition made up of the UDN and PR. The resolution was approved by 30 votes in favor to 15 against. Two motions, one introduced by the UDN bench leader and the other by the PR leader, requesting a 24-hour postponement of the voting, were rejected.

PTB deputy Wilson Modesto also introduced a bill making the Vice President an honorary citizen of the State of Minas Gerais. This time, while the PTB and PSD maintained their original line-up by giving the bill preliminary approval, UDN and PR deputies abstained from the voting.

Comment: The voting in the State Assembly on the Janio-Jango incident was influenced mainly by the national position of the parties. This attitude explains the opposition of the PSD and PTB to Janio Quadros and the desire of the UDN and PR to support the President. Local conditions affected this pattern somewhat in the case of the UDN which was then trying hard to make an alliance with the PTB, an endeavor that now appears to have reached a successful conclusion. While, therefore, the UDN could do nothing else but vote in opposition to the PTB on the solidarity proposal, since the proposal was clearly aimed at President Quadros, it felt that it could abstain in the voting on the less specific honorary citizenship bill.

5. Appointment of Deputy Chief of Presidential Civil Household

In the latter part of May President Quadros appointed a journalist, Hélio Adamd de CARVALHO, to head the office of his Civil Household in Belo Horizonte. Helio Adamd de Carvalho has been for several years with the Chateaubriand Associated Dailies in Belo Horizonte, having been at one time chief editor of the Diario da Tarde from which he was transferred to the Estado de Minas, the largest circulation daily in the State. He has been also the director of the Minas Gerais edition of Ultima Hora since its foundation. His standing as a journalist is reflected in his presidency of the Press Association of Minas Gerais, a position which he has held for a number of years.

Comment: Adamd de Carvalho's Office is in the same building in which Major Panisset, his opposite number in the Military Household, is located. The ceremony at de Carvalho's assumption of office was a simple affair at which only representatives of high State Government officials were present. The few comments that have been made on the appointment have been mildly favorable or indifferent. Although Ultima Hora is a rabidly anti-U.S.



of government. The subsequent elaboration of these principles, he went on, has made it clear that the correction of totalitarian regimes in the Americas can be properly accomplished only through the weight of public opinion and those acts which do not involve the transgression of the principle of non-intervention.

Deputy San Tiago Dantas did not deny the totalitarian nature of the Castro regime, but he blamed that development in large part on pressure on the U.S. Government by U.S. interests in Cuba. He concluded by affirming that the American States had to combat the authoritarian distortion of the Cuban revolution with ideological weapons before the bar of national and international public opinion.

Comment: The views of San Tiago Dantas as expressed in his press conference have been treated with great respect by knowledgeable people. Nevertheless, public opinion, as evidenced among some student groups and as reflected in editorial comment, has become increasingly critical of the Fidel Castro regime. On May 27 a group of Catholic students, representing 40 secondary schools, launched a well publicized manifesto to the effect that they repudiated the socialist regime in Cuba and condemned the suppression of free elections which eliminated all possibility of self-determination and of the establishment of a sound nationalism.

Numerous editorials have appeared condemning specific measures of the Castro regime or supporting proponents of anti-Castro views. The formal establishment of a socialist regime in Cuba, for instance, was viewed as creating a definite base for the propagation throughout the Americas of an ideology that was alien to "our way of life". The sympathies of certain Brazilian legislators for the Castro regime, these editorials say, are for the most part the result of political expediency. Governor Carlos LACERDA has been praised for his attitude against Castro, and a recent incident in Rio involving the temporary jailing of a Cuban cultural attache brought about renewed condemnation of the Castro regime and expressions of admiration for the patience with which the United States has withstood Castro's provocations.

4. Repercussions of Sânio-Jango Incident

The episode between the President and Vice President of the Republic, over the return of Jango's letter to the President complaining against the publication of unproved charges of personal corruption, had political repercussions in the State of Minas Gerais. In the final score the Vice President was the winner.

The incident carried into the State perhaps because of the visit of one of the two main protagonists, the Vice President, to attend the final session of the labor meeting, that was held in Belo Horizonte during May 20-21 (see item 1, above). Immediately upon his arrival he told the press his version of the incident in relatively moderate language. His chief contention was that charges against his name had been made public without

1149

A high-ranking State Administration labor official told the reporting officer recently that many of the anti-U.S. views heard among workers stemmed from ignorance. They still do not realize, he said, the extent of social and economic evolution in the United States during the last fifty years. He added that if only the word "capitalism" could be substituted by another word more descriptive of this evolution, the masses of workers would have a more accurate grasp of the real situation. This statement may be more revealing of prevailing labor attitudes, as assessed by that Government labor official, than of their ignorance.

2. Controversy Between State Deputies Who Visited Cuba

For well over a month now a controversy has been raging between three State deputies as a result of their visit to Cuba. The controversy has revolved around the question of the good or evil of the Fidel Castro regime. The three deputies involved are; PTB Hernani Maia and National Democratic Union (UDN) Euro ARANTES in favor of Castro; and Republican Party (PR) Athos Vieira de ANDRADE against the Castro regime. The controversy has been so bitter that charges of personal dishonesty and corruption have been made against Athos Vieira de Andrade by his two opposing colleagues. For his part de Andrade has charged that communist elements have threatened his life because of the anti-Castro position he has taken.

A congratulatory motion for de Andrade failed to pass the Legislative Assembly when PTB deputy Hernâni Maia called for a quorum and it was found that the necessary number of deputies were not on the floor. A second attempt to vote on the motion was defeated when the opposition requested a postponement so that it might have a chance to present its side.

Comment: Public opinion and the press have in general sided with the anti-Castro position of deputy Athos Vieira de Andrade. In the Assembly, too, the weight of opinion favored de Andrade as evidenced in subsequent voting in early June. The motion congratulating de Andrade on his anti-Castro stand was approved by 39 to two votes. A proposal by Hernani Maia to extend the congratulations to all Brazilian legislators "who had represented their country with dignity in Cuba" was defeated by 32 votes to one. One of the deputies against the proposal said that it "goes against the Assembly's democratic principles. Once more the people of Minas Gerais stand up against leftist attacks".

3. Reactions Against Fidel Castro

On May 17 San Tiago DANTAS, PTB Federal deputy from Minas Gerais, gave an important press interview in which he discussed the Cuban question from a political and juridical point of view. His fundamental contention was that a conflict between two principles in the statutes of the Organization of American States (OAS) militated against effective action by the OAS in the case of Cuba. These conflicting principles were, on the one hand, that of non-intervention in the internal or external affairs of any member country, and on the other, that which called for effective democratic forms

1148

stressed was that of agrarian reform, the main speaker on this subject being Labor (PTB) State deputy Hernâni MAIA, who because of his extreme-leftist views is often in conflict with his Party colleagues in the State Assembly.

In his speech to the meeting, Vice President João Goulart urged the passing of anti-trust legislation and the limitation of profits leaving the country. He also pointed to the support of the laboring classes in the struggle for the self-determination of peoples and for the principle of non-intervention in the internal affairs of other countries. In a press interview, following this speech, he selected "heroic and tiny Cuba" as an example of what he meant by his reference to the principle of self-determination.

Coincident with the labor meeting, and perhaps as a result of its markedly pink coloration, a group of conservative labor leaders established a branch of the movement called "Democratic Resistance to the Free Workers," which had recently been launched in Rio de Janeiro. The local branch has had so far the adherence of approximately 20 labor unions, the top leaders being Miguel MENDONÇA, president of the State Federation of Commercial Employees; Jose APARECIDA, president of the State Federation of Workers in the Food Industry; and Jose ALVES CAXIADO, president of the State Road Transportation Workers' Federation. Senhor Miguel Mendonça told the press that although the meeting that was being held in Belo Horizonte purported to be a representative gathering of Brazilian workers, it was in fact dominated by communist elements. For this reason, he asserted, his group could not support that labor meeting and had to assume a militant opposition stand.

The manifesto of the Democratic Resistance group was based on the defense of democratic and Christian principles of the working class against the infiltration of extremist elements among the workers. Among the declared objectives in the manifesto were also approval of anti-trust legislation, profit sharing by the workers, and agrarian reform.

Comment: It is possible that the Democratic Resistance as an organization may be more shadow than substance. The manifesto's significance lies rather in its demonstration of the existence of a moderate labor view which discords from the more frequently heard proponents of ultra-nationalist doctrines. The demonstration of this more conservative attitude was also a reaction against the control of the Labor Day celebrations by exponents of extreme left-wing ideas such as Armando ZILLER, president of the Federation of Bank Workers; PTB State deputy Clodsmidt RIANI, president of the executive committee of the State Fourth Labor Congress; and university student Guilherme BONACORSI, president of the central committee of the student body government and a notorious agitator on the campus.

The Consulate has observed of late an increasing willingness on the part of certain groups to combat extremist views through the spoken and written word. This criticism has been coming from workers organizations, such as the Democratic Resistance, students, the Church, and the press.



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FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, Belo Horizonte

36
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

June 22, 1961
DATE

REF : —

File, no action
F-87/15: Circulation -
Lims 16-19-61.

23 JUN 1961

20 For Dept. Use Only	ACTION	DEPT.
	ARA-4	INFO Rm/R-2 INR-7 P-3 ICA-11 REP-1
	REC'D 6-30-61	OTHER CIA-10 USIA-10 DAB-6 NSA-4 OSD-5 ARMY-4 NAVY-4 AIR-6

SUBJECT: POLITICAL SUMMARY FOR MAY 1961 - STATE OF MINAS GERAIS

732.00/6-2261

Table of Contents

1. Labor Meeting
2. Controversy Between State Deputies Who Visited Cuba
3. Reactions Against Fidel Castro
4. Repercussions of Janio-Jango Incident
5. Appointment of Deputy Chief of Presidential Civil Household
6. Return of Former President Kubitschek
7. Visit of West German Deputies

1. Labor Meeting

Labor delegations from 18 Brazilian States, including Minas Gerais, met in Belo Horizonte during May 20-21 to discuss matters of interest to the working classes. The meeting was highlighted by the presence among others of Vice President João Goulart, State Governor Magalhães Pinto, Minister of Labor Castro Neves, and Belo Horizonte's Mayor, Amintas de Barros.

The bulk of the resolutions passed had to do with professional labor matters, but a number of the topics discussed and of the resolutions passed reflected clearly the extreme-leftist and ultra-nationalist outlook of the meeting. Indicative of this outlook were resolutions to promote: 1) anti-trust legislation to give the state the power to confiscate individual or corporate property that transgressed the national interest; 2) cultural, diplomatic, and commercial relations with all countries; and 3) the independence and autonomy of Brazil in international questions. One topic that was

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Cos: Pol. Section -)
Couns. for Coma. Affairs)-Embassy/Rio

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ENTRY: CDF60-63

TAB #: 10

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BOX: 1576

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DESP 480 FR SAO PAULO TO STATE

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Page 5 encl 1 Sao Paulo A-472

501,157 vehicles and represents big increases over 1958's 465,373, 1957's 382,637, 1956's 322,395 and 1955's 266,930. More remarkable yet was 1960's volume of traffic in view of the fact that the ferry-boats lay idle for 19 days in October-November 1960 during a wildcat strike (see Weekly Comment of November 18, Labor item 1-in 1960).

Comment: (UNCLASSIFIED)

Guarujá is a beautiful and fashionable island resort much favored by rich paulistanos.

6. Santos Humidity High (UNCLASSIFIED)

The reporting officer is informed by the ~~head~~ manager of the Frigorífico Anglo meat-packing firm here that his company kept careful records during 1960 of the relative humidity in Santos, and that it averaged out to 94% for the entire year.

Comment: (UNCLASSIFIED)

This must make Santos one of the most uncomfortable cities on earth.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE - Negative.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-493478

1144

Page 4 enclosure to Sao Paulo D-472

automobile smuggling racket (in which the contraband was always "in transit for Bolivia") whose profits are said to have run into the billions of cruzeiros.

Comment: (UNCLASSIFIED)

Said O Diario: "The subversive activity of the functionaries implicated have been long known in customs circles, since some of them had not even the modesty to hide it". (See Weekly Comment of January 19, Political item 2.)

2. Guarda-Mor Fired (UNCLASSIFIED)

As anticipated, the Kubitschek-appointed Guarda-Mór (chief customs examiner) of Santos, João de Oliveira Freitas, has been fired by President Quadros. Freitas, a career customs employee, will be reassigned. His successor has not yet been announced.

Comment: (OFFICIAL USE ONLY)

Although Freitas was personally honest, many of his subordinates and even superiors are not (see item 1 above).

3. Congestion of Port of Santos Continues Low (UNCLASSIFIED)

On June 14 some 4 ships were anchored in the Santos roads outside the estuary awaiting berthing space alongside, and 10 vessels were likewise anchored inside the harbor proper waiting to come alongside.

4. Discharging Ships Catches Fire (UNCLASSIFIED)

On June 9 fire broke out shortly before noon on the Brazilian coastal freighter "Borba Gato" of the Cia. Comércio, Indústria e Navegação Bandeirante (CINABA) of Santos. The fire was readily extinguished, but not after about Cr$6.000.000,00 worth of damage was done to the ship and her cargo of cotton bales. Undamaged was the vessel's remaining cargo of cotton seed oil, cane alcohol and diatomaceous earth.

Comment: (UNCLASSIFIED)

The blaze is believed to have started from a carelessly handled cigarette butt.

5. Vehicular Traffic to Guarujá Rapidly Increasing (UNCLASSIFIED)

The 5 small State-operated ferry boats crossing the Santos estuary to Guarujá last year carried a whopping 603,843 vehicles, mostly private cars. Traffic was up over 100,000 vehicles over 1959's

/501,157

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1143

page 3 end / Sao Paulo A-472

The episode, loudly trumpeted by the leftist daily O Diario, undoubtedly represented a psychological defeat for Mayor Gomes, who needlessly offended a large body of local voters. Apparently Gomes had sensed a certain opposition to his policies from within the Union of Local Improvement Societies and attempted, unsuccessfully, as it turned out, to show his disapproval thereof.

Gomes narrow victory illustrates the weakness of Gomes' opposition in the Council which, while numerically strong, lacks guidance and organization and is weak so far.

II LABOR

1. Metallurgical Workers Congress Ends (UNCLASSIFIED)

On June 10 the II Congress of the Workers in Metallurgical, Mechanical and Electrical Material of the State of São Paulo, convened June 7, ended in the presence of a number of dignitaries, including Santos Mayor Gomes, State Agriculture Secretary Bonifacio Coutinho Nogueira, Santos Public Works Secretary Mario Covas, Jr., a clutch of local labor leaders and the Consulate General's Labor Officer (the latter of which is reporting separately upon the Congress).

Among the final speakers were Dante Pellacani, President of the National Federation of Typographic Workers; Benedito Antonio Pricili, Chief of the Santos Regional Labor Division; and Oswaldo Lourenço, communist Secretary General of the Santos Dock Company Employees Union. Agriculture Secretary Coutinho Nogueira also spoke on "The Agrarian Reform of the State Government".

The Congress adopted resolutions related mostly to union affairs, although one or two nationalistic propositions were also endorsed.

Comment: (OFFICIAL USE ONLY)

Mayor Gomes took the opportunity to confer with Coutinho Nogueira on the 1962 gubanatorial race now shaping up, and Coutinho Nogueira's attendance at the Metallurgists' Congress was clearly a bid for local labor support in his campaign for Governor. Mayor Gomes' current pro-Carvalho Pinto orientation would seem to strengthen Coutinho Nogueira's position in Santos, the second largest city in the State of Sao Paulo.

III ECONOMIC

1. Santos Customs Officials Accused of Smuggling (UNCLASSIFIED)

O Diario has headlined the news that 8 persons, including Mario Daltro Dantas, ex-Chief Customs Inspector of Santos, and several customs brokers (despachantes) have been accused by a Board of Inquiry convened by the Brazilian Customs of involvement in an

/automobile

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-493476

1142

Page 2 enel / São Paulo 0-472

2. Crisis in Local PTB (UNCLASSIFIED)

José Gonçalves, President of the Santos directorate of the PTB, Mayor Gomes' own party, has submitted his resignation out of dissatisfaction with the Mayor's failure to act the part of a regular party member, notably Gomes' neglect of the PTB in choosing the six municipal secretaries and his insistence in retaining as his chefe de gabinete Remo Petrarchi, one of the Mayor's principal henchmen but a veteran PTB politician and Vice President of the local PTB organization. It is expected that other members of the local PTB directorate may follow Gonçalves. Also, on June 13 it was announced that the communist PTB City Councilman Antônio Rodrigues had formally broken with the Mayor, due "solely and exclusively to José Gomes' betrayal of his campaign promises."

Comment: (UNCLASSIFIED)

It is reported that PTB bigwig Ivete Vargas is conferring with State and local PTB lights with a view to composing the family quarrel.

Meantime, Gomes now faces the potential opposition of approximately half the 31-member City Council, and this opposition appears to be growing, although it is as yet wholly uncoordinated and mostly ineffective. But unless Gomes can neutralize this opposition, his strength and authority will be seriously weakened.

3. Mayor Gomes vs. Neighborhood Improvement Societies (UNCLASSIFIED)

On June 11 Mayor Gomes met with a large deputation from the Santos Union of Local Improvement Societies, representing nearly 50 neighborhood improvement societies and told it that he had been 'misunderstood' last week when he had proposed that the plebian Union should be amalgamated with the aristocratic Society of the Freinds of the City of Santos, and that he had actually meant that the two organizations should work closely otgether. This admission of the Union's independence of the Society has somewhat mollified the bruised feelings of the neighborhood societies, which are jealous of their right to approach the Mayor direct with neighborhood problems and strongly resented the Mayor's imputation of their uselessness and his effort to subordinate them to the Society of Freinds of the City. (See Weekly Comment of June 9, Political item 2.)

One June 12 the matter was debated by the Santos City Council, and Gomes came in for severe criticism, being saved from a vote of no-confidence only by an addit parliamentary maneuver by his Council supporters who altered the wording of a motion to censure the Mayor to make it a vote of congratulations to the improvement societies and to the Mayor. Gomes squeezed by, 16 votes to 15.

Comment: (OFFICIAL USE ONLY)

/The episode,

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1141

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Page 1 of 1 Sao Paulo 0-472

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OPERATIONS MEMORANDUM

TO: American Consulate General, São Paulo Date: June 14, 1961

FROM: American Consulate, SANTOS, Brazil VPR

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Santos Political Picture in Confusion (OFFICIAL USE ONLY)

In the wake of the formal installation June 10 of the six newly-named municipal secretaries (see Weekly Comment of June 9, Political item 1) the Santos political waters, always muddy, have become more than usually turbulent, for the city's existing political alliances have now been thrown into confusion. Local observers (including this reporter) interpret Mayor José Gomes' action in naming as his secretaries six individuals who represent political parties, blocs or groups hitherto hostile to Gomes as (1) a bid by the Mayor for all-out support from Governor Carvalho Pinto and (2) a complete re-ordering of the basis of Gomes' support away from the PSP-PTB coalition which has so far formed the foundation of his power towards a more conservative coalition including elements drawn from the UDN, PDC and from various janista-carvalhista groups. Gomes still retains the allegiance of a number of individual PSP and PTB leaders, but at this writing it appears as if Gomes has alienated a large portion of his own PTB (see item 2 below) and much of the PSP. This week José Profeta Pacheco, long-time head of the City Hall's legal department (now swallowed up into one of the new municipal secretaryships) and PSP go-between of ex-Mayor Silvio Fernandes Lopes and Gomes, resigned from the Gomes administration.

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PRIORITY

CONFIDENTIAL
(Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, SAO PAULO

472
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

June 16, 1961
DATE

REF :

Encl Reported in RD

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	REC'D 6/24	INFO OTHER ARA* 4 RPIR-2 ENA-7 REP-1 E-3 ECA-4 CIA-10 USIA-10 OSD-5 army-4 navy-4 air-6 NSA-4 IAD-6 TAR-2 TA-3 FRB-3 COM-10

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated June 14, 1961.

In connection with Item 2 on page 4 the Guarda-Mór is not the chief customs examiner, but the head of the customs guards.

William P. Cochran, Jr.
Minister Consul General

732.00/6-1661 H3S

Enclosure: att

Santos Weekly Report
dated June 14, 1961.

cc: Amembassy, Rio

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 29 1961

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1139

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9
468
São Paulo

462 São Paulo Seeks Financing from Inter-American Development Bank.
463 Paraguayan Political Prisoner Escapees Find Asylum in Mato Grasso, Brazil
464 Biography of Queiros Filho, Member, UN Lumumba Investigating Committee
465 Chemical Industry Product and Supply Analysis
466 São Paulo Agricultural Expansion Fund Established
467 Santos Weekly Report
468 São Paulo Weekly Summary 102

William P. Cochran, Jr.
Minister Consul General

Contributors:

Pyle, Shea, Burton

Distribution:
INS-RAR, Embassy Rio 3, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife, Salvador, Santos.

CONFIDENTIAL

1138

11. Quadros Suspends Broadcast Rights

Both conservative, influential O Estado de São Paulo and top circulation Folha de São Paulo editorially condemned President Janio Quadros for putting Radio Journal do Brazil off the air for 3 days. Folha de São Paulo first puzzled that the punishment took place four days after the offense (ie a broadcast story that Frondizi and Quadros had allegedly agreed to reduce armed forces). Recalling that Rome could be destroyed in four days, Folha noted that the broadcast passed almost unnoticed prior to punishment. The editorial adjectives included "shocking", "disturbing", "violent" and "arbitrary". Citing constitutional provisions on freedom of expression, the Folha editorial suggested that Janio's action more than the broadcast fomented the disturbance of public order. O Estado in one editorial called Janio's action a "manifestation of despotism". In another editorial O Estado found comfort for itself and others who have fought dictatorship in Brazil, to see public opinion manifest itself unanimously against the "dictatorial measure". Mario Mazzei Guimarães observed in his Folha column that Janio's action was no surprise for those who recall Janio's diatribes, discriminations and lawsuits against the press while governor of São Paulo. (See also item 5 above).

12. Stevenson's Impending Arrival (Unclassified)

While local newspaper reporting on Ambassador Stevenson's Latin American trip was very heavy, local editorial comment last week in anticipation of his meeting with Brazil's president Quadros was light. O Estado de São Paulo editorially related Stevenson's visit to President Kennedy's thesis that the free world must combat communism by combating the evils which communism exploits. The editorial then express the belief that Stevenson is really checking on the honesty, sincerity, and will to sacrifice of those who would be asking for assistance in such a battle against communism. Not Cuba, but the condition in which large population sectors live, offers the real threat and danger, says O Estado. The editorial hailed the Kennedy "revolution" and expressed the hope that the young leaders of the countries of this hemisphere could overcome "internal resistances". A Gazeta editorial hailed recent U.S. aid to Brazil; quoted favorably Stevenson's Argentine statement that Communism, rather than Cuba, is the threat; and called for the fusion of the Alliance for Progress with Operation Panamerica.

Miscellaneous

13. List of Substantive Despatches

458 Expropriation of Paulista Railway
459 São Paulo Deputies Refuse Red China Visit
461 Presentation of Checks for Public Health:

1137

and are refusing to make committments to either the democratic forces or the Communists. The latter as usual are struggling to maintain "unity" in the C.S.T. Some of the non-Communists now claim that a manifesto they signed which announced their withdrawal from the C. S. T. was merely a manifesto condemning Communists tactics within the C.S.T. To confuse matters even more some Communists showed up and gave support at a meeting sponsored and convoked by the democratic group to protest against a campaign led by the left-wing daily Ultima Hora (the latter campaign proposes to lengthen the work week of commercial workers in order to accomodate industrial workers). The Communists also staged a poorly attended protest meeting against the sharp increase in the cost of living at the week's end. The non-Communists, however, did not participate in this meeting.

COMMENT: Orlando Coutinho, acting president of the State Federation of Transportation Workers, who has signed manifestos for and against the maintenance of the C.S.T. told the Consulate General's labor officer that the São Paulo trade union movement was not going to be dominated by any ideological group, be it the Roman Catholic Church or the Communist Party. He also stressed that the Brazilian Trade Union Movement was an independent institution. He then went on to say that the non-Communists would meet with president Quadros in the near future and "get the word" as to what type of trade union organization he (Quadros) wanted in São Paulo. (Apparently no contradiction was recognized by this latter statement!!!)

Local Press Reaction

10. Kennedy-Kruschev Encounter

Local Editorial reaction of the past week on the Vienna meeting of Kennedy and Kruschev generally recognized that no great results had ensued, that the conversations helped abate tensions, that Kennedy had been effective in the exchange. O Estado de São Paulo editorially hailed as the one great realization for the free world from the Vienna encounter: "The certainty that it now possesses a leadership courageous and above all lucid, which, starting from a complete comprehension of the nature of the Soviet defiance, brings together all the conditions to confront and defeat it on its own grounds". Folha de São Paulo noted that Kruschev was tranquil and serene and contrasted this with past acid east-west encounters. Barreto Leite Filho, in Diario de São Paulo, thought that the world had gained a little because Kruschev appeared to have learned to respect his new rival Kennedy more than he did Eisenhower. Both Diario de São Paulo and Correio Paulistano thought the meeting contributed to the cause of peace or reduced tensions but in the same breath warned that you could not trust the U.S.S.R. to abandon its political and economic subversion of other countries.



unions representing an estimated 250,000 metalworkers in the capital city and throughout the interior of the state. The militant Communist minority which controls eight of the twenty-four affiliated local unions including the large local union in the city of São Paulo sent a large delegation. A host of politicians and trade union leaders put in brief appearances. José Bonifacio Coutinho Nogueira, state secretary of Agriculture, represented governor Carvalho Pinto at the closing session, as did José Gomes (PTB), mayor of Santos. Alberto Nieves, an Uruguayan national, attending all sessions as a representative of the non-Communist International Metalworkers' Federation. Reliable metalworkers report that many clashes between Communists and non-Communists occurred during the three day session. Nevertheless the Communists were able to jam through some ultra-nationalist pro-Communist resolutions such as nationalization of foreign packing houses and foreign banks. A bitter clash is reported to have occurred on the Cuban issue and a mild resolution praising the Cuban people for industrial progress and agrarian reform was finally adopted by the delegates in attendance.

COMMENT: The consulate General's labor officer attended the final session and noted a tense atmosphere between the Communists and non-Communists. The federation's president Domingos Alvares, was furious at the action of the Federations former president, Waldimir Jorge Schnor, regarded as a member of the Communist Party, who violated a previous agreement not to mention Cuba and delivered some pro-Cuban remarks during the closing session. (A list of speakers had been agreed on beforehand. As a result the non-Communists had no opportunity to reply).

9. Developments on Split in Labor Movement (Confidential)

Speaking at the closing session of the Metalworker's convention (See Item 8) Dante Pellacani, Secretary General of the São Paulo State Trade Union Council (CST), bitterly criticized a group of democratic trade union leaders who have withdrawn from the C.S.T. and are attempting to create a democratic trade union movement. Pellacani, who is generally regarded as the local labor leader closest to Janio Quadros thus publicly went on record in opposition to Gabriel Greco, president Quadros' special adviser on trade union affairs, who is openly supporting the democratic group. During the past week Greco continued to circulate a manifesto backing the democratic group. A number of trade union leaders also report he bluntly told Luiz Mennossi, president of the C.S.T; that he will no longer be considered for a possible vacant seat on Brazil's Supreme Labor Court if he does not disaffiliate from the C.S.T. and line up with the democratic movement.

Faced with this type of advice from two of Quadros' closest labor advisers, São Paulo trade union leaders are in a confused state

1135

forestall a vote of censure by preventing a quorum.

6. Paulista Appointed to UN Commission (Official Use Only)

Queiros Filho, São Paulo state Secretary of Justice and national president of the PDC, was designated by president Janio Quadros this past week to serve as Brazil's representative to the UN commission which will investigate the recent death of the former prime minister of the Congo, Patrice Lumumba.

COMMENT: (Confidential) The appointment of Queiros Filho to the UN investigating commission was doubtless motivated not only by the fact that he is a criminal lawyer conversant with penal law, a subject he teaches at the Faculty of Law of Catholic University in São Paulo, but also perhaps by a desire to remove him temporarily from the local political scene. His absence from São Paulo, which has been estimated at from one to three months, could facilitate Janio Quadros' political maneuvering, in this state, in connection with the 1962 gubernatorial contest, especially since Queiros Filho has been functioning as a Carvalho Pinto political lieutenant. (The Consulate General has prepared a biographic report on Queiros Filho which is being sent as a separate despatch).

7. Paraguayan Political Escapees (Official Use Only)

During this past week 41 Paraguayan political escapees, all members of the Fourteenth of May Movement opposed to the Stroessner government, arrived in São Paulo, where they will remain until their status is decided by the federal government. The men, who escaped from a prison camp where they had been confined since December 8, 1959, arrived in two groups, the first composed of 21 and the other of 20 men. They were brought from Campo Grande in Mato Grosso by planes of the Brazilian Air Force. The political escapees, contrary to earlier reports which indicated that they were being taken to Rio (see São Paulo despatch 463 June 9, 1961) have been placed under the custody of immigration authorities in São Paulo pending the disposition of their case by Brazil's Minister of Foreign Affairs.

COMMENT: (Official Use Only) This is the second group of Paraguayan refugees to arrive in São Paulo. It will be recalled that five political escapees of the Stroessner regime sought political asylum earlier (see São Paulo despatch 547, March 21, 1961).

Labor

8. Metal worker Convention (Confidential)

The São Paulo metalworker unions held a three day convention in Santos June 7 - June 10. The meeting was convoked by the State Federation of Metalworkers, Brazil's largest state trade union organization. Representatives were in attendance from all 24 affiliated



São Paulo (USP) left their classes; students of the Faculty of Philosophy, Science, and Letters of the USP issued a moderate manifesto in support of the Recife students. The manifesto protested the "arbitrary" action of the army; voiced confidence that president Janio Quadros would resolve the crisis, and appealed to the "good sense" of the Recife students to await a settlement of their claims by the authorities. On June 10 the students of the Faculty of Philosophy, Science, and Letters of the USP began a three day strike. On the same day representatives of 39 student groups met at the headquarters of the State Students Union and voted to call a general strike of all students in São Paulo subject to referendum approval by the various student bodies.

Students took possession of the Largo de São Francisco, the square in front of the Law School of the USP which the students consider "free territory"; they barricaded the area with uprooted traffic signs, and around a bust of Janio in the middle of the middle of the square they placed signs "no one will silence us; we are free; we are Communists". The students also painted various signs in downtown streets and held one parade.

COMMENT: There was both opposition and indifference among students who are busy studying for their examinations. Because of examination studies there will be little or no class work and therefor any strike of a few days would have little significance.

5. Janio Suspends Radio Broadcast (Official Use Only)

President Janio Quadros' three day suspension of Radio Journal do Brasil in Rio provoked a storm of protest in São Paulo. A number of state deputies took the floor in the state Legislative Assembly to criticize the president, including PSP deputy Hilário Torloni who proposed a "vote of repudiation" of the president's decree. Joined by six opposition members he asked the assembly to "defend the liberty of the press". PTN state deputy Chaves do Amarante attempted to defend Janio's action. Other janistas took a position similar to that of Avalone Junior (PTN) who, while not defending the president's course, said "as a supporter of Janio Quadros I cannot take a position contrary to the president". Torloni's proposal finally failed because janista supporters left the assembly; thus a quorum could not be secured. The São Paulo press denounced the suspension of the radio station. Repercussions were also heard in the São Paulo city council; 21 councilmen signed a motion which reproved the president for placing a "gag" on an organ of public opinion; a "dangerous attempt" against the freedom of the press. The city council asked that a copy of the motion be sent to Radio Journal. (See also item 11 below)

COMMENT: The members of the janista forces in the state Legislative Assembly were apparently not going on record as being opposed to freedom of the press. At the same time they did not want to take a position contrary to the president, so they chose to

1133

vote, Faria Lima announced at Araraquara that the Economic Bank would provide funds for the construction of a network of silos throughout the state. Faria Lima stated that he would not attempt to "impose" his candidacy, but would accept it if offered.

COMMENT: The general formula reportedly presented by president Quadros when he visited São Paulo on May 20-22, that no commitment be made at this stage of the gubernatorial campaign, has apparently taken hold. Perhaps contributing to the apparent truce of the moment is the result of the reported public opinion poll taken by the Instituto Brasileiro de Opinião Pública e Estatística (IBOPE) between May 14 and 18 in Bauru (a town of 93,980 according to the 1960 census), at the request of governor Carvalho Pinto. The results of the poll in which 311 registered voters were questioned, were as follows: 23% for PSP president Adhemar de Barros; 17% for ex-president Juscelino Kubitschek; 10% for Faria Lima; 8% for Minister of Labor Castro Neves; 8% for vice-president João Goulart; 6% for São Paulo PSP Senator Auro Soares de Moura Andrade, and 5% for José Bonifacio. (See also item 1 above).

3. Kubitschek Elected (Official Use Only)

Former president Juscelino Kubitschek was overwhelmingly elected senator from Goiás in the election which took place on June 4, according to incomplete and unofficial returns available at the end of the past week. The Regional Election Tribunal of Goiás announced on June 9 that Kubitschek had thus far received 88,086 votes and his opponent Wagner Estelita Campos 16,945. In the race for alternate, former governor José Feliciano Ferreira was far ahead with 67,070 votes; Valdir Quinta, his opponent, had 23,599. Kubitschek was elected to serve during the unexpired portion of Taciano de Melo's term which terminates early in 1963. Former senator Taciano de Melo resigned, as this post reported earlier, to pave the way for the ex-president's candidancy.

COMMENT: On the basis of the incomplete returns so far available, former president Kubitschek's percentage of the votes cast seemed to be rising as more returns became available. He now has 83.8% of the total vote reported on June 9. Absenteeism, as was generally expected, may be as high as 50%, and was reportedly much higher in the rural areas than in the cities. While some opposition sources argue that the large absenteeism was a protest against Kubitschek, it can be contended with equal logic that the lack of any real contest discouraged many except those who wanted to pay homage to, or protest against, the ex-president.

4. Students Support Recife Student Strike (Official Use Only)

São Paulo students this past week attempted in various ways to express their solidarity with their striking colleagues in Recife. The students of the Faculty of Law of the University of

1132

scheduled for October 1962. He will doubtless discuss next year's election with governor Carvalho Pinto. Janio may also be observing first hand the measures that he might take in the next few months which would tend to increase his political influence in the state. In this connection, it is interesting to note that Castilho Cabral, president of the Federal Economic Bank in São Paulo, as well as the national head of the Movimento Popular Janio Quadros (MPJQ), declared at the opening of a new branch of the bank at Atibaia this past week that this was only the first of a number of branch bank's that would be established in many other cities of the state. He added that the federal bank would make loans to buy land and for the construction of homes to the end that each family could own its own property. He also said that the bank would make loans available to farmers and workers in the field to buy agricultural supplies, machines, and tractors. The latter measures should be far more appealing to the state's farm element than the agricultural reform of governor Carvalho Pinto's favored gubernatorial successor, State Secretary of Agriculture José Bonifacio Coutinho Nogueira.

2. 1962 Gubernatorial Race (Official Use Only)

The tempo of the gubernatorial race in São Paulo during this past week slowed considerably. The PL regional directorate, meeting a few days ago, decided not to launch the candidacy of the state Secretary of Agriculture, José Bonifacio Coutinho Nogueira, at this time. Reportedly, the PL regional directorate, after its president Rodrigues Alves Pinto, had consulted with governor Carvalho Pinto, José Bonifacio, local UDN president Vincente Paula Lima and PDC national president Queiros Filho, decided that such a step would be premature. A UDN spokesman, federal deputy Nicholau Tuma, declared that his party was studying the candidacy of José Bonifacio, but that "the most important thing is the maintenance of unity of the forces which elected Janio Quadros and Carvalho Pinto". Chaves do Amarante, president of the PTN state directorate, issued an official announcement this past week stating that the PTN would not commit itself to any candidate prior to 1962; that the party would support the pro-administration forces that elected Janio Quadros and Carvalho Pinto. He added that statements made by party members to the contrary, or in favor of particular candidates, reflected personal viewpoints which did not obligate the party.

The two active pro-administration candidates, however, continued their campaign efforts. José Bonifacio in a seeming attempt to secure labor support, told a meeting of the Industrial Classes this past week that if he is a candidate he will "support claims of all the people". One source stated that supporters of brigadier Faria Lima (president of the National Bank for Economic Development) had arranged for the issuance about six months before the gubernatorial election of a manifesto signed by "hundreds" of mayors pledging support to Faria Lima. In an obvious play for the farm

1131

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FOREIGN SERVICE DESPATCH

FROM : São Paulo

468 — DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

June 14, 1961 — DATE

REF :

For Dept. Use Only	ACTION	INFO	DEPT.
55	ARA-4	RMR-2 ENR 7 REP-1 USUN-3 P-3	
REC'D 6/24		OTHER CIA-10 USIA-10 IAR 6 OSD-5 army 4 navy 4 air 6 NSA 4	

SUBJECT: São Paulo Weekly Summary No. 102, Week Ending June 10, 1961

Index:

Political
1. Janio Moves Into the Local Political Scene
2. 1962 Gubernatorial Race
3. Kubitschek Elected
4. Students Support Recife Student Strike
5. Janio Suspends Radio Broadcast
6. Paulista Appointed to UN Commission
7. Paraguayan Political Escapees

Labor
8. Metal worker Convention
9. Developments on Split in Labor Movement

Local Press Reaction
10. Kennedy-Kruschev Encounter
11. Quadros Suspends Broadcast Rights
12. Stevenson's Impending Arrival

Miscellaneous
13. List of Substansive Despatches

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 29 1961

732.00/6-1461 HBS

CLASSIFIED FILE

Political

1. Janio Moves Into the Local Political Scene (~~Official Use~~ Only)

President Janio Quadros, accompanied by his wife and a considerable entourage, arrived in São Paulo on June 10 for a stay at Horto Florestal, the nearby summer residence of the governor, until June 18. He is expected to consult with his physicians and to hold numerous conferences with leading local politicians, in addition to directing the nation's affairs, during his stay.

COMMENT: (Confidential) Many local politicos believe that Janio's visit to São Paulo was arranged to obtain firmer contact with local politicians. There is considerable speculation that he is attempting to strengthen his own position in São Paulo in order to keep his political base in that state secure. In addition, he is expected to take "soundings" on the strength of the various possible pro-administration gubernatorial candidates for the electi

see last page/mec
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1130

were likewise anchored inside the harbor proper waiting to come alongside.

Comment: (UNCLASSIFIED)

Despite this slight congestion, ships generally have been berthing satisfactorily on time during the past week.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE - Negative.

VI PSYCHOLOGICAL

1. USIS Films Continue to Reach Large Santos Audience (UNCLASSIFIED)

During the month of May the Santos municipal government, using two film projectors loaned by USIS/Sao Paulo and films from USIS/Santos, made 106 exhibitions before 26,010 Santos adults and school-children, the largest such coverage in any one month since the Consulate last year arranged with the municipality for it to show a constantly changing series of films loaned by USIS.

Comment: (OFFICIAL USE ONLY)

The Czechoslovakian Consulate General in Sao Paulo has also loaned the municipality of Santos 3 films, one full length and all of good quality but none with any political overtures, for local showing. Two of these films have been seen by the reporting officer.

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1129

page 5 and 1 Sao Paulo 467

Janeiro against the National PETROBRAS organization. Up to now the latter has taken a firm stand against granting its workers any substantial pay increases at this time (see Weekly Comment of May 26, Labor item 4).

3. Laundrymen Preparing for Strike (UNCLASSIFIED)

The small Sindicato dos Trabalhadores da Industria de Tinturarias e Lavanderias do Vestuario de Santos has been agitating for higher wages for some weeks and is now threatening a general strike. The union, led by Antonio Benedito dos Santos, in February staged a partially-successful 4-day walkout (see Weekly Comment of February 17, Labor item 3) and now accuses the laundry owners of not paying a living wage to the union members. The laundry owners have replied in the press that they are adhering to the terms of the Regional Labor Court's rulings early this year, that the union is attempting to extort illegal increases, and that the owners have no intention of yielding.

Comment: (OFFICIAL USE ONLY)

Dos Santos has been reliably identified to the reporting officer as a communist, and the union seems to be under strong communist influence.

A general strike by the laundrymen in the near future seems possible.

4. Metallurgical Workers Convene in Santos (UNCLASSIFIED)

On June 7 the II Congress of the Workers in Metallurgical, Mechanical and Electric Material Industries of the State of Sao Paulo convened in Santos, to continue through June 10. Local arrangements are being made by Domingos Alvares, non-communist President of the Santos Metallurgical Workers Union and President of the State Federation, and by the local union's Vice President, Vitelbino Ferreira de Souza. The Congress will debate union organization and needs.

Comment: (OFFICIAL USE ONLY)

The reporting officer understands that the Santos union is free of any significant communist influence. No communists seem to appear in the list of names on the Congress's various committees.

III ECONOMIC

1. Congestion of Port of Santos Decreases (UNCLASSIFIED)

On June 9 only 2 ships were anchored in the Santos roads outside the estuary awaiting berthing space alongside, and 10 vessels /were

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truth about his difficulties with the Salazar Government and its police, but in the absence of any evidence to the contrary, it appears as if Carvalho's story will be accepted and he will be allowed to remain in Brazil.

II LABOR

1. PETROBRAS Union Installs New Officers (UNCLASSIFIED)

On June 5 Geraldo Silvino de Oliveira, Adiston Soares Dias and Gelasio Ayres Fernandes took office as President, Vice President and Secretary, respectively, of the 1,600 + member PETROBRAS refinery workers union of Cubatao (see Weekly Comment of April 13, Labor item 2).

Comment: (OFFICIAL USE ONLY)

Present were a thousand refinery workers and a crowd of local labor union officials, including a number of communists. Oliveira, Dias, Fernandes and outgoing President Ubirajara de Araujo Franco have all been reliably identified to the reporting officer as communists. At his installation Oliveira took up the union's cry for higher wages and criticized the management of the "Presidente Bernardes" refinery.

The assembly approved two telegrams to President Quadros, one reading: "Labor leaders and workers present transfer directorate Workers Union Refining Destilling Petroleum Cubatao give full support to foreign policy of commercial and diplomatic relations with all nations of world and for self-determination of countries and reaffirm its disposition to fight for union and democratic liberties"; the second telegram reading: "Labor leaders and workers present transfer directorate Workers Union Refining Destilling Petroleum of Cubatao support Your Excellency's measure to withold increase Light /Group's/ rates as injurious interests our people".

2. PETROBRAS Union Demands Wage Increases (UNCLASSIFIED)

Newly-installed President Geraldo Silvino de Oliveira of the PETROBRAS union (see above) lost no time in pressing for higher wages for his union, calling a general meeting on June 6 at which the union voted to continue to press for a 30% general wage hike, an improved profit-sharing plan and improved fringe benefits. The union members also authorized Oliveira to convene round-table discussions with the PETROBRAS management, in case it fails to concede the union's demands.

Comment: (UNCLASSIFIED)

The reporting officer understands that Oliveira & Co. are acting in concert with the petroleum workers in Bahia and Rio de /Janeiro

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page 3 encl 1 Sao Paulo D 467

2. Mayor Gomes Incurs Censure from Press (UNCLASSIFIED)

Mayor Jose Gomes has provoked strong disapproval from the leftist local daily O Diario for his suggestion this week that the Santos Union of Local Improvement Societies, representing 46 neighborhood improvement societies here, be amalgamated with the Society of the Friends of the City of Santos. O Diario pointed out that the Union represents the city's poor and underprivileged, while the Friends are mostly drawn from the local elite, and that a merger of the two organizations (which work for the same ends) would deprive the common people of a traditional avenue of approach to the Mayor by which they make known their desires for various physical improvements and social reforms in neighborhood conditions.

Comment: (OFFICIAL USE ONLY)

O Diario, which is rather heavily influenced by the communist members of its staff, has warned that Gomes, of the humblest origins himself, is risking the loss of important grass-roots support by cold-shouldering the 46 neighborhood improvement societies in favor of the well-heeled but politically less influential Union. O Diario also levelled severe criticism of Gomes for high-hatting the city's poor. Interestingly enough, the conservative A Tribuna has kept silent on the whole matter.

Gomes' predecessor, Mayor Silvio Fernandes Lopes, was always careful to give the fullest attention to the requests presented by deputations from the 46 neighborhood groups, from which he derived great political strength.

3. Portuguese Refugee Probably to Remain in Brazil (UNCLASSIFIED)

At a hearing held June 2 Judge Nelson de Carvalho Pinto of the Fourth Criminal Court here denied the 40-year-old Portuguese stowaway to Brazil Jose Luiz Pinheiro de Carvalho execution of a writ of habeas corpus and gave him 3 weeks to submit new evidence to support his petition for the writ (see Weekly Comment of June 2, Political item 2).

On June 3 a group of Santos and Sao Paulo reporters tried vainly to reach President Janio Quadros at his nearby Bertioga retreat (see Weekly Comment of June 2, Political item 3) to ask Presidential intervention in the case. Quadros refused to treat with the newsmen, pleading his wish to vacation in peace, but through a spokesman gave the reporters to understand that he was sympathetic toward granting the Portuguese asylum.

On June 7 local newsmen and Carvalho again waited on Quadros, this time in Brasilia. The President refused to make any snap decision in the case but reportedly sent a note to the Ministry of Justice asking it to study the question "sympathetically".

Comment: (UNCLASSIFIED)

There remains some doubt that the refugee is telling the whole /truth

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page 2 enclosure to Sao Paulo 467

Gomes' authority now rests. In this way two representatives of the UDN, one of Gomes' strongest bloc of opponents, are drawn into the Mayor's official family, as is the unofficial leader of the janista-carvalhista forces in this city, Mario Covas, Jr., who ran strongly against the La Scala-Gomes ticket in the March 26 mayoralty election. Two members of the PDC, which Gomes has been energetically wooing, also now become part and parcel of the city administration, while one PTB member, Flavio Conceiçao Paiva, represents the anti-Gomes faction of that party and even supported Covas in the March 26 election.

Inclusion of a Roman Catholic priest is a palpable effort on Gomes' part to gain Church support. Hitherto the local hierarchy has opposed Gomes because of his masonic affiliations (see Weekly Comment of April 19, Political item 3).

All of the new secretaries are well-known in Santos and will give a decidedly conservative flavor to Gomes' administration, although none are outstanding local political figures. Naturally disgruntled at being passed over in favor of their enemies are Gomes' own allies, particularly in the PSP, who fear that local power is slipping away from their party. It is now being rumored more strongly than ever that ex-Mayor Silvio Fernandes Lopes, leader of the pro-Gomes clique in the PSP, is at odds with the Mayor for having acted increasingly to freeze out the PSP from management of the city's affairs, and has made peace with Federal Deputy Rubens Ferreira Martins, leader of the anti-Gomes and orthodox bloc of the local PSP.

Reportedly Rego (nominally of the PDC) and Father Soares, considered a UDN supporter, were the choices of Fernando Oliva and of Oswaldo Justo, PSP stalwarts of the pro-Gomes faction who lead the PSP-PTB coalition in the Santos City Council. Both Oliva and Justo have expressed their entire satisfaction with the new appointments. But the PL, another party which has been backing Gomes despite its opposition to him in the March 26 election, has expressed its "disappointment" with the appointees, and one PL City Councilman, Paulo Ferreira Lima, has announced his transfer to Gomes' opposition.

By introducing prominent representatives of the opposition into his government Gomes is running the calculated risk of weakening his effective control of the City Hall in hopes of basing that control in good measure on support from quondam enemies. But by this maneuver Gomes will henceforth of course be able to blunt their criticisms of his conduct of office and provide the UDN, PDC et als. with a stake in his continuing as Mayor. With the UDN spearheading the continuing struggle to remove Gomes from office (see Weekly Comment of May 20, Political item 1) Gomes' immediate policies must needs be dictated in good part by the instinct of sheer self-preservation. In fact, the UDN quickly expressed its public approbation of Gomes' choices to fill the municipal secretaryships.

But the chief significance of Gomes' new appointments is that the Mayor has broken out of his tight PSP-PTB cordon and given an entirely new orientation to his administration, an orientation which would have been considered unthinkable only two months ago.

/ 2. Mayor

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Page 1 encl 1 / Sao Paulo A-469 ARA

FORM DS-582
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OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo Date: June 9, 1961

FROM: American Consulate SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Mayor Names Municipal Secretaries (UNCLASSIFIED)

On June 5 Mayor Jose Gomes took the bit in his teeth and named six municipal secretaries, corresponding to department heads, thus implementing local law #2,206 passed on December 21, 1959 (see Weekly Comment of May 26, Political item 3).

The Secretary for Legal Affairs will be Olavo de Paula Borges, a lawyer (UDN). His office will have jurisdiction over the City Hall's legal department. The Secretary for Public Works and Services, combining the existing public works and services departments, the city-owned transportation system and the municipal slaughterhouse, will be Mario Covas, Jr., an engineer (janista-carvalhista independent). The Secretary for Health and Hygiene, combining the present departments of public and school assistence, will be Nelson Manoel do Rego, a physician (PDC). The Secretary for Government (i.e., administration), combining the City Hall's administrative and personnel services, will be Flavio Conceicao Paiva, a lawyer (PTB). The Secretary for Education and Culture, comprising the current city education department as well as the various cultural organizations supported by the city, will be Father Americo Soares, a Roman Catholic priest (UDN). The Secretary for Finance, grouping together the purchasing, supply, receipts and expenses departments, will be Artur Rivau, a law professor and PDC City Councillor.

The timing of the activation of the municipal secretaryships and the names of the appointees came as a surprise, especially the latter. The six will take office on June 10. Public reaction to Gomes' action has generally been favorable.

Comment: (OFFICIAL USE ONLY)

The composition of the secretaryships reflects Mayor Gomes' desire to broaden the base of his administration and is notable for excluding any member of the PSP-PTB coalition on which

/Gomes'

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FOREIGN SERVICE DESPATCH

FROM : Amconsul, SAO PAULO

467
DESP. NO.

June 14, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

End Report in RD

For Dept. Use Only	ACTION	DEPT.
55	ARA-4 *	INFO ARA-2 ENA-7 REP-1 EUR-5 E-3 ICA-11
	REC'D 6/24	OTHER CIA-10 USIA-10 OSD-5 army-4 navy-4 air-6 NSA-4 446-6 Com-10

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated June 9, 1961.

In connection with Item 4 it is true that the Santos local union of metalworkers is controlled by the non-Communist metalworkers, as is the State Federation itself. However, eight of the Federation's 25 affiliates are considered to be controlled by the Communists including the large São Paulo (city) local union of metalworkers.

William P. Cochran, Jr.
Minister Consul General

Enclosure: a/a,

Santos Weekly Report
dated June 9, 1961

cc: Amembassy, Rio

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 29 1961

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specific elections (at present Newton Carneiro's chances for a Senate seat in 1962 are quite good), the party as a whole will probably remain weak. This means that if non-radical solutions to Brazil's economic and political problems are to be found, it will be through other parties, such as the PDC. L.O.U.

5. The UDN's weakness as a party in Parana is reinforced by its surprisingly mild influence with the press and on the radio. Although there are conservative papers in Parana, they tend to support the PDC or individuals rather than the UDN per se. This is partially due to the fact that the "leader-in-waiting" of the Parana PSD, Joao RIBEIRO Junior, owns 40% of Parana's most prominent conservative paper, O Estado do Parana. This also explains the very poor local press coverage the Curitiba convention received. L.O.U.

SOURCES for this despatch were: All Curitiba newspapers, plus personal conversations with Louisa GOMM (UDN party activist in Curitiba), Maxime KOPP (UDN, President of State Bank of Parana), Paulina BROWN (native of Rio Grande do Norte who was raised with Aluizio Alves), and other, less prominent persons. CONF.

Edward M. Rowell
American Consul

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problems of agrarian reform and the need for such reform; (b) Menezes CORTES' discussion of the federal legislature's plans for a literacy campaign (campanha da alfabetização); (c) presentation of a City of São Paulo plan for increasing literacy by São Paulo UDN Alderwoman Dulce Sales CUNHA; (d) the reading of a "Manifesto for Democratic Unionism" by São Paulo union leader Antonio Pereira MAGALDI; (e) a massive luncheon at which members of the proletariat were invited to rub shoulders with real, live, genuine UDN politicians; and (f) a final outdoor political rally featuring Newton CARNEIRO (Parana UDN president) for Senator with Cid Sampaio, Aluizio Alves and Ney Braga as speakers. O.U.O.

COMMENTS.

1. The Paraná UDN is genuinely concerned about its historic weaknesses with the voting "masses". It was for this reason that the presence of Sampaio and Alves as "Young Turks with a social conscience" was featured. This also explains the concentration on literacy and agrarian reform, including social security for rural workers. L.O.U.

2. In the same vein, the luncheon noted above was intended to be a major "ice-breaker" to get union leaders and UDN politicians together in order to increment the party's "mass appeal." Newtonn Carneiro privately claims that he has interested 16 Curitiba labor unions in supporting the UDN (read "Newton Carneiro" for UDN).

While leaders of 16 unions did attend the luncheon, at this juncture it is doubtful that they could deliver a large number of union votes. Even so, Carneiro's initiative is important because (a) there are still 16 months in which he can work before the 1962 elections, and (b) even if the final result is only to split the union vote, it would spell real trouble for Curitiba's labor-based PTB. (The present PTB city government is remarkably inefficient.) CONF.

3. The UDN, which has been looking for a platform and a program ever since last October's elections overwhelmed it with success, finally appears to be backing into a campaign pitch for 1962, namely: (a) a literacy campaign, (b) agrarian reform (whatever that means), and (c) some kind of social security for rural workers. The inevitable demand for better transportation and more electric energy is also included. O.U.O.

4. In spite of all the hoopla, so far as the Paraná UDN is concerned, the convention was designed strictly to enhance the prestige of Newton Carneiro. The state party remains a loose association of individuals, each one out for all he can get personally, and none dedicated to the promotion of the UDN as an institution. Hence, while various UDN personages will go on winning

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FOREIGN SERVICE DESPATCH

67
DESP. NO.

FROM : Amconsul, CURITIBA.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

June 13, 1961
DATE

REF :

20 For Dept. Use Only	ACTION	DEPT.
	ARA-4	RM/R-2 REP-1 INR-7 P-3
	REC'D 6-22-61	INFO OTHER CIA-10 USIA-10 AMB-6 NSA-4 ARMY-4 NAVY-4

SUBJECT: MEETING OF NATIONAL UDN LEADERS IN CURITIBA JUNE 4-5, 1961.

Over the weekend of June 4-5 the national UDN held a special meeting in Curitiba. The conference was billed as "one of several to be held in all parts of Brazil" for the purpose of invigorating state party organizations and building "grass roots" electoral strength. UNCL/

Featured personages from outside Paraná were Cid SAMPAIO (UDN governor of Pernambuco), Aluizio ALVES (UDN governor of Rio Grande do Norte), Clementi MARIANI (national Minister of Finance), Sergio FRAZÃO (IBC president), and Herbert LEVY (national UDN president.1/ Ney BRAGA (PDC governor of Paraná) also took part and acted as official host to SAMPAIO and ALVES. UNCL.

Mariani and Frazão remained in Curitiba just long enough to expound the government's reasoning behind recent SUMOC and IBC instructions, and to answer a few questions at a plenary meeting for this purpose. This was a sop to conservative members of the UDN at the meeting. O.U.O.

The heart ~~xxxxx~~ of the conference revolved around new UDN programs designed to attract the mass of the electorate. Principal elements were: (a) Cid Sampaio's discussion of problems

1/ Other prominent udenistas in attendance were: Ernani SÁTIRO, national party secretary; Menezes CORTES, party leader in the Chamber of Deputies; Arthur SANTOS, former party president; Elias de Souza CARMO (president of Minas Gerais UDN). UNCL.

cc: Amembassy, Rio de Janeiro (2)

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 30 1961

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The semi-official militia composed of workers and campesinos are to some degree organized and armed, and have been a factor in averting the periodic attacks against the government from the right. During the Castro Leon Affair in April of 1960 this group was able to virtually freeze movement in Eastern Venezuela by the establishment of numerous roadblocks. However, it is unlikely that the militia would be able to put up more than a token resistance to a military force no matter how small, and the degree to which the industrial workers would be willing to act against guerillas of leftist persuasion is open to question.

CONCLUSIONS

The geography and topography throughout the East are suitable for several kinds of guerilla warfare. The continued existence of a guerilla force in the region would have a seriously de-stabilizing effect on the present government. Extremist elements of both the right and the left would seize upon it as proof of the government's incapacity. The political effects of a guerilla operation could be multiplied by successful attacks on targets of military and economic importance. The petroleum and mining installations which abound in Eastern Venezuela are particularly vulnerable to this kind of attack.

Assuming the existence of outside support, supply does not present a serious obstacle in the coastal region and the Delta Amacuro. In the central Llanos proper supply for the kind of operation that would have to be carried out there would be a more serious problem. The problems of supplying an operation in the Guayana would be extreme unless British Guiana were available as a base.

While not inclined to support a guerilla operation, the rural population might be convinced not to interfere and perhaps induced to a minimal level of cooperation by terrorist tactics. Although somewhat more favorably inclined toward leftist guerillas, the urban population would be more easily controlled and correspondingly less useful.

No military or para-military force in Eastern Venezuela is presently constituted to carry out a successful counterattack against a guerilla offensive. At best, protective measures would probably be limited to increasing protection on possible targets, and attempting to interdict the guerillas' supply lines. These tactics would require the commitment of a large force with no possibility of achieving a decision. Probably the only successful tactics against a guerilla force operating in Eastern Venezuela would be the development of small, highly mobile anti-guerilla commandos with the mission to seek out and destroy.

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On the other hand, the campesinos as a group are passive by nature, and would not be inclined to interfere with an armed force. Also, despite their support for the government, it is not unlikely that some doubt exists as to the government's ability to protect them. Several striking demonstrations of the government's inability in this direction might bring about a minimal level of cooperation.

It is possible that some of the more radically inclined of the industrial workers might be favorably disposed toward a leftist guerilla force. However, since they are grouped in towns and camps, they could be more easily controlled, and would be correspondingly less useful than if the rural population were in active support.

On balance, it is probable that a small force not wholly dependent on the local population for supply and cover could count on freedom of movement, and could secure minimal cooperation by terrorist tactics. A more extensive effort, however, might run into difficulty on this score.

DEFENSIVE CAPABILITIES

The Venezuelan Army and Guardia Nacional garrisons in Eastern Venezuela are small relative to the land area. By training, the Army is oriented toward repelling a problematical foreign invasion. In actual fact it has been used only to maintain order in urban areas, and, as a force in being, to serve as a counterweight to the political ambitions of less cohesive groups. While the Army's equipment is excellent, its condition of training and morale is doubtful. The ranks consist largely of two year conscripts, and the officers are accustomed to comfortable garrison life. The Army has had no real fighting to do since the civil wars late in the last century, and the showing it would make against a determined, disciplined, and well led force of any size is open to question. In any case, guerilla forces would go to lengths to avoid such an engagement, and it is unlikely that the Army could exercise enough mobility and generalship to bring it about.

The Guardia Nacional are somewhat more alert and self-reliant because of the continuing nature of their mission in protecting important installations and combating smuggling. In general their state of morale and training is probably higher than that of the Army. However, the defensive nature of their mission would probably react adversely on the qualities of aggressiveness that would be required to seek out and destroy a guerilla force.

The Venezuelan Navy has no base or standing units in Eastern Venezuela. Coastal patrol functions fall under the responsibility of the Guardia Nacional.

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The effectiveness of efforts on the part of guerillas to seek a political decision could be multiplied by judicious attacks on installations of political and economic importance. In Eastern Venezuela this means the oil and mining industries. The installations connected with these industries are widely dispersed and vulnerable. The oil pipelines, for example, stretch across the Llanos for some 300 miles, and could be put temporarily out of commission with as little as a rifle bullet and a Molotov cocktail. A small amount of technical background on the part of the attackers could render the damage more permanent. The railroads joining the iron mines to the Orinoco are similarly vulnerable to attack.

Installations such as storage tanks, collecting stations, refineries, and pump stations are, as fixed points, more susceptible to defense than the pipe lines and railroads, but their dispersion and isolation would require the commitment of a large defending force, and compel it to play a passive role. *

Communications in Eastern Venezuela are somewhat less subject to attack. The military, civilian agencies, and private companies depend largely on short wave radio or microwave telephone to support their operations. Nevertheless, continued attack on ordinary communications facilities and lines would be a cause of confusion and unfavorable publicity.

Transportation facilities are less vulnerable still, except in the coastal range, where intelligent use of explosives might eventually seal off the area to penetration. In other parts of Eastern Venezuela destruction of bridges and culverts would be no more than a harassment, but one from which political capital could be made.

ATTITUDE OF THE LOCAL POPULATION

One of the prerequisites of a successful guerilla operation is support of the local population. The degree of cooperation required depends largely upon the extent to which the local population must be depended upon for supplies, shelter, and intelligence. The population density is a rough guide to the degree of cooperation required in a particular region.

The campesinos of the East (as elsewhere) constitute the mass support for the present government. Extremists have made little, if any, headway in rural areas, and the campesinos would probably react with disfavor toward any overt attack on the government. The official and unofficial organs of the government, moreover, are probably adequate to keep the rural population informed of the situation.

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* Installations of this kind are, however, highly susceptible to sabotage.

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would be difficult or impossible even for men specially trained to do so. Supplies from outside would have to cross vast areas of Venezuela, whether by land or by air, and it must be assumed that a large portion would be intercepted. This supply disadvantage, however, might be changed radically if British Guiana were to fall into extremist hands, as does not seem beyond the realms of possibility. In this event supply lines would be short and almost invulnerable.

The Orinoco Delta: The Orinoco delta (or Delta Amacuro) is a roughly triangular area of about 11,000 square miles in extent. It is low-lying and swampy in character, laced by the many mouths and meanders of the Orinoco. Vegetation is heavy tropical rainforest. There are virtually no roads or communications, and movement is mainly by boat or canoe. The population is small and consists largely of aboriginals.

Potential: The Orinoco delta offers the advantages of inaccesibility and safety, and the broad base of its triangular shape facing on the sea, coupled with its many creeks and rivers, reduces the supply problem to a minimum. On the other hand, the delta region is remote from attractive targets, and, though difficult to wipe out, a force could be contained within it with relative ease.

OPERATIONS

Warfare in general seeks to disorganize the opponent's political structure as much as to best him militarily. Guerilla warfare devotes itself almost entirely to this political objective since, by definition, the forces committed are insufficient to seek a military decision. While the government of Venezuela has become increasingly stable over the past three years, there remain serious elements of instability which could be played upon with great effect. The mere existence of a standing guerilla force over a period of time, even if its activities were limited to its own maintenance, would be a source of grave embarrassment to the government. Leftist elements would exploit the opportunity to the full. Disaffected elements of the right, while reacting adversely to the guerilla menace, would be likely to use the existence of such a force to prove their contention that the present government is incapable of defending the country against Communism. The inception of guerilla operations would, therefore, most likely result in renewed efforts by both the left and right to unseat the government. How long the government could withstand such a two-pronged attack is problematical.

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to live off the country if the local population could be induced to cooperate. In any case, problems of supply in the region would be reduced to a minimum by the immediate proximity of the Caribbean coast with its many bays and inlets. In addition to these advantages of ground and supply, the coastal range is centrally located with respect to favorable targets of political and economic importance.

The Llanos: In the East the Llanos, which are an extension of the plains that cover most of Venezuela north of the Orinoco and east of the Cordillera de los Andes, comprise an area of about 45,000 square miles. While the land tends to be flat or rolling, sloping gradually toward the Orinoco, it is widely interrupted by canyons and arroyos choked with vegetation. Though cover is sparse, the land is far from denuded. The country is thinly populated, averaging only about 15 persons per square mile. While the region is well laced by roads and communications designed to serve the oil industry, there are vast areas within it almost cut off from the outside world.

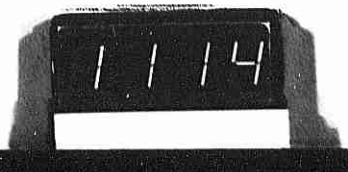
Potential: While the Llanos region does not offer the advantages of cover and supply which distinguish the coastal region, small, highly mobile guerilla units could be very successful.* By keeping units small (or perhaps even motorized) in order to achieve a high degree of mobility, tactical advantage could be taken of the large area of manuever and low population-to-land ratio, and also the comparative sluggishness to be expected of a defending force. Disadvantages of supply and cover could also be mitigated in this manner, though supply would remain a serious consideration unless air supply were feasible.

The Guayana Highlands: The Venezuelan Guayana is a huge area of over a hundred thousand square miles. It runs from the Orinoco south to the Brazilian border, and east to British Guiana. The country rises gradually from the Orinoco in undulating waves, finally reaching an average elevation of 3,000 feet. While rolling in character, it is punctuated by mountains and mesas, and etched by rivers. At first the land is similar in appearance to the Llanos, but as it rises it becomes moister and the cover increases. Much of the Guayana is covered by dense forest and jungle. The strip along the Orinoco is fairly well served by roads and communications, but south of this area communications do not exist, and transportation is largely by canoe. The population of the Guayana is small, and, south of the Orinoco river valley, consists almost entirely of savages.

Potential: The Guayana offers the guerilla the advantage of inaccessibility and a vast are of maneuver. Its location with respect to sensitive targets, especially those offered by the iron mines and new industries on the Orinoco, is also favorable. On the other hand, a guerilla leader in the region would face formidable problems of supply. Living off the land

* The success enjoyed by the British operating behind enemy lines in North Africa with their Long Range Desert Group is suggestive in this connection.

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SUMMARY

Eastern Venezuela provides fertile ground for guerilla operations. The geography and topography are favorable, juicy targets are available, and problems of supply are not insuperable. While not inherently favorable to such an eventuality, the local population could probably be induced to minimal level of cooperation with a guerilla force. Finally, the military forces presently in the area would probably be unequal to the task of crushing a guerilla offensive. The effects of a successful guerilla operation against the government are incalculable in view of elements of instability within the government, and the existence of extremists of both the right and the left willing to seize on any issue to discredit it.

INTRODUCTION

The success of Communist oriented guerilla operations in Cuba and Southeast Asia in recent years clearly raises the question of the potential for similar operations in other areas. The steady increase of both internal and external extremist pressures in Latin America makes the question a timely one. This report constitutes an estimate of the probable success of guerilla operations in Eastern Venezuela should they be undertaken. It does not attempt to estimate the likelihood of such operations being undertaken, nor does it consider underground operations, actual or potential, though guerilla operations would probably be conducted in connection with underground activity. The report takes as its assumption the existence of a hypothetical standing guerilla force consisting either of Venezuelan nationals or of Venezuelan nationals and aliens.

GEOGRAPHY AND TOPOGRAPHY

Eastern Venezuela is divided into four regions of varying geographical potentiality for guerilla operations. These are the coastal mountains; the central plains (or Llanos); the Guayana highlands; and the Orinoco delta.

The Coastal Range: This is a mountainous region approximately 7,500 square miles in extent. It runs about 150 miles along the Caribbean coast, and averages perhaps 50 miles in depth. The range is flanked on the north by the ocean, and on the south by the Llanos. The flanks are desert-like in character, but above 500 feet the country is typified by lush valleys and timber covered slopes. While the valleys are heavily populated by campesinos engaged in agriculture, the rest of the area is sparsely settled. Above the valleys the highest mountains rise to more than 4,000 feet. While the region is flanked on both sides by good roads, it is crossed by only two primary roads and one secondary road. None of these roads is paved throughout its length.

Potential: Of the four regions of Eastern Venezuela, the coastal range probably offers the greatest potential for guerilla operations. The ruggedness of the country provides excellent cover, and would impede punitive expeditions. The rich valleys should make it possible for a small force

GPO 902667

1113

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(Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : AmConsulate, Puerto La Cruz

56
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

June 7, 1961
DATE

REF :

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 12 1961

For Dept. Use Only	ACTION REC'D	INFO	DEPT. / OTHER
25	ARA-4		RWR-2 INR-7
	6-20		CIA-10 OSD-5 Army-Hoffman 4

SUBJECT: The Guerilla Warfare Potential of Eastern Venezuela

air - 6 NSA-4

7/1 Fil

There is attached a report titled "The Guerilla Warfare Potential of Eastern Venezuela" prepared by Vice Consul Ashley C. Hewitt. Though much of the information furnished may be well known to the Department its correlation in one paper might be of value. All opinions expressed are those of the reporting officer.

Weikko Forsten
American Consul

1

Enclosure: Report, as stated.

732.00/6-761

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1112

W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 9

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DESP 457 FR SAO PAULO TO STATE

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

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Action

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UNCLASSIFIED NUMBERED

Control: 4724

Rec'd: June 7, 1961
11:09 a.m.

FROM: Sao Paulo

TO: Secretary of State

INFO:

RM/R FILES

NO: 342, June 6

SENT DEPARTMENT 342, REPEATED INFORMATION RIO DE JANEIRO 106

Early returns indicate smashing victory for Juscelino Kubitchek for Senator from Goias perhaps winning 90 percent even more total vote June 4 considerable non-voting indicated some report close to 50 percent abstention.

COCHRAN

LRR

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Page 5 and 1 Sao Paulo 455

Comment: (OFFICIAL USE ONLY)

The reporting officer expects to concentrate on local political and labor leaders, and would welcome comments from the Department, Embassy or the Consulate General alike on how to improve the scope of the Consulate's biographic reporting program.

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1109

Bueno that the liquor should be returned to its owners. The Santos customs authorities now charge that Judge Cunha Bueno has no authority over the matter, which properly falls in the sphere of the Court of Customs Appeals. The new Santos Customs Inspector, Argemiro Nascimento, reportedly has sent one of his officers to President Quadros to ask him to set aside Judge Cunha Bueno's decision and refer the matter to the Customs Court.

Comment: (UNCLASSIFIED)

The whisky is worth about Cr$100.000.000,00, and the reporting officer understands that Quadros is already aware of the case. This being so, it is likely that the contraband eventually will be confiscated.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week.

Comment: (UNCLASSIFIED)

On June 2 the Consulate assisted in the repatriation to the United States of Mrs. Jane Margaret Gay and her young son aboard the NOPAL Line's ship "Maybella", which is scheduled to sail from Santos the same day.

V ADMINISTRATIVE

1. New Local Salary Schedule Approved for Consulate (UNCLASSIFIED)

The Consulate is pleased at receipt of notification from the Department that effective May 28 a new and essential revision of the post's local salary schedule may be implemented.

Comment: (UNCLASSIFIED)

The increases are based upon a local salary survey conducted by the reporting officer early last February.

2. Post to Expand its Biographic Reporting (OFFICIAL USE ONLY)

The peporting officer hopes to be able to begin submitting an increased volume of fragmentary biographic data reports as a consequence of a reorganization and consolidation of the post's expanding biographic files.

/Comment:

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1108

The Santos police authorities are now attempting to obtain a statement from the master of the "Corrientes" as to how Carvalho came to be on board his ship against his will. Meantime, Carvalho is safe in Santos.

The incident points up the increasing local sentiment against the Salazar regime and the willingness of persons here to take strong measures to protect Portuguese seemingly being persecuted by the agents of the Portuguese government.

3. President Vacations in Consular District (UNCLASSIFIED)

President Quadros arrived by helicopter June 1 with his wife and Sao Paulo Governor Carvalho Pinto at the secluded estate of Jose Ermirio de Morais Filho at Bertioga, a beach resort northeast of Santos. Quadros will remain there until June 5.

Comment: (UNCLASSIFIED)

The President is currently quite popular with the folk at Bertioga for having intervened to ensure the community, which is governed from Santos, an adequate supply of electricity. (See Weekly Comment of May 4, Political item 2.)

II LABOR - Negative.

III ECONOMIC

1. Port of Santos Once More Congested (UNCLASSIFIED)

After some weeks of slack, the port of Santos has again begun to be congested, as foreseen in the Weekly Comment dated May 18, Economic item 1. On June 2 there were 11 ships anchored in the Santos roads outside the estuary awaiting berthing space alongside, and 10 ships were likewise anchored inside the estuary proper waiting for docking space.

Comment: (UNCLASSIFIED)

This situation will probably get worse before it gets better.

2. Contraband Liquor Stirs Controversy (UNCLASSIFIED)

The 717 cases of Scotch whisky which were imported into Santos manifested as "linen thread" (see Weekly Comment of February 9, Economic item 1) and discovered by the local customs, are in the news again as the result of a ruling by Judge Weigler da Cunha

/Bueno

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1107

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Rept I and I Sao Paulo D-455

Petrarchi, however, is acting in full accordance with Mayor Gomes, who is seeking, with considerable success thus far, to weld behind him a strong coalition composed basically of dependable allies from the PTB and PSP, plus others from the PDC, PRT, PTN, PL and PST, to the ruthless exclusion of members of these or any other local parties who will not accept and cooperate with his administration.

On May 30 Mayor Gomes emphatically asserted to the reporting officer that he had no intention of getting rid of Petrarchi, who enjoys his complete confidence.

2. Portuguese Exile in Santos (UNCLASSIFIED)

Jose Luiz Pinheiro de Carvalho, a 40-year old anti-Salazar Portuguese, was rescued from the Spanish liner "Corrientes" in Santos on May 30 when the ship called here en route to Lisbon. Carvalho told the press afterwards that he had arrived in Buenos Aires about a month ago as a stowaway from Hamburg and had been arrested in Argentina as an illegal immigrant. Interrogated also by representatives of the Portuguese political police (PIDE), Carvalho had been embarked by them aboard the "Corrientes" for repatriation to Portugal and trial as an anti-Salazar revolutionary.

On board the "Corrientes" Carvalho was kept under guard in an ordinary stateroom. When the ship arrived in Santos the Portuguese Consul here, apparently somehow forewarned, had Carvalho thrown into the brig for safe-keeping.

But local newspaper reporters managed to learn of Carvalho's presence on board the Spanish liner (his name appeared on the passenger list as a stowaway) and succeeded in smuggling into him a writ of habeas corpus issued by the local Judge Nelson de Carvalho Pinto (a cousin of the Governor of the State of Sao Paulo). The Portuguese signed the writ and was shortly afterwards taken off the "Corrientes" after a scuffle and brought before Judge Carvalho Pinto, who allowed the exile to remain in Brazil, at least for the time being, on the basis of his irregular detention on board the Spanish ship. To probe the matter further, the judge asked the master of the "Corrientes" to explain the circumstances of the exile's presence on board his ship. The master refused and took his ship out of Santos - an hour late.

Carvalho is now in the custody of the Maritime Police pending further inquiry, and is scheduled to appear again before Judge Carvalho Pinto in the evening of June 2.

Comment: (UNCLASSIFIED)

The exile has told the press that in Portugal he had fallen afoul of the Salazar Government for having supported General Humberto Delgado's candidacy for President, but that he had never been a member of the Partido Libertador, although he now wished to do so. The exile has also made it plain that he wants to stay in Brazil, and his plight has aroused a tempest of sympathy from Santistas.

/The

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FORM DS-622
8-1-50

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OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo Date: June 2, 1961

FROM: American Consulate SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Mayor Overcomes Crisis in PTB (UNCLASSIFIED)

Jose Gomes has surmounted the first real crisis arising from within his own PTB since he assumed the office of Mayor. Last week a group of dissatisfied PTB politicians, led by communist City Councilman Antonio Rodrigues (see Weekly Comment of April 26, Political item 2) demanded that Gomes fire his chefe de gabinete Remo Petrarchi, a PTB stalwart who has strongly backed Gomes from the outset. The dissident PTB members hoped to rally the anti-Gomes forces in the city to their side in hopes of a showdown over Gomes' conduct of office, but were disappointed when virtually nobody from outside the party came to their support. Gomes simply faced down Rodrigues & Co. and announced that there would be no changes in his gabinete. The PTB had no choice but to accept this decision.

Gomes' firmness undoubtedly has strengthened his position within the PTB.

Comment: (OFFICIAL USE ONLY)

Petrarchi is a long-time PTB politico who was defeated for re-election as a City Councilman in October 1959 but promptly given a high administrative job at the City Hall by Mayor Fernandes Lopes as a reward for his collaboration with the ruling PSP. Ever afterwards Petrarchi has held one of the most important appointive posts in the city government, and upon Gomes' accession as Mayor he immediately became his chefe de gabinete and alter ego of the Mayor. But Petrarchi has begun to act rather after the fashion of a Sherman Adams, and his abruptness has given offense to a number of office seekers and elected officials alike, particularly Antonio Rodrigues, whom Petrarchi refused admittance to Gomes' office on May 23. The anti-Gomes faction in the PTB then took up the cry that Petrarchi had deserted his own party to sell his PTB birthright for a mess of PSP pottage.

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SÃO PAULO, BRAZIL



AIR POUCH
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Bud Wilson
12-4-61

FOREIGN SERVICE DESPATCH

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DESP. NO.

June 6, 1961
DATE

FROM : Amcongen, São Paulo

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : A

Encl Report in AD

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ACTION * ARA-4
RECD 6/13

INFO DEPT. Am/R-2 INR-1 REA-1 EUR-5 PER-2
OTHER CIA-10 USIA-10 OSD-5 ~~army-4 navy-4~~
air-6 NSA-4 COM-10

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 15 1961

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated June 2, 1961.

William P. Cochran, Jr.
Minister Consul General

Enclosure:

Santos Weekly Report
dated June 2, 1961

cc: Amembassy Rio

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Control: 3245

Rec'd: June 5, 1961 9:41 p.m.

Info

FROM: Rio de Janeiro

TO: Secretary of State

INFO:

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NO: 1767, June 5, 7 p.m.

Weekly O CRUZEIRO today carries "forbidden interview" with Marshal Lott wherein Lott (1) reaffirms previous denunciation of "tyrant" Fidel Castro and calls Quadros "this lover of Castro", (2) declares himself against proposed defense ministry because it would create inter-service friction and also "constitute threat to President himself", (3) condemns Kubitschek for propagandizing his own re-election in 1965 with government funds, (4) claims that many politicos who attacked him publicly in November 1955 offered clandestine support, for example Afonso Arinos and Joao Dantas (who suggested Lott establish dictatorship), (5) attacks Quadros "Bilhetinhos" and his authoritarianism - - stating that "I would not want be minister of this peasant (Caboclo)".

As previously reported, Lott interview granted several weeks ago but not published, due insistence Lott himself he had not intended his remarks for publication. Decision to print interview apparently due ensuing polemic between Lott and O CRUZEIRO re what he said.

Publication Lott's anti-Quadros remarks raises possibility Quadros may attempt disciplinary measures in accordance his policy forbidding military figures comment political matters. Should this occur, serious military crisis possible.

BOND

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1103

732.00/6-561

1102

Optional Afternoon Activities

Tour of Plasma Physics Laboratory

Garden Tour

Crew Races (Navy, 4:20 p.m.)

"Princeton Newsreel 1960"
showings in McCosh 10
at 3:00 and 4:00 p.m.

✧

6:30 p.m. Class Cocktail Parties

7:45 p.m. to 9:00 p.m. Dinner, University Commons (Black Tie optional)

9:00 p.m. to 1:00 a.m. Alumni Dance, Dillon Gymnasium (Black Tie optional)

✧

Sunday, April 23

11:00 a.m. University Chapel Service
The Reverend Theodore P. Ferris D.D.
Rector, Trinity Church, Boston



with annual giving volunteers at 311 Pyne Administration Building.

❖

2:15 p.m. MORGANTINA—*an Account of the Princeton Archaeological Expedition to Sicily*

Richard Stillwell '21, *Howard Crosby Butler Professor of the History of Architecture*

411 McCormick Hall

3:15 p.m. Adjourn

❖

Woodrow Wilson Hall

PRINCETON IN WORLD AFFAIRS:
The Challenge of International Responsibilities

3:30 p.m. Faculty Seminar II

J. Douglas Brown '19, *Dean of the Faculty*, Moderator

Lewis V. Thomas, *Professor of Oriental Studies*

William W. Lockwood, *Professor of Public and International Affairs*

Klaus Knorr, *Professor of Economics; Associate Director, Center of International Studies*

5:00 p.m. Adjourn

❖

Dillon Gymnasium

6:45 p.m. Reception

7:30 p.m. Dinner

Walker W. Stevenson, Jr. '35, *Chairman of the Alumni Council*, presiding

President Robert F. Goheen '40

J. Harlan Cleveland '38, *Assistant Secretary of State*

❖

The Princeton Inn
Conference Rooms B and C

10:00 p.m. to 12:00 p.m. Informal Entertainment and Open House

Saturday, April 22

McCosh 10

PRINCETON IN WORLD AFFAIRS:
The Challenge of International Responsibilities

9:30 a.m. Faculty Seminar III

J. Douglas Brown '19, *Dean of the Faculty*

Gardner Patterson, *Professor of Economics; Director of the Woodrow Wilson School of Public and International Affairs*

President Robert F. Goheen '40

10:30 a.m. Adjourn

❖

10:30 a.m. to 12:00 noon CAMPUS OPEN HOUSE

The Department of Biology
The New Moffett Laboratory

The Department of Geology
The New Laboratory Wing

The School of Engineering
The New Quadrangle under Construction

The New Dormitory Quadrangle
Undergraduate Rooms and Suites

The Art Museum
Exhibition: The Background of Modern Art

The Princeton Plasma Physics Laboratory
("C Site", Forrestal Research Center)
The Model C Stellarator

❖

James Forrestal Research Center
"C-Site", Plasma Physics Laboratory

12:15 p.m. Luncheon

James F. Oates, Jr. '21, *General Chairman, $53 Million for Princeton University*

2:00 p.m. Adjourn



Program

Ladies are warmly invited to attend all meetings of the Conference other than the working sessions on Friday afternoon.

Thursday, April 20

Dillon Gymnasium

6:45 p.m. Alumni Council Reception for all Members of the Conference

7:30 p.m. Dinner

Walker W. Stevenson, Jr. 35, *Chairman of the Alumni Council*, presiding

Harold H. Helm '20, *Chairman of the Executive Committee of Board of Trustees, Princeton University*

President Robert F. Goheen '40

Robert R. Bowie '31, *Director of the Center for International Affairs, Harvard University*

9:45 p.m. Adjourn

This dinner meeting of the National Alumni Conference constitutes the Spring Meeting of the National Alumni Council of Princeton University

✧

Friday, April 21

Woodrow Wilson Hall

PRINCETON IN WORLD AFFAIRS: The Challenge of International Responsibilities

9:30 a.m. Faculty Seminar I

J. Douglas Brown '19, *Dean of the Faculty*, Moderator

Lyman Spitzer, Jr., *Charles A. Young Professor of Astronomy; Director of the Plasma Physics Laboratory*

Herbert S. Bailey '42, *Director, Princeton University Press*

Frederick H. Harbison '34, *Professor of Economics; Director of the Industrial Relations Section*

11:00 a.m. Adjourn

11:30 a.m. ADMISSIONS AND THE SCHOOL COMMITTEE

Robert H. Myers '40, *Chairman of the National Schools Committee*, Moderator

A panel of administrative officers of the University, undergraduates, and Schools Committee members will discuss the work of the Schools Committees and the essential support which these committees give to the Admissions Office and the Bureau of Student Aid.

12:30 p.m. Adjourn

✧

1:00 p.m. Luncheon, Princeton University Commons—Upper Cloister

Armand Hoog, *Meredith Howland Pyne Professor of French Literature*

✧

2:15 p.m. to 3:15 p.m. ALUMNI AFFAIRS WORKING SESSIONS

1) Class Affairs

James Q. Bensen '36, *Chairman, Alumni Council Class Affairs Committee*, presiding

Faculty Lounge, Firestone Library

2) Schools Committees

Robert H. Myers '40, *Chairman, National Schools Committee*, presiding

Social Science Lounge, Firestone Library

3) Princeton Clubs and Alumni Associations

William L. Crow '33, *Chairman, Committee on Alumni Associations*, presiding

Murray-Dodge Hall

4) Members of the $53 Million campaign staff will be available for conference with campaign volunteers at 110 Pyne Administration Building.

5) Members of the annual giving staff will be available for conference



REGISTRATION

A registration desk will be open before and during each session of the Conference, and members of the Conference are urged to register as soon as possible after their arrival. The registration desk will be located as follows:

Thursday, April 20

4:00– 8:00 p.m. The lobby, Dillon Gymnasium

Friday, April 21

9:00–11:45 a.m. The lobby, Woodrow Wilson Hall

12:30– 1:30 p.m. The cloister, Holder Court

4:00– 8:00 p.m. The lobby, Dillon Gymnasium

Saturday, April 22

9:00–11:00 a.m. Murray-Dodge Hall

11:30 a.m.–1:30 p.m. "C Site", Plasma Physics Laboratory, James Forrestal Research Laboratory

7:00– 9:30 p.m. The cloister, Holder Court

A Note to Early Arrivals

Prior to the opening of the National Alumni Conference on April 20, a national telephone report meeting for the $53 Million campaign will be held. The program will originate in 10 McCosh Hall at 5:30 o'clock EST and will link together more than twenty cities from coast to coast.

President Robert F. Goheen '40, Professor Frederick H. Harbison '34 and James F. Oates, Jr. '21 will participate.

All Princeton alumni and their families will be welcome at the meeting. It will be adjourned before 6:30 o'clock.

PRINCETON IN WORLD AFFAIRS: THE CHALLENGE OF INTERNATIONAL RESPONSIBILITIES

For more than two centuries, the goals of Princeton have been summarized in the two-fold expression, "for the advancement of knowledge and the education of young men." It was Woodrow Wilson who sixty-five years ago added the additional goal of "Princeton in the Nation's Service." Many believe that the time has now come to recognize more fully the rapidly growing responsibilities of a great university, in the second half of the twentieth century, in serving as a focal center of international understanding.

Since medieval times, scholarship and the teacher-scholar have been the vehicles of international intercourse. Science knows no national boundaries, no matter how hard politicians seek to enforce them. The humanities and, more recently, the social sciences have made the world their province. Scholars in these great divisions of human knowledge seek truth wherever it can be found and teach students from wherever they may come. In the universities of America, first occupied in the education of an expanding nation, scholars must now seek as never before to reassert their age-old role in international intercourse. In their common search for truth and their dedication to the enlightenment of all they can do much to advance understanding and mutual accommodation among the peoples of a shrinking world.

Princeton, and the teacher-scholars of Princeton, have special advantages and therefore special obligations in assuming leadership in extending the outreach of American learning. Many of our faculty and alumni are engaged in international pursuits. Students, particularly at the graduate level, come to us from many lands. But the pressures of the times make the enhancement of our international role an urgent task. No longer can Princeton rest upon its attainments in the nation's *service. Our further goal must be, "Princeton, a Resource in the World."*

J. Douglas Brown '19
Dean of the Faculty



NATIONAL
ALUMNI CONFERENCE

Princeton
In World Affairs

The Challenge of International Responsibilities

✲

THURSDAY, April 20
through SUNDAY,
April 23, 1961

Princeton University
Princeton, N.J.

1097

I am extremely sorry to report that Professor Willard Thorp, Chairman of our Department of English, who was looking forward to the opportunity of meeting you, will be away from the campus today - giving a series of lectures at other colleges and universities.

Once again we are delighted that you can be here.

Sincerely yours,

Dan D. Coyle

DDC/nm
c.c.: Mr. Eugene Delgado-Arias

1096

PRINCETON UNIVERSITY
PRINCETON, NEW JERSEY

DAN D. COYLE
Assistant to the President

April 21, 1961

The Honorable Raymundo Padilha
Chairman, The Foreign Relations Committee
The Brazilian Chamber of Deputies

Dear Mr. Deputy:

We are pleased, and highly honored, that you are taking time to visit Princeton University during your stay in the United States. Inasmuch as your time with us must be so brief, I have taken the liberty of arranging your schedule in advance and I can only hope that the following round of appointments will contribute to your understanding of our University.

11:00 a.m.: Tour of the Main Campus of the University. Your guide will be Mr. John Smith, a member of the Princeton Class of 1963.

11:45 a.m.: Inspection of the Harvey S. Firestone Memorial Library with Dr. William S. Dix, University librarian who is currently serving as Chairman of the United States National Commission for UNESCO. This past fall Dr. Dix, whose special interests include the 19th century American novel, was vice-chairman of the American Delegation to the General Conference of UNESCO in Paris.

12:45 p.m.: Professor Stanley J. Stein, a member of our Department of History, will meet you in Dr. Dix's office to escort you, with Dr. Dix, to the luncheon session of our Annual Alumni Conference. A printed program, describing this conference and its purposes, is attached to this letter. Incidentally, Professor Stein is extremely interested in all facets of Latin American relations and has recently returned from a flying visit to Costa Rica.

1:00 p.m.: Alumni Luncheon, Princeton University Dining Halls - Upper Cloister.

2:30 p.m.: Dr. Raymond S. Willis, Jr., Ford Professor of Spanish, in his office, 322-8 Pyne Administration Building. Professor Willis is Chairman of the Portuguese Section of our Department of Romance Languages and Literatures.

1095

6:00 p.m. You will be shown the Radio City Music Hall Stage Show from back stage

Tuesday, April 25

Free

5:30 p.m. Depart Hotel for Idlewild Airport

7:30 p.m. Depart Idlewild aboard Varig #855

BON VOYAGE!

1094

Saturday, April 22

For Chairman Padilha only:

10:10 am (Rm 803)

10:30 a.m. You will be visited at the Warwick Hotel by:

Mr. L. C. Heesler, whom you met in Oklahoma City
Mr. James A. Clements, president, Clemco Inc. (oil Brokers)
A representative of Superior Oil Co.
A representative of J. Ray McDermott & Co. (contracting firm)

The day is free for shopping and sightseeing.

Sunday, April 23

Free day

8:00 p.m. Dinner in your honor given by Dona Dora Vasconcellos, Minister Consul General
50 Riverside Drive (entrance on 77th Street) apartment 14B

Monday, April 24

For the gentlemen only:

12 noon Meet Dr. Carleton Sprague Smith, Director, Brazilian Institute, New York University
East Building Room 840 located at 239 Green Street
Dr. Smith is giving an informal lunch in your honor at the Faculty Club (interpreters not needed)

5:00 p.m. Informal reception given by Rockefeller Center. You will be greeted by Mr. Berent Friele, Personal Representative of Governor Rockefeller.
Executive Entrance, Radio City Music Hall Studio Apartment, 61 West 50th Street.

6:00 p.m. You will

1093

NEW YORK PROGRAM OF BRAZILIAN CONGRESSIONAL DELEGATION

Wednesday, April 19

9:25 p.m. Arrive from Los Angeles

Thursday, April 20

Morning free

1:00 p.m. Lunch given in your honor by H.E.M. Cyro de Freitas-Valle
Delegates Dining room, United Nations

3:30 p.m. Deputies only and one escort interpreter -- depart
United Nations

4:00 p.m. Professor Frank Tannenbaum
603 Fayerweather Hall, Columbia University
Participate in Seminar on Latin American History

At the conclusion of the Seminar, Professor Tannenbaum
will be host at an informal dinner at the Faculty Club,
Columbia University.

Friday, April 21

For Messers Medeiros and Turner only:

10:00 a.m. R. H. Macy & Company
34th Street and Broadway
(details to come)

12:30 p.m. Lunch, Mr. Thomas Waage
Foreign Department, Federal Reserve Bank
33 Liberty Street, 7th floor

Saturday, April 22

8:50 p.m. Radio City Music Hall - stage show
50th Street & Avenue of Americas -

1092

LOS ANGELES WORLD AFFAIRS COUNCIL

LEONARD K. FIRESTONE, President
ROBERT L. MINCKLER, Vice President
HARRY L. DUNN, Vice President
EDWIN W. PAULEY, Vice President
MRS. LAWRENCE WM. FRANKLEY, Secretary
MENDEL B. SILBERBERG, Treasurer
WALTER P. COOMBS, Executive Director

450 GENERAL PETROLEUM BUILDING, 612 SOUTH FLOWER STREET, LOS ANGELES 17, MADISON 9-3194

LOS ANGELES ITINERARY
BRAZILIAN CONGRESSIONAL GROUP

Tuesday, April 18, 1961

10:41 a.m. Arrive Los Angeles International Airport.

12:00 noon Mr. Walter P. Coombs, Executive Director of the Los Angeles World Affairs Council will welcome group to Los Angeles.

2:00 p.m. Movie visit in the name of Mr. Degado-Arias at WARNER BROTHERS studios in Burbank for six members of the group. Transportation by taxi. Please be prompt.

4:00 p.m. Movie visit in the name of Mr. Seidenman at 20TH CENTURY FOX studios for five members of the group. Transportation by taxi. Please be prompt.

7:00 p.m. The group will be picked up at the Hotel by members of the Council for an evening's entertainment at the famous La Golondrina Restuarant on Olvera Street, center of old Los Angeles in Spanish times.

Wednesday, April 19, 1961

9:00 a.m. Tanner Charter bus will arrive for trip to Disneyland. It is suggested that the group's luggage be put in the bus so that the bus may be used to transport the group to the airport after completion of the Disneyland tour.

1:30 p.m. Depart Los Angeles International Airport for New York City.

The Los Angeles World Affairs Council is a non-profit educational organization which seeks to promote a wider knowledge and understanding of international relations and American foreign policy.



Country: Brazil

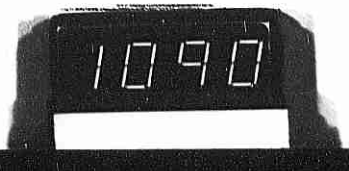
Visitors and Positions: Delegation of Visiting Brazilian Congressmen, interpreters.

Sponsor: State (GAI)

Date on Campus: Monday, April 17, 1961

Program Arrangements:

9:45 am -	Please come to West Gate, University of California campus. You will be met there by the following members of the Alumnae Hostesses Group: Mrs. Norma Cantin (in charge); Mrs. Dale Kaiser; Mrs. Mary Schacht.
10 - 10:30 am -	Please go to the Information Desk in the new Student Union, and ask for Mrs. Dickens, who will take you on a tour of the building.
10:30 - 11 am -	You will be driven through campus and into the Strawberry Canyon Recreation Area, then to one of the student residence buildings.
11 - 11:30 am -	Mr. Scott Wilson, Residence Halls Administrator, will meet you in his office at 2650 Durant Avenue (basement, center building), and take you on a tour of one of the residence halls.
11:45 am -	Please meet in the lounge of the Women's Faculty Club. Professor Benjamin M. Woodbridge, Jr. (from the Department of Spanish and Portuguese) will be your host at a luncheon. Others attending will include: Mrs. Emma Simonson, Professor James King, Professor Engel Sluiter, and Professor Robert Murphy. (Professor Arturo Torres-Rioseco regrets that he must be in Los Angeles, and will be unable to attend.)
1:30 - 2 pm -	If time permits, Mrs. Simonson would like to take you through the Main Library. You will be picked up at 2 pm in front of the Library (University Drive entrance), to be driven back to San Francisco.



SAN FRANCISCO ITINERARY

BRAZILIAN CONGRESSIONAL DELEGATION

Thursday, April 13

11:50 a.m. Arrive United Airlines #579. To be met by representatives of the Department of State, the Brazilian Consulate General and the Pan American Society.

4:30 p.m. Meet with the Honorable George Christopher, Mayor of San Francisco.

Evening Free.

Friday, April 14

10:30 a.m. Press conference, Garden Room, Hotel Canterbury.

7:00 p.m. Cocktails and dinner guests of the Pan American Society at the World Trade Club. Black Tie.

Saturday, April 15

10:00 a.m. Cruise on San Francisco Bay on board the "Sea Brook" as guests of Captain Willis Brooks, St. Francis Yacht Club.

Evening Free.

Sunday, April 16

Morning Free for church.

2:00 p.m. You will be honored guests at the annual Pan American Day Celebration at Golden Gate Park. Festivities include music, dances, etc. of Central and South America. You are invited to attend a reception for performers following the ceremonies. El Portal, 7th and Fulton Streets.

Evening Free.

Monday, April 17

9:10 a.m. Depart for the University of California, Berkeley. This morning visit will include a tour of campus, luncheon and discussion with faculty members interested in the literature of your country.

6:00 p.m. Reception in your honor given by F. De Chermont-Lisboa, Consul General of Brazil.

Tuesday, April 18

7:30 a.m. Depart hotel for airport where you will take American Airlines #14 at 8:25 a.m.



SATURDAY, APRIL 8, 1961

10:00 A. M. - Leave for trip to Hennessey, Oklahoma, to see drilling oil wells and a typical oil boom town. On the return trip there will be a stop for a visit and picnic lunch at the R. D. Cravens ranch near Edmond. The trip has been arranged by Mr. J. B. Rivers, 725 Hightower Building. Mr. Thach, Mrs. Edwards, Mr. and Mrs. Charles Guyton Anderson, Jr., Mr. and Mrs. Robert Mr. Allen Melton M. McInnes and Mr. and Mrs. William Gray will also go.

3:00 P. M. - Return to hotel.

7:30 P. M. - The group will be guests at the Lotus Club Dinner-Dance, to be given in the Persian Room of the Skirvin Tower. Their hosts will call for them in the lobby of the Skirvin Hotel. The hosts will be:

Mr. and Mrs. Paul Dudley, 543 N. W. 32
Mr. and Mrs. T. Winston Eason, 7212 Waverly
Dr. and Mrs. E. Gordon Ferguson, 300 N. W. 15
Mr. and Mrs. C. L. Frates, Lakeview Towers
Mr. and Mrs. E. Coy Harlin, 1715 Dorchester Place
Mr. and Mrs. John E. Kirkpatrick, 1800 Wilshire
Mr. and Mrs. Charles B. Lutz, 315 N. W. 16
Mr. and Mrs. Chas. H. Mee, 1208 Larchmont
Judge and Mrs. Clarence M. Mills, 218 N. W. 18
Mr. and Mrs. Benjamin M. Turner, 600 N. W. 15

SUNDAY, APRIL 9, 1961

11:30 A. M. - Those who desire to go will be taken to church. Following the church service they will be guests of the following for dinner:

Deputy and Mrs. Helio Machado, Deputy Ocelio de Medeiros, Deputy Moreira da Rocha, Deputy Jose Henrique Turner, Mr. Neil Seidenman and Mrs. Florence Fisher will be guests of:

Mr. and Mrs. J. J. Harrigan, 4600 Woodland Drive, GA 7-2288
Mr. and Mrs. W. W. Hunzicker, Jr., 1520 Camden Way, VI 3-3521

Deputy and Mrs. Raymundo Padilha, Miss Regina Padilha, Deputy Menotti Del Picchia and Mr. Delgado-Arias will be guests of:

Mr. and Mrs. W. Thomas Thach, 701 N. E. 50, JA 4-7812

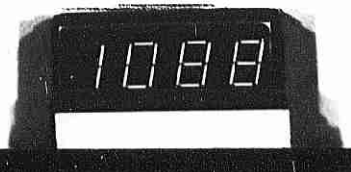
Visit to the Oklahoma Art Center during the afternoon.

4:00 P. M. - Return to the hotel

6:25 P. M. - Leave for airport. **

7:25 P. M. - Departure from Oklahoma City for Denver, via Braniff Airways, Flight # 362. (No meal is served on this flight.)

** Accompanied by: Mr. John E. Boardman, Mr. W. Thomas Thach and Mr. Bruce F. Howard.



OKLAHOMA CITY SCHEDULE FOR BRAZILIAN LEGISLATIVE DELEGATION

Arranged By

Committee for International Visitors, Oklahoma City Chamber of Commerce

W. Thomas Thach, Chairman

Deputy and Mrs. Raymundo Padilha
Miss Regina Padilha
Deputy and Mrs. Helio Machado
Deputy Ocelio de Medeiros
Deputy Moreira da Rocha
Deputy Menotti Del Picchia
Deputy Jose Henrique Turner

Mr. Eugene Delgado-Arias, U. S. Dept. of State, Escort Officer
Mr. Neil Seidenman, U. S. Dept. of State, Escort Officer-Interpreter
Mrs. Florence Fisher, U. S. Dept. of State, Escort Officer-Interpreter

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Staying at the Skirvin Hotel

THURSDAY, APRIL 6, 1961

10:22 P. M. - Arrival, Will Rogers Airport, via American Airlines, Flight # 747.

Meeting the plane: Mr. and Mrs. W. Thomas Thach, 701 N. E. 50, JA 4-7812.
Mr. and Mrs. John H. Edwards, 701 N. E. 50, JA 4-3127.
Mrs. U. G. Keener, 813 N. W. 47, VI 2-2317.
Mr. Allen Melton

FRIDAY, APRIL 7, 1961

10:15 A. M. - Mayor James H. Norick will call on the delegation.

10:30 A. M. - Leave for tour of the Medical Center to visit the Medical Research Foundation. Accompanied by Mr. ~~W. Thomas Thach~~ Mr. Allen Melton and Mrs. E. Gordon Ferguson and Mr. Charles C. Tilghman.

11:45 A. M. - Leave for Skirvin Tower.

12:00 NOON - The delegation will be guests of honor at the Oklahoma City Chamber of Commerce luncheon in the Persian Room of the Skirvin Tower. United States Senator Robert S. Kerr will preside at the luncheon and Major General Robert J. Fleming, will be the speaker.

1:45 P. M. - Conference with Senator Kerr in the Directors Room of the Oklahoma City Chamber of Commerce.

2:30 P. M. - Leave for visit to the State Capitol for a meeting with state officials. Accompanied by Mr. W. Thomas Thach, Mrs. John H. Edwards and Mr. John E. Boardman.

4:00 P. M. - Return to hotel.

6:15 P. M. - Leave hotel for cocktail supper at the home of Mr. and Mrs. Fred Jones, 2400 Grand Boulevard, VI 2-2400. Calling for them will be: Mr. W. Thomas Thach, Mr. and Mrs. C. Edgar Van Cleef and Mr. Charles C. Tilghman.



CHICAGO, ILLINOIS

PROGRAM OF EVENTS FOR THE BRAZILIAN CONGRESSIONAL DELEGATION

Arranged by the
Midwest Regional Office of the
Institute of International Education

Mrs. Clifton Utley, Director
Mr. George H. Lazanas, Chief Program Officer

Wednesday, April 5

4:00 p.m. — Arrival at O'Hare Field, United Airlines
Flight #417

Met by Consul Eurico N. Nogueira Ribeiro of Brazil
and George H. Lazanas of the
Institute of International Education

5:15 p.m. — Mrs. Clifton Utely,
will welcome you at your hotel.

Thursday, April 6

9:30 a.m. — Sightseeing Tour of the City
Conducted by Mrs. Lois Raymond,
PL 2-8533

12:00 noon — Gentlemen: Please meet in hotel lobby.
There will be a representative of Sears, Roebuck,
and Company to conduct you to luncheon followed
by a Tour of Sears, Roebuck, and Company.

12:30 p.m. — Program for the Ladies: Mrs. Florence Fisher will
accompany you to Marshall Fields for Lunch and visits
to the various shops and museums.

HOST: — Sears, Roebuck, and Company
Mr. John F. Gallagher
Vice President in charge of Foreign Administration
Telephone: KE 3-2500, ext. 410

GUESTS:
Mr. Arthur M. Wood, Treasurer, Sears, Roebuck & Co.
Mr. Don Cummings, Sears, Roebuck, & Co.
Mr. John Birdsall, Sears, Roebuck, & Co.
Mr. L.L. O'Connor, Sears, Roebuck, & Co.
Mr. L. Davies, Sears, Roebuck & Co.
Mr. Frank Ross, Sears, Roebuck & Co.
Mr. Dean W. Pebbles, Sears, Roebuck & Co.
Dean John Hayes, Dean, School of Law, Loyola Universi
Mr. Frederick Hall, Assistant Custodian,
Ayer Collection, The Newberry Library
Mr. Eugene Delagado-Arias, First Secretary,
American Embassy, Brazilia, Escort Officer
Mr. Neil Seidenman, U.S. Department of State,
Escort Officer-Interpreter
Mr. George H. Lazanas, Institute of International
Education

5:55 p.m. — Departure for Oklahoma City, Midway Airport,
American Airlines, Flight #747

Arr. 10:22



11:45 A.M. To be driven to Otterbein EUB Church to be guests of Rev. Harvey Hahn for lunch.

1:00 P.M. To tour Dayton Urban Renewal Project
Mr. Earl Stertzer - Director
Miss Ethel Koehler
Mr. Jack Wank
The Red Cross has lent their bus for this tour - driver - Mrs. Thelma Offutt.

6:30 P.M. Mr. Francis Locke (Associate Editor, Dayton Daily News) will pick up Senhor, Senhora, and Senhorita Padilha
Mrs. Florence Fisher, Escort-Interpreter
for dinner at the Locke's home, 3224 Little York Road.

Mr. Glen Thompson (Editor - Journal Herald) will pick up
Senhor de Medeiros
Senhor del Picchia
Senhor and Senhora Machado
Mr. Eugene Delgado-Arias, Escort Officer,
for dinner at the Thompson's home, 3524 Meadow Lane.
Other guests - Mr. and Mrs. Thomas Colt, Director of the Dayton Art Institute.

7:00 P.M. Mr. Stanley Freedman (Attorney) will pick up
Senhor da Rocha
Senhor Turner
Mr. Neil Seiderman, Escort-Interpreter
for dinner at the Freedman's home, 1011 West Rahn Road.
Other guests - Mr. and Mrs. Charles Bridge, (Attorney), Mr. and Mrs. William Chait, (Director, Library), and Mr. and Mrs. Joseph Williams, (Attorney).

WEDNESDAY, April 5, 1961 Mrs Douglas Ferguson - escort

9:00 A.M. To be picked up at the hotel by bus and driven to The Mound Atomic Energy Laboratory for a tour.
Mr. Edward Springer and Mr. David Scott, Hosts.

11:30 AM ~~12:00 noon~~ Depart the Mound Laboratory

12:~~30 P.M.~~ Arrive ~~Biltmore Hotel~~. Yum Yum Restaurant - luncheon

~~1~~:30 P.M. Depart Biltmore Hotel by bus.
2:30 pm Depart by bus for airport
3:35 P.M. Depart Dayton United Airlines, Flight #417 for Chicago.



1:30 P.M. Return to hotel.

2:00 P.M. Press conference for the women - Dayton Daily News - Room 405.

2:30 P.M. Television interview for the men - WHIO-TV and WLW-D - Room 1209.

If there are any special requests for this afternoon, please contact Mrs. Starick or Mrs. Ferguson.

5:30 P.M. Mr. and Mrs. Ernest Meynard (Executive - Buckeye Tools Corp.) will pick up Senhor Turner
Senhor de Rocha
Mr. Neil Seidenman, Escort-Interpreter
for dinner at the home of Mr. and Mrs. John Hubler, 2550 Roanoke Avenue, (Executive - Flexographic Corp.).
At 8:00 P.M., all will go to the home of Mr. and Mrs. Edward Breen, 3521 Echo Springs Trail, (former Mayor of Dayton, former County Commissioner) for a meeting with the Junior League Citizen Consultation group to discuss Brazilian - American Relations.

Mr. Robert Hughes (President - Hughes White Truck Co.) will pick up Senhor del Picchia
Senhor de Medeiros
Mr. Delgado-Arias, Escort-Officer.
for dinner at the Hughes' home, 415 Kramer Road.
Other guests: Bobby Hughes, senior at Cranbrook Academy; Dr. and Mrs. Fritz Marti, owners and directors of a private school in Dayton.
At 8:00 P.M. all will go to St. Paul's Parish House to participate in the St. Paul's, Kettering Y.M.C.A. and Oakwood Citizen Consultation discussion on Brazilian American relations.

6:00 P.M. Mr. and Mrs. B. E. Horn (Dayton Builder) will pick up
Senhor, Senhora and Senhorita Padilha
Senhor and Senhora Machado
Mrs. Florence Fisher, Escort-Interpreter
for dinner at the home of Mr. and Mrs. Walter K. Smith, 3468 Jonathan Dr. (Military Assistance Staff at Wright Patterson Air Force Base).
Members of the Fairmont Citizen Consultation group will be present for a buffett supper and discussion of Brazilian - American relations.

TUESDAY, April 4, 1961

9:00 A.M. Mrs. Frederick Smith will meet the men at the hotel and walk over to the Dayton Daily News for a conference with
Mr. James E. Fain - Editor
Mr. Francis Locke - Associate Editor
Mr. Walter Rybeck - Editorial Writer
Mr. Charles Glover - Managing Editor

10:15 A.M. Mrs. Smith, Mrs. Richard Arf, Mrs. Robert McConnell will pick up the men at the Dayton Daily News

Mrs. Herbert Starick will pick up the women at the hotel

for a visit to Nettie Lee Roth High School, one of Dayton's newest comprehensive high schools- Mr. Robert Smart, Principal-host.

1084

DAYTON COUNCIL ON WORLD AFFAIRS
410 West First Street
Dayton 2, Ohio.

VISIT OF THE BRAZILIAN FOREIGN RELATIONS COMMITTEE
TO DAYTON, OHIO, APRIL 1-4, 1961.

For information or assistance call:
Mrs. Douglas K. Ferguson, BA 4-2072
Executive Secretary, Dayton Council on World Affairs,
or
Mrs. Herbert Starick, CR 5-9378

SATURDAY, April 1, 1961

9:36 P.M. Arrive Dayton, Cox Municipal Airport, TWA flight #411.
To be met by: Mayor R. William Patterson
Mr. and Mrs. Herbert Starick, Dayton City Manager
Mrs. W. J. Zimmerman
Mrs. Frederick C. Smith, V.P. International Visitors
Mr. and Mrs. Albert Parker
and driven to the Biltmore Hotel.

SUNDAY, April 2, 1961

The nearest Roman Catholic Church to the hotel is Sacred Heart Church, corner of 4th and Wilkinson Streets.
Masses: 6:00, 7:30, 8:30, 9:30 (High Mass), 11:00, 12:15
Priest - Rev. J. Paul Fogarty.

2:15 P.M. Press conference - Room 1209 - Journal Herald.

6:15 P.M. To be picked up at hotel:
Mr. and Mrs. John Moore - Senhor and Senhora Machado and Neil Seidenman
Mr. and Mrs. Francis Locke - Senhor, Senhora and Senhorita Padilha
Mr. and Mrs. Douglas Ferguson - Senhor Turner, Senhor da Rocha and Mr. Delgado-Arias
Mayor and Mrs. R. William Patterson - Senhor del Picchia, Senhor de Medeiros and Mrs. Florence Fisher.
To attend a dinner given by the National Cash Register Company at Moraine Farms.

MONDAY, April 3, 1961

8:15 A.M. Press Conference - News - Room 1209.

9:00 A.M. To be picked up by bus at hotel and driven to Frigidaire for a tour of the factory and Home Economics Department.
To be followed by a conference with the heads of the various departments to answer any questions.

Mr. Carlton Brechler, Director, Frigidaire Public Relations, Host for the day.

12:15 P.M. Lunch in the Frigidaire Executive Dining Rooms with executives of Frigidaire - Mr. Herman Lehman, General Manager Frigidaire and Vice President, General Motors Corporation, host.



TERÇA-FEIRA 28 de MARÇO

MANHÃ:	Livre
3:00 p.m.	Encontrar os senhores deputados ao "District Building" para participar da cerimonia de bemvinda a Washington oferecido pelo "Board of Commissioners of the District of Columbia".
3:30 - 4:30 p.m.	Visita a Galeria Nacional de Arte
6:00 - 8:00 p.m.	Embaixada Brasileira-Recepcao

QUARTA-FEIRA 29 de MARÇO

9:30 - 11:00 a.m.	Library of Congress - Hispanic Foundation accompanhadas dos senhores deputados
11:00 a.m.	Representantes da "League of Women Voters" (Liga Feminina de Acoa Politica) vem buscar as senhoras na sala 112 para levarlas dar uma volta pelo "Hill" (O Capitolio).
12:30 p.m.	Almoco oferecido pela Sra. Katie Loucheim, assistente especial ao Sub-Secretario do Estado, no Cosmos Club.
2:00 p.m.	Volta pela cidade com as representantes da "League of Women Voters."
8:00 p.m.	Sair do hotel
8:30 p.m.	Apresentacdo da Nona Sinfonia de Beethoven com o Coro de Howard University no Constitution Hall.

QUINTA-FEIRA 30 de Marco

Livre.

1082

GOVERNMENTAL AFFAIRS INSTITUTE
1726 Massachusetts Avenue, N.W.
Washington 6, D.C.
DUpont 7-6964

PROGRAMA EM WASHINGTON PARA AS SENHORAS DOS DEPUTADOS BRASILEIROS EM VISITA AOS ESTADOS UNIDOS

SEGUNDA-FEIRA 27 de MARCO

10:00 a.m. - 12:30 p.m.	As senhoras estao convidadas para tomar parte na discussao do programa em companhia dos senhores deputados. Este reuniao esclarecera a visita aos Estados Unidos e tera lugar no Departamento do Estado, sala 5516
12:30 - 3:00 p.m.	Carros estaras prontos para levar as senhoras para almocar e visitar uma loja tipo "department store". A senhora Fisher accompanhara as senhoras.
3:30 p.m.	Encontrar os senhores deputados ao "Arlington National Cemetery" para a cerimonia ao tumulo do "soldado desconhecido".
3:45 - 5:00 p.m.	Visita aos monumentos da Capital.
5:00 p.m.	Volta ao hotel.
6:40 p.m.	Sair do hotel para "Washington Cathedral"
7:00 p.m.	Apresentacao do "Paixao de Sao Mateu" de J.S. Bach pelo "Washington Choral Society."



Itinerário planejado para o Grupo de Deputados Brasileiros, Membros do Comitê de Relações Exteriores da Câmara dos Deputados.

1. Chegada ao Aeroporto de Idlewild, New York, seguindo imediatamente por avião para Williamsburg, Virginia. Visita a museus, monumentos históricos e culto religioso no domingo.

2. Quatro dias em Washington: Visitas oficiais ao Departamento: reunião de mesa redonda; visita ao Capitólio; almoço oferecido pelo Senador Fulbright; outras visitas de caráter turístico e social.

3. Charloteville e Monticello, em ônibus especial.

4. Três dias em Dayton: Visita especial à comunidade, incluindo todos os aspectos da vida cívica, e reunião de mesa redonda sôbre as relações brasileiro-norte americanas, com um grupo de cidadãos.

5. Breve visita a Chicago.

6. Dois dias em Denver, para observar especialmente o Govêrno Estadual e a agricultura.

7. Viagem de trem, ladeando as montanhas Rochosas, até Aspen, Colorado, centro turístico; descanso e seminário especial para apreciação dos objetivos nacionais.

8. Quatro dias em San Francisco.

9. Regresso a New York por avião a jato.

10. Cinco dias em New York, incluindo visitas a Harvard, Princeton, etc. de acôrdo com as solicitações.

Aos deputados que se fizerem acompanhar de pessôas da família, será solicitado um depósito de 550 dólares, correspondente a despesas de viagem, para cada acompanhante. Este depósito deverá ser feito a um representante do Government Affairs Institute, imediatamente após a chegada aos Estados Unidos.

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ENCLOSURE NO. 2

1079

UNCLASSIFIED
(Classification)

Page 3 of 3
Encl. No.
Desp. No.
From Rio de Janeiro
Brasilia Office

APRIL 25, 1961

HONORABLE ARMISTEAD SELDEN
CHAIRMAN LATIN-AMERICAN SUB-COMMITTEE
U. S. CONGRESS
WASHINGTON, D.C.

UPON RETURNING BRAZIL AFTER MOST SUCCESSFUL TOUR UNITED STATES HAVE HONOR EXPRESS GRATITUDE U. S. PEOPLE THROUGH YOU FOR HOSPITALITY AND COURTESIES STOP THIS TRIP WILL RESULT GREATER UNDERSTANDING BETWEEN OUR TWO NATIONS PARTICULARLY IN THESE DIFFICULT TIMES.

SINCERELY

RAIMUNDO PADILHA

UNCLASSIFIED



UNCLASSIFIED
(Classification)

Page 2 of 3
Encl. No.
Desp. No.
From Rio de Janeiro
Brasilia Office

APRIL 25, 1961

SENATOR WILLIAM FULBRIGHT
CHAIRMAN FOREIGN RELATIONS COMMITTEE
U. S. SENATE
WASHINGTON, D.C.

ON RETURNING BRAZIL AFTER LONG AND INSTRUCTIVE TOUR UNITED STATES HAVE HONOR EXPRESS MY NAME AND OTHER MEMBERS FOREIGN RELATIONS COMMITTEE APPRECIATION TO AMERICAN PEOPLE THROUGH YOU FOR HOSPITALITY AND INNUMERABLE COURTESIES STOP THIS CONTACT BRAZILIAN DEPUTIES WITH PEOPLE AND INSTITUTIONS THIS GREAT COUNTRY WILL RESULT GREATER UNDERSTANDING OUR TWO NATIONS IN MOST DIFFICULT MOMENTS:

SINCERELY

RAIMUNDO PADILHA

UNCLASSIFIED

1077

UNCLASSIFIED
(Classification)

Page 1 of 3
Encl. No. 3
Desp. No.
From Rio de Janeiro
Brasilia Office

APRIL 25, 1961

HONORABLE THOMAS MANN
ASSISTANT SECRETARY FOR AMERICAN REPUBLICS AFFAIRS
STATE DEPARTMENT
WASHINGTON, D.C.

copies of telegram put in personal files of M. Delgado-Arias, M. Seidenman and Miss Fisher 6/27/61 CS/IB

UPON LEAVING FOR BRAZIL HAVE HONOR SATISFACTION EXTEND TO U. S. GOVERNMENT THROUGH YOU SINCEREST THANKS MY NAME AND MEMBERS FOREIGN RELATIONS COMMITTEE FOR MANY COURTESIES DURING TRIP THROUGHOUT UNITED STATES. WE BELIEVE THIS CONTACT BRAZILIAN CONGRESSMEN WITH PEOPLE AND INSTITUTIONS YOUR COUNTRY WILL BEAR AMPLE FRUIT BETTER UNDERSTANDING PARTICULARLY THIS MOMENT INTERNATIONAL TENSION STOP WISH HIGHLIGHT HIGH COMPETENCE, EFFICIENCY AND DEVOTION DUTY FSO EUGENE DELGADO-ARIAS WHO ACCOMPANIED US FROM BRAZIL AND PERFORMED ASSIGNMENT MANNER MERITING DEEPEST RECOGNITION ALL MEMBERS COMMITTEE STOP ALSO EXEMPLARY COOPERATION INTERPRETERS FLORENCE FISHER AND NEIL SEIDENMAN STOP PLEASE ACCEPT BEST WISHES YOUR PERSONAL HAPPINESS AND FULLEST SUCCESS PERFORMANCE YOUR GRAVE RESPONSIBILITIES.

RAIMUNDO PADILHA

UNCLASSIFIED

1076

UNCLASSIFIED
(Classification)

Page 1 of 1
Encl. No. 1
Desp. No.
From Rio de Janeiro
Brasilia Office

Members of the Foreign Relations Committee of the Chamber of Deputies of Brazil who traveled to the United States on March 24, 1961

The Honorable Raimundo Padilha, Chairman

The Honorable Helio Machado

The Honorable Océlio de Medeiros

The Honorable Chrysanto Moreira da Rocha

The Honorable Menotti del Picchia

The Honorable José Henrique Turner

UNCLASSIFIED

1075

Enclosures:

1. List of members of the Foreign Relations Committee of the Chamber of Deputies of Brazil who traveled to the United States on March 24, 1961.
2. Itineries and programs.
3. Copies of telegrams sent by Chairman of Foreign Relations Committee of the Chamber of Deputies of Brazil.

DISTRIBUTION: Cultural Affairs Attaché, Econ (2), Pol II, Service Attachés, POL (4), CF (3), Brasilia Office (2), All Consulates in Brazil.

1074

3. In order to obviate confusing and possibly embarrassing situations, it is recommended that whenever a Foreign Service officer accompanies one of these groups, he be clearly designated as responsible for the group and that he be given a title such as Chief Escort Officer or Escort Officer-in-Charge. In this connection the writer cannot emphasize enough the importance of assigning senior officers to perform these duties. His own experience demonstrated that much of the success of these trips depends on this circumstance, since the distinguished guests accepted him and turned to him for a solution of problems as they arose.

4. It was a felicitous idea to start the trip at Williamsburg, which impressed the deputies tremendously. All of them were delighted with the beauty of the place and commented on the commendable respect shown by Americans for their historical past and the traditions of the Republic.

5. One of the most important things that can be done to follow up on the success of these tours is to keep the participants on mailing lists for all types of literature, brochures, and other subjects of possible interest. This would serve to maintain their interest and preserve their pleasant memories of the trip. One of the things that pleased them most, as has already been mentioned, was the designation they received from the State legislature of Oklahoma naming them Honorary Lt. Governors.

6. Despite the possible difficulties and inconveniences which may occasionally be the result of having wives included in these groups, the Reporting Officer is more convinced than ever that this is an extremely important and useful aspect of these trips and strongly urges that whenever possible they be included.

Eugene Delgado-Arias

Eugene Delgado-Arias
Escort Officer

Amembassy Rio de Janeiro
Brasilia Office

1073

Undoubtedly, the Foreign Relations Committee of the Chamber of Deputies is in a privileged position to influence Brazilian attitudes toward the United States through the legislative process. Consequently, the beneficial effects of this trip should be extremely fruitful in the future.

The escort officer wishes to make particular mention of the fine co-operation and excellent performance of the two interpreters who accompanied the group, Mrs. Florence Fisher and Mr. Neil Seidenman. In addition to having a perfect command of Portuguese, Mrs. Fisher and Mr. Seidenman bring to their work considerable dedication as well as extremely pleasant personalities. Their assistance was in great measure responsible for the success of this trip. The group undoubtedly owed much of its success and the harmony which prevailed during the entire journey to its being composed of persons accustomed to working with each other as a group and to the respect they had for the chairman of the committee.

Recommendations

The escort officer would like to make a number of recommendations which may be useful in organizing future trips:

1. More emphasis should be placed on the cultural attainments of the United States. In several cities such as Chicago, not enough time was available for visits to museums. Although not every member of every group is necessarily interested, it would seem that such visits would help dispel the generally held conception that the United States is strong on material progress and short on cultural attainments.

2. Every effort should be made, particularly in the case of persons in public life, to provide for adequate press coverage, particularly in order to report their progress in the United States in their home country. This was one of the lacks which the deputies lamented on several occasions. The Brazilian correspondents in the United States and the International press services could have been used to greater advantage during this trip to publicize its attainments.

1072

meetings at which they were received by Congressman Selden and Senator Morse as well as to State Department officials. Mr. Delgado-Arias on several occasions had the opportunity to emphasize the high effectiveness of the Exchange of Persons Program as particularly evidenced in the case of these Brazilian deputies.

In the case of Deputy Medeiros, who studied in the United States for several years before launching on his political career, he pointed out that there is a large and influential group in Brazil of people who have studied in the United States under an Exchange of Persons Program and who now hold key positions in the Federal and State administrations of his country. According to Deputy Medeiros, there are some 70 such individuals, among whom are several members of congress.

The impressions of the trip on the deputies were so immediately obvious that on various occasions statements were made by several of them either to the Press or to many of the persons they encountered en route indicative of their greater understanding and their strong friendship for the United States. It was apparent in the case of several of them that a number of prejudices and preconceptions about the United States were discarded along the way.

Prior to their departure for Brazil, Chairman Padilha drafted a number of telegrams addressed to Assistant Secretary for American Republics Affairs Mann, to Senator Fulbright and Congressman Selden expressing in his name and that of his colleagues their great appreciation for the invitation to visit the United States and the considerable contribution which this circumstance would make to a closer and friendlier relationship between the two countries. Copies of these telegrams are enclosed.

In the short time since their return to Brazil, several of the deputies have made significant contributions to a more friendly attitude towards the United States and a closer cooperation between the two countries. Significantly, Chairman Padilha, speaking for the group in Congress, and Deputy Medeiros, with respect to the Cuban situation, have been particularly effective. Deputy Menotti del Picchia expressed a desire during the trip to collaborate in some manner with the Brazil-United States Cultural Institute in São Paulo and it was suggested that he might wish to give some lectures at that center on his return. This suggestion has been passed on to USIS so that he may be approached on this subject.

1071

utilized to give them a comprehensive and favorable picture of their communities. As a result, the deputies found themselves fully entertained at all times and came away with a host of impressions which, by their own avowal, represented an extremely comprehensive and, in many instances, illuminating picture of the United States and its people, their warm hospitality, their respect for the law, their civic spirit, their eagerness to learn, their good neighborliness, their preoccupation with education for the young, and improvement of the less privileged--in a word, a far clearer and well-documented approach to the United States.

It may be mentioned that one of the things that most impressed the traveling deputies was the community spirit shown throughout in virtually all communities visited. This was also strengthened by their meetings with various industrial groups, such as the executives of Frigidaire, General Motors subsidiary in Dayton, Ohio, the National Cash Register Company of the same city, and Sears, Roebuck in Chicago.

At the meeting with the Frigidaire executives a number of questions were raised by the deputies concerning the Company's activities in Brazil. The answers elicited many aspects of American industrial enterprise in their country. They were told that Frigidaire, Brazil, is now making its products entirely in the country, that Brazilian productive capacity of the company is higher than that in America, that the company is training Brazilian technicians in the United States as well as in its own plants in Brazil (two Brazilian young men presently in training called on the deputies and spoke highly of their experiences). There are 28 Brazilians who have been attending the General Motors training institute who are now back in Brazil. The number of Brazilian technicians and executives is now larger than the Americans and is increasing. Finally, in answer to Chairman Padilha's questions, it was stated that the percentage of labor put into a manufactured unit of this company in Brazil is one-tenth of its equivalent in the United States.

On many occasions the deputies commented how important it is for Brazilians, particularly Brazilian Congressmen, to visit the United States since this is a sure way of dispelling many preconceptions. They made this recommendation to a number of persons during the trip, especially during the luncheon

1070

of White, Weld and Company, New York, Mr. Delgado-Arias serving as interpreter. These gentlemen came by pre-arrangement to discuss with Mr. Padilha a proposal they are making to the Brazilian Government for the financing and construction of an oil refinery in Belo Horizonte and a pipeline to that city from the coast. The day was devoted to shopping by the other members of the delegation.

Sunday, April 23, was free. In the evening, an extremely pleasant dinner in their honor was given at her home by Dona Dora Vasconcellos, Consul General of Brazil.

Monday, April 24, the deputies were entertained at lunch by Dr. Carleton Sprague Smith, Director of the Brazilian Institute at New York University.

At 5:00 p.m. an informal reception was given at Rockefeller Center by Mr. Berent Friele, representing Governor Rockefeller, and by other executives of the Rockefeller enterprises in Brazil. At 6:00 p.m., the group was conducted backstage of the Radio City Music Hall to watch the matinee show.

Tuesday, April 25, was free, devoted mostly to shopping and final arrangements for their return to Brazil.

The return flight on Varig airlines was postponed from 7:30 p.m. until near midnight. The delegation was escorted to the airport by Mr. Delgado-Arias, the Consul General, and other Brazilian officials and enplaned for Brazil shortly after midnight.

Comments

The trip made by this group, consisting of the Chairman and members of the Foreign Relations Committee of the Chamber of Deputies of Brazil, was an unqualified success. Throughout the trip the arrangements made by the Governmental Affairs Institute were excellent, the escort officer keeping in close touch with them by telephone during the trip. The arrangements with the various local Councils on World Affairs, particularly in Dayton and Oklahoma City, were truly outstanding and, without overburdening the participants unduly, every opportunity was

1069

of such moment and particular interest to the deputies that a message of regret was transmitted to Professor Tannenbaum, explaining the circumstances, the deputies remaining until the close of the debate. That evening, Chairman Padilha returned to attend the continuation of the debate and remained until after midnight. Later, Chairman Padilha sent a telegram to Professor Tannenbaum, explaining the circumstances which had prevented their attendance at the University and apologizing for their absence. This was the only scheduled part of the program which the deputies did not comply with.

On the morning of Friday, April 21, Deputy Padilha, in accordance with his wishes, was driven to Princeton University, accompanied by Mr. Delgado-Arias, arriving at Old Nassau Hall at about 11:00 o'clock, where they were greeted by a representative of the President of the University. After touring some of the principal buildings, they were escorted to the Princeton University Commons--Upper Cloister, to participate in a luncheon being given during the National Conference of Princeton Alumni which was meeting there at the time. Both Deputy Padilha and Mr. Delgado-Arias were formally introduced to the persons present by the chairman of the conference. Later, a tour of the library and other important parts of the University was made, escorted by members of the faculty, returning to New York in the late afternoon.

That same morning, April 21, Deputies Medeiros and Turner went to R. H. Macy and Company for a visit they had requested to observe the accounting procedures of this large department store. They were later entertained at luncheon by officials of the Federal Reserve Bank, who later conducted a tour of some of their facilities in compliance with their request which had been made in Washington. Both of the deputies expressed their satisfaction at the thoroughness of the preparations made on their behalf and of the hospitality of which they had been the object on the part of officials at Macy's and at the Federal Reserve Bank. That evening most of the members of the group attended the Easter Show at Radio City Music Hall.

On Saturday, April 22, Mr. Padilha received at the hotel Mr. James A. Clements, Oil Broker, and Mr. E. C. Hessler



Los Angeles

On Tuesday, April 18, the group departed for Los Angeles by air, where they arrived shortly before 11:00 o'clock. They were greeted at the hotel by Mr. Walter P. Coombs, Executive Director of Los Angeles World Affairs Council. That afternoon several members of the group visited motion picture studios, while Chairman Padilha and Deputy Medeiros, accompanied by Mr. Delgado-Arias, were driven to Marineland by a lady volunteer assistant of the World Affairs Council. This excursion was organized at the express request of Mr. Padilha, who was extremely interested in seeing the tame pilot whales featured in that famous aquarium. After the return to Los Angeles, the group were picked up by members of the World Affairs Council at 7:00 p.m. for dinner and an evening's entertainment in Olvera Street, in the old Mexican quarter of Los Angeles.

The next morning, Wednesday, April 19, the group was picked up at the hotel and driven to Disneyland by bus. Due to the great distances, only a little over two hours were available for this visit, but it was time well spent. From Disneyland the bus drove the delegation to the airport where they enplaned for New York at 1:30 p.m., arriving at 9:25 p.m.

New York

The delegation was met at the airport by the Brazilian Consul General, Dona Dora Vasconcellos, and representatives of the State Department reception center. On Thursday, April 20, they were entertained at lunch by Ambassador Cyro de Freitas-Valle in the Delegates' Dining Room of the United Nations. After the luncheon the Ambassador greeted the group of delegates, answered by Chairman Padilha in the name of the deputies and by Mr. Delgado-Arias in the name of the Americans who accompanied the group. After the luncheon the deputies attended the debate on the resolutions presented by various countries on the Cuban situation in Committee No. 1, the proceedings of which they followed with considerable interest.

Although a program had been organized at Columbia University by Professor Frank Tannenbaum for the deputies, Chairman Padilha felt that the debate in the United Nations was

1067

a representative of the Pan American Society and the Brazilian Consul General, and the group was driven to the hotel. Upon arrival at the airport Mr. Padilha was briefly interviewed for television and numerous pictures were taken of him and the rest of the group. That afternoon the group called on Mayor George Christopher, who greeted them cordially at City Hall and presented Deputy Padilha with a Key to the City of San Francisco. Press coverage at the Mayor's office was also ample. On Friday, April 14, a Press conference was held at 10:30 a.m. in the Garden Room of the Hotel Canterbury. The visit was prominently featured in the local Press, radio and television. That evening, the World Trade Club of San Francisco was host to the group for a formal cocktail and dinner where speeches of welcome were made by various speakers, emphasizing the need for closer ties between the two countries.

On Saturday, April 15, Capt. Ellis Brooks of the St. Francis Yacht Club had the group on board his yacht for a cruise of San Francisco Bay. The rest of the day the group toured the city, lunching at Fisherman's Wharf and later traveling by cable car back to the hotel. In the evening several of them toured China Town and had dinner there.

On Sunday morning, April 16, several attended church services and after lunch were guests at the celebration of Pan American Day at Golden Gate Park, where a program of music and typical dances of Latin America was performed. Afterwards, a reception was offered them by the Pan American Society.

Monday, April 17, was devoted to a trip to the University of California, Berkeley, and a tour of the University. The most interesting aspect of this visit was a tour of the library facilities of the University, where again the Brazilian authors' works were prominently displayed. In the evening a reception in their honor was given by the Brazilian Consul General at his residence.

All the members of the delegation expressed their satisfaction at having visited San Francisco and finding it every bit as charming as they had been led to expect. They pronounced San Francisco the most attractive city on the tour, with a few possible exceptions. The relaxed atmosphere and the not over-burdened program helped to make their stay a very pleasant one.



recommended to the State Department the granting to Brazil of a seven million dollar loan to set up a pilot plant for the exploitation of the large oil shale deposits in their country, utilizing the great fund of experience which had become available through activities in this field in the State of Colorado. He discussed with Deputy Padilha peculiar problems of a political and economic nature of Brazil, the latter informing him of a number of aspects which the Governor in his capacity as chairman of the Governors' Conference could find useful and instructive.

In the afternoon, a visit was made to the ranch of Mr. and Mrs. William Sinclaire where they were served a very pleasant luncheon. The trip back included a tour of the Garden of the Gods. In the evening, they were guests at a dinner at International House.

Tuesday, April 11, was devoted to a visit of the U. S. Air Force Academy at Colorado Springs. Lunch was served at the Academy. The occasion featured an abundant snowfall, which many of the members of the group took advantage of to take photographs while playing in the snow. On the trip back to Denver, the skies cleared and delightful spring weather set in for the rest of the trip. The evening was left free so that members of the group could rest from the strenuous activities of the previous few days.

Salt Lake City, Utah

On Wednesday, April 12, early in the morning the delegation boarded the 'California Zephyr' of the Denver and Rio Grande railroad for Salt Lake City and spent the day viewing the extraordinary Rocky Mountain scenery, arriving at Salt Lake City at 10:00 that night.

On Thursday, April 13, before departing by air for San Francisco at 10:25 a.m., the group had time to make a brief tour of the Mormon Tabernacle and catch a glimpse of some of the most important sights in the city.

San Francisco, California

At 11:50 a.m., the plane put down at San Francisco airport, where the group was greeted by a numerous delegation including Mr. Russell E. Olsen of the State Department reception center,

1065

considered in any future plans. The Civic Opera, the Chicago Symphony, the Field Museum are among the many things that the great city has to offer and which could not be visited by this group due to lack of time.

Oklahoma City

Shortly before 6:00 o'clock on Thursday, April 6, the group enplaned for Oklahoma City, arriving there at 10:22 p.m. They were met at the airport by a numerous delegation of the Oklahoma City Committee on International Visitors of the Chamber of Commerce, headed by Mr. W. Thomas Thach, Mrs. John H. Edwards, and other persons. The Oklahoma group organized an excellent program which also included press conferences, a meeting with Senator Kerr, where they also met and talked to Congressman Pete Jarman and his wife at some length. During a visit to the state legislature, they were presented with scrolls naming them Honorary Lt. Governors of Oklahoma. This gesture appealed very much to them and on repeated occasions they referred to their investiture with pleasure.

On Saturday, April 8, a field trip included inspection of an oil derrick and a visit and lunch at a cattle ranch to see prize herds of cattle. That evening, the group were guests of the Lotus Club at a formal dinner dance in the Persian Room of the Skirvin Hotel.

On Sunday, April 9, members of the group were entertained at lunch in various homes of distinguished Oklahomans, where they had an opportunity to become better acquainted with them. After lunch, they were conducted on a tour of the Art museum of the city, departing by plane in the evening for Denver, Colorado, where they arrived at 9:00 p.m.

This visit was also extremely well-organized and the program was exceptionally effective. The hospitality shown them, and the friendliness of their hosts impressed the delegation.

The Denver visit was highlighted by a visit with the Honorable Stephen McNichols, Governor of Colorado, who received the group in his office in the Capitol. The Governor discussed with the deputies his efforts to improve the water supply of the city as well as for developing the irrigation and hydro-electric facilities of the State. He informed them that he had

1064

different Dayton civic groups, where U.S.-Brazil relations were discussed at length in a perfect give-and-take.

As mentioned before, the Dayton visit constituted an extremely illuminating and instructive one and the deputies were extremely impressed by the civic spirit manifested throughout and the meticulous and at times even overwhelming hospitality and friendliness shown them.

On Wednesday, April 5, after a visit to the Mound River Atomic Energy Laboratory, the group took off for Chicago shortly after noon.

Chicago, Illinois

The visit to Chicago, where the group arrived at about 3:30 in the afternoon of Wednesday, was all too short. The group was greeted in the hotel by Mrs. Clifton Utley, Director of the Institute of International Education, and Mr. George H. Lazanas, Chief Program Officer. A tour of the city during the remaining part of the afternoon was conducted for the group, the evening remaining free. Many comments were made on the monumentality of the city, whose urban redevelopment program has made obvious improvements in the great midwestern metropolis. Early the next morning, the group toured large areas of the city where the deslumming and reurbanization program is actively in progress. At noon, the group was picked up at the hotel by officials of Sears, Roebuck who were their hosts at luncheon. At the luncheon a welcome was extended to them by officials of the company who later briefed them on the activities of the organization in Brazil in an atmosphere of great cordiality. It was regretted by all that the time allowed for the visit did not permit a visit to the Sears, Roebuck plant and installations and to other parts of the city. The rest of the afternoon was devoted to a visit in the Museum of Science and Industry, at the special request of several members of the group. This museum was a revelation to all of them and many lamentations were heard on the limited time available.

In discussing the visit with several executives of Sears, Roebuck who expressed the desire to be included in future official visits of this nature so that a more extensive program could be prepared, it was suggested that they communicate with the Exchange of Persons Program of the Department and make their wishes known. Undoubtedly, Chicago has a great deal to offer and should be

1063

Saturday, April 1, in the company of Professor Malone, they departed for Monticello, the home of Thomas Jefferson, where they arrived approximately half an hour later, enjoying the pleasant spring weather which had returned after the rain. The imagination of the deputies was captured by the multiple manifestations of the genius of Thomas Jefferson, whom all of them acclaimed as a great thinker of the early Republic and the genius who had drafted or inspired the initial laws of the nation. The comment was often heard among them that Jefferson was the Leonardo of his generation. The visit was made all the more fascinating by the comments of Professor Malone, whose intimate knowledge of Jefferson and Monticello threw a most attractive light upon the surroundings.

At approximately 11:00 a.m. the bus departed from Monticello along Skyline Drive, a delightful experience. In many places en route trees and shrubs were coated with ice, giving the landscape a fairylike quality which remained an unforgettable experience for all. Shortly after 5:30 p.m. the group arrived at Washington National Airport where they enplaned for Dayton, Ohio.

Dayton, Ohio

The arrival at Dayton shortly after 9:30 p.m. in a swirl of snowflakes was the beginning of an outstanding visit. The group was met at the airport by a large delegation, and they were overwhelmed with courtesies and attention. Present were the Mayor of the City and the City Manager, accompanied by their wives. From the airport the group was driven to the Biltmore Hotel where they were showered with attentions, the ladies all receiving beautiful bouquets of flowers and every guest finding in his room a large box of chocolates.

The program organized by the Dayton Council on World Affairs, copy of which is attached, included several press conferences, a TV conference, visits with church groups, a visit to the Frigidaire factory of General Motors, a dinner offered at Moraine Farms by the Executives of the National Cash Register Company, and visit to the City Manager where several of the deputies asked a number of questions on the city management form of government. Perhaps the most interesting aspect of the visit was that the members of the group were entertained for dinner at home by various distinguished Dayton citizens, later followed by question and answer sessions with three

1062

of Beethoven's Ninth Symphony in Constitution Hall. Chairman Padilha and his family and Deputy del Picchia attended this concert, accompanied by Mr. Delgado-Arias.

On Thursday, the group was received by Ambassador Fernando Lobo, at the Pan American Union, in his capacity of Chairman of the Organization of American States. Ambassador Lobo welcomed the deputies to the Pan American Union and he was answered by Chairman Padilha. Next on the program was a visit to the Inter-American Development Bank, where Mr. Casemata, Vice-President of the Bank, briefed the delegation on the operations of the Bank.

After lunch, the delegation was received by the Honorable Luther Hodges, Secretary of Commerce, and the Honorable Hickman Price, Jr., Assistant Secretary. The Secretary extended a gracious welcome to the deputies and called upon several of his senior officials to brief the deputies on measures of interest to Brazil. Two of these were particularly significant as of particular interest to Brazil, concerning measures with reference to oil and sugar quotas.

Charlottesville, Va.

On Friday, March 31, at 9:00 a.m. the group took off by bus from the hotel to visit Charlottesville, Va., and the University of Virginia. Unfortunately, the excellent spring weather enjoyed so far turned into rain, which persisted throughout the day and made the visit to the University of Virginia somewhat difficult.

They were met at the University by Professor Marion K. Kellogg of the School of Law, who escorted them in a visit through the most important buildings of the University, particularly the Rotunda, designed by Thomas Jefferson. The highlight of the visit was undoubtedly the Library, where an exhibit of Brasiliana had been set up, prominently featuring Deputy del Picchia's books, much to the latter's pleasant surprise and obvious emotion. After visiting the campus, the group was entertained at dinner at the Faculty Club by Professor Kellogg and some of his colleagues, among whom was the distinguished historian and writer, Professor Dumas Malone, biographer of Thomas Jefferson, the Dean of the Law School, Professor F. D. G. Ribble, the Mayor of Charlottesville and Mrs. Scribner, and Professor Thomas J. Michie, member of the City Council. After a most cordial evening of the most gracious Virginia hospitality, the group retired to the hotel.

1061

At 1:00 p.m., a luncheon was offered the delegation by the Chairman of the Senate Committee on Foreign Relations in the Capitol. In the absence of Senator Fulbright, who was on the floor participating in the debate on the sugar bill, Senator Wayne Morse, Chairman of the Subcommittee on Latin America, presided. Among the Senators present were Aiken, Wiley, Mansfield, Kerr and others, as well as Congressman Morgan, Chairman of the House Foreign Affairs Committee. The luncheon was a most cordial occasion. Despite the frequent calls on the various senators to appear for roll call on the floor of the Senate, it was impressive for its atmosphere of genial hospitality and friendliness.

Senator Morse welcomed the Brazilian deputies and then called on Mr. Delgado-Arias to introduce the visitors, after which Chairman Padilha expressed the appreciation and gratitude of the deputies for the singular deference accorded them with an invitation to visit the United States. Shortly thereafter, perhaps the most impressive ceremony of the entire tour took place when the deputies were escorted onto the floor of the Senate, where they were greeted by the President of the Senate and where the speaker yielded to a number of Senators, including Mansfield and Aiken, that they might make speeches of welcome to the representatives from Brazil, after which each of the deputies was officially introduced from the chair. Later, copies of the Congressional Record, incorporating this testimonial, were presented to each of the deputies, who expressed their profound recognition for this gesture, which they regarded as truly historic. At Mr. Delgado-Arias' suggestion, Chairman Padilha mailed a copy airmail to Brazil for use by the local Press.

After the ceremony, the group returned to the hotel for a brief rest followed by a round-table discussion in the State Department scheduled at 4:15 p.m. and which was to be presided by Assistant Secretary Mann. Since Mr. Mann was unable to attend because he was at the Congressional hearings, Mr. Clare Boonstra presided in his place, other senior officials of the Department being present. A number of questions were raised by the deputies, and then a briefing was conducted by Mr. Boonstra, Mr. Delgado-Arias acting as interpreter. The group returned to the hotel at about 5:30 p.m. to rest up for the evening program which consisted of attendance at a performance

1060

On Tuesday, March 28, a meeting was held with Mr. Serafino Romualdi, Inter-American Representative for the AFL-CIO. From here, the group departed for Capitol Hill to attend a luncheon offered by the Honorable Armistead I. Selden, Jr., Chairman, Subcommittee on Inter-American Affairs, House Foreign Affairs Committee. The luncheon was attended, among others, by Congressman Morgan, Chairman of the Foreign Affairs Committee of the House; Congressmen Fascell, Chipperfield and Teague. The luncheon proceeded in a most cordial atmosphere. Congressman Selden addressed words of greeting to the deputies, who were introduced by Mr. Delgado-Arias, and later Chairman Padilha spoke for the delegation, expressing their appreciation to Congressman Selden for his hospitality.

As scheduled, the group departed Capitol Hill after the luncheon at 2:30 p.m. to call on the Honorable Walter Tobriner, President of the District of Columbia Board of Commissioners, who greeted the Brazilian delegation, presenting a key to the city of Washington to Deputy Padilha. The rest of the afternoon was taken up by several members of the group in a visit to the National Gallery of Art, while Deputies Medeiros and Turner went to the Anti-Trust Division of the Department of Justice for a briefing they had requested, in order to inform themselves on details of American Anti-Trust legislation which might be useful in their own legislative program.

That evening, a reception was offered at the Brazilian Embassy by Mr. Carlos Alfredo Bernardes, Chargé d'Affaires.

On Wednesday morning, the scheduled visit to the Library of Congress was highlighted by the presentation upon their arrival to Deputies Menotti del Picchia and Ocelio de Medeiros of a collection of bibliographic cards of their own works to be found in the collection in the Library. This gesture impressed all the members of the delegation very deeply and particularly the two authors, who commented that several of the books were out of print and unobtainable in Brazil. From the Library of Congress, the group made a brief visit to the Supreme Court of the United States. Thence they went to the gallery of the House of Representatives to observe the Congress in session.

1059

session was held at the Department of State attended by members of the office of Brazilian Affairs and other representatives of various agencies of the Department and a representative of the Governmental Affairs Institute. At this meeting their program was outlined to the Brazilian Congressmen and a number of questions were raised and answered. Chairman Padilha expressed a desire to meet William Faulkner, whom he admires greatly, but was informed that he is presently in Venezuela. He also expressed a desire to meet Dr. Galbraith, recently appointed Ambassador to India, but who was also unavailable. Deputy Turner wished to contact Assistant Secretary of Commerce, Hickman Price, Jr., an old friend of his from São Paulo, before the scheduled official meeting in the Department of Commerce. This was arranged.

Mr. Delgado-Arias then listed a number of activities which would be of interest to the group or to individual members, recommendations which he had obtained in a series of discussions with the deputies. All of these were incorporated in the program. Deputy Padilha on behalf of the ladies spoke up for a trip to Hollywood, with particular reference to Disneyland.

A luncheon was later scheduled at Blair House, Assistant Secretary of State for American Republics Affairs, Honorable Thomas Mann, acting as host. The luncheon was attended by Deputy Assistant Secretary Arturo Morales Carrion, Mr. Saxton Bradford, of Exchange of Persons, and other top departmental officers. The luncheon took place in an atmosphere of the utmost cordiality.

At 3:30 in the afternoon, the delegation was escorted to Arlington National Cemetery, where Chairman Padilha laid a wreath at the Tomb of the Unknown Soldier and an extremely impressive ceremony was performed in their honor. It was evident that this ceremony moved all the members of the delegation deeply and their comments later proved this to have been an exceptional experience for all of them. After departing Arlington National Cemetery, the group was taken for a sightseeing tour of some of the most important monuments in Washington, with particular attention to the Jefferson and Lincoln Memorials. Both of these attracted their attention, but very particularly, the Lincoln Memorial because of its beauty and impressive dignity. The group returned to the hotel and although a performance of Bach's St. Matthew Passion was scheduled at the Washington Cathedral, most of the members of the group, while expressing interest, preferred to rest before undertaking the next day's program.

1058

Report on Travel to the United States
of Foreign Relations Committee of the Chamber of Deputies

The Reporting Officer departed from Rio by air at midnight, March 24, arriving in New York early in the morning of March 25 in the company of the Brazilian Congressional group composed of the Chairman and members of the Foreign Relations Committee of the Chamber of Deputies. See enclosed list.

The group was received at the airport by representatives of the State Department Reception Office and by members of the Brazilian Consulate General, taking a plane shortly thereafter for Newport News, Virginia. From Newport News the group traveled to Williamsburg by bus, remaining in that city until Sunday, March 26, thence traveling to Washington on the 26th by way of the Skyline Drive.

Williamsburg, Virginia

The visit in Williamsburg was extremely successful. The impression received by all members of the group was extremely favorable, many of them remarking that this was a perfect introduction for a visit to the United States since Williamsburg is a fine demonstration of the high regard which the American people have for their historical institutions. Although making Williamsburg the initial stop on the tour was the result of circumstances due to the arrival of the delegation in the United States over a weekend, the results were so outstandingly successful that it is strongly recommended that all groups henceforth be scheduled to visit Williamsburg at the beginning of their tour, since this obviously constitutes a very successful beginning and introduction to the United States.

Washington, D. C.

The delegation spent their time from Monday, March 27, through Thursday, March 30, in Washington. On Monday morning, a briefing

EDelgado-Arias:rpc

1057

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SUBJECT: REPORT ON VISIT TO THE UNITED STATES OF THE CHAMBER OF DEPUTIES COMMITTEE ON FOREIGN RELATIONS

Attached herewith is a report on travel to the United States of the Foreign Relations Committee of the Chamber of Deputies prepared by escort officer Eugene Delgado-Arias, Officer-in-Charge of the Embassy Brasilia Office.

For the Chargé d'Affaires a.i.:

Philip Raine
Counselor of Embassy
for Political Affairs

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1056

W I T H D R A W A L N O T I C E

RG: 059

TAB #: 8

ENTRY: CDF60-63

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BOX: 1576

ACCESS RESTRICTED

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Folder Title: 732.00/5-3161 HBS

Document Date: 31/05/61

Document Ser.#:

DESP 450 FR SAO PAULO TO STATE

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00008



Page #5
File #1
Desp # 448
SAO PAULO
5-29-61

4. Petrobras Union Rebuffed in Wage Demands (UNCLASSIFIED)

President-Elect Geraldo Silvino de Oliveira, outgoing President Ubirajara de Araujo Franco and Second-Treasurer-Elect Mr Nelson de Azevedo Coutinho of the 1,700/-member union of the Trabalhadores nas Industrias da Destilacao e Refinacao de Petroleo de Cubatao returned empty-handed from Rio de Janeiro this week, after making strong representations on behalf of their union for a 30% over-all wage increase (see Weekly Comment of May 18, Labor item 3). All they could extract from Petrobras President Geonisio Barroso was a Cr$500,00 per dependent monthly family allowance for the workers.

Comment: (OFFICIAL USE ONLY)

All three of the above-mentioned union officials are communists.

III ECONOMIC

1. American Shipping Company Absorbing French Company's Brazilian Offices (UNCLASSIFIED)

The reporting officer has been informed by the Santos manager of the Delta Line that it will shortly absorb all the Brazilian offices of the French Compagnie Maritime des Chargeurs Reunis as part of a swap by which the French company will assume representation of the Delta Line on the West Coast of Africa.

The Santos office will take over 8 local employees of the Chargeurs Reunis here. (See Weekly Comment of May 18, Economic item 5.)

Comment: (UNCLASSIFIED)

At the same time the reporting officer learned that the Delta Line is establishing a woodworking shop here to construct wooden pallets for ship loading and discharging operations. The lumber will come either from Itajai in Sta. Catarina or from Paranagua.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE - Negative.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-493476

1054

Page #4
Encl #1
Desp #448
Sao Paulo
5-29-61

Comment: (OFFICIAL USE ONLY)

There were a number of communists in each slate competing, although Vasconcelos' slate is probably less infiltrated than the others. Nonetheless, the new leadership can be expected to pursue the same inflexible line toward shipping companies and represents little real change in ideals or policies from the former administration of the union under Laerte Carneiro da Silva.

A despatch has been prepared on this election by the reporting officer.

2. Communists Keep Grip on Bank Employees Union (UNCLASSIFIED)

By a vote of 439 to 181 Antonio Guarnieri was re-elected President of the Santos Bank Employees Union on May 23, together with his communist slate. Guarnieri's victory was fully expected, and he will now enter his fifth two-year term of office.

Comment: (OFFICIAL USE ONLY)

Guarnieri is one of Santos' top communists. His lopsided victory is a measure of red control of his union. A despatch will be prepared by the reporting officer on this subject.

3. Cubatao Labor Disturbance Communist-Inspired (OFFICIAL USE ONLY)

The American plant manager for the Union Carbide works at Cubatao has told the reporting officer that last week's labor disturbance at the 4 companies in the industrial complex near the Presidente Bernardes Refinery was in fact communist-inspired, but that their labor agitation did not force any of the 4 to shut down and that the disturbance was easily quelled with the full cooperation of the local authorities. (See Weekly Comment of May 18, Labor item 4.)

Comment: (OFFICIAL USE ONLY)

The source stated that the great bulk of the membership of the Chemical and Pharmaceutical Workers Union is currently quite satisfied with its pay, benefits and working conditions; that communists, some brought in from Sao Paulo and led by union president Claudio Jose Ribeiro, attempted to force a shutdown of the 4 plants; that they received no support from the union's rank-and-file and were ignominiously rebuffed; and that during the agitation the 4 plants maintained a firm attitude toward "malcontents" and refused to entertain any suggestion of increasing the wages of their employees or reconsidering the earlier demands for restoration to their jobs of 4 union members who had been fired some months ago for alleged agitation to strike.

The informant suggested that at least one of Ribeiro's motives for seeking a strike was to re-assert his waning prestige withingthe union. If this is so, Ribeiro's stock with his fellows must be now lower than ever.

/4. Petrobras Union

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-493479



Spanish Government feared that 5 rebels living in Campinas and linked to Henrique Galvao might try to make contact with members of the Spanish vessel's crew of 270. Apparently, again according to the press, the Spanish Government has been keeping the 5 "revolutionaries" under surveillance in Brazil.

Local police cordoned off the Santos docks from piers 14 to 17, refusing entrance to anyone but authorities, stevedores and newsmen.

Comment: (UNCLASSIFIED)

"Cabo San Vicente" brought to Santos 404 passengers, many of them Spanish, Portuguese and Turkish immigrants, as well as 221 passengers in transit to the River Plate. The ship took on 37 passengers for the River Plate, all of whose baggage was minutely examined.

5. Cubatao Councilmen Seek Big Raise (UNCLASSIFIED)

On May 22 Orlando Gomes Pereira, a member of the City Council of nearby Cubatao, introduced into that body a resolution which would raise the honorarium allowed each Councilman for his attendance of a session of the Council from one conto to 3 contos, i.e., by 300%. The Councilmen receive no other remuneration from the city for their services, and Pereira's resolution received the support of 12 other Councilmen.

Comment: (UNCLASSIFIED)

The reaction of the Santos press has been one of horror and indignation. O Diario urged Cubatao City Council President Jose Santana to kill the project.

II LABOR

1. Communists Partially Defeated in Stevedore Union Election (OFFICIAL USE ONLY)

After a much-disputed campaign which was the focus of considerable interest here, on May 24 the Santos Stevedore Union held its election for new officers for the next two years, 4 slates competing (one for Federation delegates alone).

As was foreseen, victorious was slate #3, headed by Raymundo Soares Vasconcelos ("Ceara"), an opponent of outgoing President Laerte Carneiro da Silva, who supported slate #1. Slate #2, headed by Antonio Miguel Martins, better known as "Negro Alemao", had seemed a strong contender until an intramural fight between "Alemao" and Carneiro da Silva threw the majority to Vasconcelos.

With 2,540 votes cast, the results were as follows: 669 for slate #1; 710 for slate #2; and 1,024 for slate #3 with 137 null or blank votes.

/Comment:

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-493479

1052

local politics altogether.

2. First Fruits of Gomes-Carvalho Pinto Cooperation (UNCLASSIFIED)

On May 25 an agreement was signed between the City of Santos and the State of Sao Paulo for the construction of an access cloverleaf on the Via Anchieta entrance to Santos and Sao Vicente. Budgeted at half a billion cruzeiros, Santos will put up Cr$200.000.000,00 and the State of Sao Paulo the rest. This construction should do much to relieve weekend vehicular congestion on the highway between Santos and Sao Paulo, which is one of the most heavily travelled in Brazil.

Comment: (OFFICIAL USE ONLY)

Without the spirit of cooperation which Mayor Jose Gomes has fostered vis a vis Governor Carvalho Pinto, it is likely that the State would have dragged its feet in proferring its assistance on this project.

3. The Municipal Secretaryship Question (UNCLASSIFIED)

In December 1959 the Santos City Council voted to create a number of well-paid appointive municipal secretaryships, corresponding to department heads. Although so authorized, the positions were never filled by Mayor Fernandes Lopes because so many claimants to these juicy pieces of patronage came forward that the Mayor decided his purposes would be better served in keeping the secretaryships as bait in reserve rather than making enemies of those politicians he could not name to the posts. The reporting officer is led to believe that Luiz La Scala, had he lived, would have used the secretaryships to reward his allies in his successful campaign for mayor.

After La Scala's death the question was once more thrown open, and Acting Mayor Gomes has been deliberating how to make the most effective use of this patronage. Last week a motion was introduced into the City Council by Agostinho Ferramenta (PTN) to revoke the 1959 act creating the secretaryships, but it was overwhelmingly defeated. Now Gomes has the Council's mandate to go ahead in filling the vacancies.

Comment: (UNCLASSIFIED)

It hardly need be noted that Gomes is in a position to reorganize the Santos city government along his own lines by filling the positions as well as to toghten his grip on the City Hall by judiciously naming friends or potential allies to the secretaryships.

4. Spanish Liner "Quarantined" (UNCLASSIFIED)

The Spanish liner "Cabo San Vicente" which briefly called at Santos May 20 was virtually quamantined by the local police, acting upon the request of the Spanish Consulate here. As reported in the press, the

/Spanish

☆ U. S. GOVERNMENT PRINTING OFFICE: 1955-423476

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FORM DS-662
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OFFICIAL USE ONLY

Page #1
Encl #1
Desp # 448
São Paulo
5-29-61
a.a.

OPERATIONS MEMORANDUM

TO: American Consulate General, Sao Paulo

Date: May 26, 1961

FROM: American Consulate, SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

THIS DOCUMENT MUST BE RETURNED TO FMR CENTRAL FILES

I POLITICAL

1. Mayor of Santos Consolidating His Position (UNCLASSIFIED)

Acting Mayor Jose Gomes, now evidently firmly in office for the next 4 years, is busily consolidating his position by wooing the PDC and the PTN to the side of his PTB-PSP coalition. It also appears that he can also count on support from local elements of the PL, PST and possibly the PSD.

Last week Gomes was in Sao Paulo to confer with Governor Carvalho Pinto, who seems to be quite receptive to the idea of working with Gomes and his PTB allies, especially in view of the Governor's need for political alliances in the 1962 Sao Paulo gubernatorial race. (See item 2 below.)

And this week Antonio Lotufo, after 9 years as head of the Santos City Transit Company, was replaced by Helio Caiafa, who has been working for Mayor Prestes Maia in Sao Paulo and was loaned to Mayor Gomes at the latter's request.

Comment: (OFFICIAL USE ONLY)

But Gomes' legal status as Acting Mayor has been further confused by the news that the UDN has decided to contest the recent ruling by the Regional Election Tribunal (TRE) that Gomes should continue in office for the next 4 years. The Superior Election Court in Brasilia must still rule on the TRE's competency in judging the case, and this pronouncement may be some time in coming.

Rumors continue to the effect that Gomes and ex-Mayor Silvio Fernandes Lopes are feuding, and that a break between the PSP and the PTB is in the offing. The reporting officer discounts these reports for the following reasons: Gomes needs all the support he can muster, and up to now the Fernandes Lopes wing of the PSP has been Gomes' most determined champion; and, by the same token, Fernandes Lopes must continue his collaboration with Gomes and the PTB if he wishes to retain his influence in the city government and avoid being frozen out of local

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U.S. GOVERNMENT PRINTING OFFICE: 1952-906166

BRAZIL

1050

End Report in P.D.

AIR POUCH
PRIORITY

OFFICIAL USE ONLY
(Security Classification)

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XR 832.00

FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

448
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 29, 1961
DATE

REF :

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	RM/R-2 REP-1 INR-7 P-3 EUR-5 AIR-6
	REC'D 6-6-61	INFO OTHER CIA-10 USIA-10 LAB-6 OSD-5 NSA-4 ARMY-4 NAVY-4

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated May 26, 1961.

William P. Cochran, Jr.
Minister Consul General

Enclosure:
Santos Weekly Report
dated May 26, 1961

cc: Amembassy Rio

732.00/5-2961 HBS

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 6 1961

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REPORTER

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Senatorship. He is grooming his state secretary for administration, Mario Pecanqa, for governor. State Deputy from Campos, Afonso Celso Ribeiro de Castro, is also making a bid for the PSD gubernatorial nomination and Amaral Peixoto cannot yet be counted out although he has declared privately he will not run. Whoever gets the PSD nod will be a formidable candidate if Peçanha puts his state machine behind the party. Federal Deputy (UDN) Tenorio Cavalcanti, a colorful gangster-journalist-politician with a large following in Caxias and among the poorer elements has declared his candidacy for governor and will run on the PST ticket. Cavalcanti is one of the big "names" in the race, and a strong voter-getter. In a sentimental move, the PTB has registered the name of Badger Silveira, brother of Roberto, as a candidate for governor. Another tentative candidate at this juncture is present Minister of Education Brígido Tinoco, a dissident PSB member with a strong but spotty following in the State who has been campaigning for Governor since before Silveira's death. He has no party support and could possibly find it in the UDN, and might even unite the two warring factions as a compromise candidate. Tinoco also is reported to have some PDC support. Senator Miguel Couto Filho is probably loath to give up the remaining portion of his Senatorial mandate (through 1966) for the uncertainties of an election.

The Future: Parties

To date, the UDN is the only party to register its local directors with the state electoral court, and strangely seems to be the only party actually doing something about the elections. With the open battle between its three factions, it seems to have stirred up more interest than the other parties. With the loss of its leader the PTB is largely disorganized and has no one to rally behind; its members are torn between preserving some semblance of party individuality and joining with the present Governor. The PSD is in the best shape mainly because it is "in". Apart from the fairly strong leadership of an ordinary, competent politician like Peçanha, and the new lease on life given Peixoto after Silveira's death the party still shows relatively little grass roots strength and is probably as confused as the others. With the downfall of the PSP in '58, this party can be counted out, along with the rest of the small splinter parties. Most unpredictable is the reaction of the mass of voters, those who tearfully carried Silveira's bier to the graveyard through knee-deep floods. The povo of Rio de Janeiro led by the concentration of voters in Niteroi are king-makers; they made Silveira and found him true. Whether any candidate can attract their united support or whether they remain indifferent to political machinations is the most unpredictable and perhaps most significant aspect of Rio de Janeiro's political future.

For the Chargé d'Affaires a.i.

Thomas M. Tonkin
Thomas M. Tonkin
Third Secretary of Embassy

APPROVED:

Philip Raine
Philip Raine
Counselor of Embassy
for Political Affairs

JP

1047

of the povo who turned out for his rain-drenched funeral procession. Indeed, so strong was Silveira's following that he had been under serious consideration as a PTB presidential possibility for 1965.

The Present Situation

With Silveira's unexpected death as a result of a helicopter crash in March 1961, Vice-Governor Peçanha took over in a big way. He quickly earned the hate of Petebistas as he swept them from office and named replacements not only from the ranks of the PSD, but also from the ranks of those (of whatever party) who would back him for Senator in 1962. He split the PTB, some of whose members were willing to cooperate with him to remain in office.

Peçanha also split the already weakened UDN into three factions, one faction, headed by Prado Kelly nationally respected conservative willing to cooperate with Peçanha, another, led by recentlyreelected state chairman Paulo Araújo who had adhered to Silveira but broke with him just before his death, and a small third group which is now in alliance withthe ousted PTB. Kelly had opposed Araújo's April re-election, claiming fraud, and is backed by a sizable dissident minority, including several Federal Deputies and Jorge Loretti, ex-Chief of Silveira's Cabinet, who heads the third splinter group of the UDN. These dissidents have appealed to the NationaldDirectorate of the UDN to intervene in the election of Araújo. This situation, however, is in constant flux; the only sure thing is that Araújo and Kelly disagree with one another.

With all major parties in Rio State weakened and confused Peçanha has begun to strengthen his personal position in the state. He frankly announced his candidacy for Senator in the October 1962 elections, which means of course that he must resign as Governor six months before the election. He has started an intense campaign to buy support from the state's mayors, offering public works in return for support. The mayors in the poor, primarily agricultural state have little choice; they take what they can get from the state government in return for their support, or they get little or nothing. This tactic is similar to that used by São Paulo governor Janio Quadros in 1958 to elect Carvalho Pinto as his successor, with the exception, as Peçanha's opponents note, that São Paulo is in a much better position financially for such operations. Peçanha is given a good chance for the senatorship because of his political maneuverings and also because of the divided opposition.

The Future: Candidates

At the present moment as noted above, Peçanha, with the state machinery behind him, seems to have a good chance for his coveted

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AIR POUCH
PRIORITY

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(Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

1071
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 26, 1961
DATE

REF :

MAY 30 1961

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 2 1961

For Dept. Use Only	ACTION	DEPT.
	ARA-4	RMR-2 INR-7 REP-1
	REC'D 5/31	INFO OTHER CIA-10 USIA-10 LAB-6 OSD-5 Navy-4 air-6 MSA-4

SUBJECT: POLITICS IN RIO STATE

Summary

Rio State politics since the death of Governor Roberto Silveira in March have degenerated into a morass of second and third rate politicians fighting for the leadership of weak and disorganized parties. With the governor and two senators to be elected in 1962, the party line-up in the state sees (1) the PTB demoralized after the death of their only big gun and shattered after being suddenly swept out of power by the succession of an opposing vice-governor; (2) the UDN, perennial bridesmaid in Rio State, split into two wings after an intra-party squabble; (3) the PSD, presently "in", with no big name to offer for governor and its present incumbent openly campaigning for Senator with the election seventeen months away.

Background

The seeds of chaos were planted by the election of 1958. The PSD ran Ernani Amaral Peixoto, the long time state boss, for Senator and his hand-picked choice Getúlio Moura, for Governor. The PTB chose Vice-Governor Roberto Silveira to oppose Moura and backed ex-Governor Miguel Couto Filho, a dissident PSD member, for Senator. Silveira's vice-Governor, Celso Peçanha of the PSD, had previously been expelled from the PSP, which in the main supported Peixoto.

The UDN, too weak to field their own slate, split their support between the two choices. Silveira and Couto Filho moved in, sweeping "out" twenty years of PSD domination. Peixoto, national PSD president and long "boss" of Rio State politics and a figure of first rank importance in the Vargas and Kubitschek administrations (Ambassador in Washington) was suddenly un-employed and was appointed Minister of Transportation and Public Works by President Kubitschek. Silveira entrenched the PTB in the state and built himself not only a political machine but a strong popular following--a following which was much stronger than most people believed, as proved by the immense masses

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1045

OPTIONAL FORM NO. 10
5010-104

UNITED STATES GOVERNMENT

Memorandum

CONFIDENTIAL

TO : ~~ARA~~ Mr. Coerr

DATE: May 24, 1961

FROM : ~~EST~~ Mr. Wellman

SUBJECT: Differences Between President Quadros and Vice President Goulart

Attached is Embassy Rio cable 1664 reporting and analyzing the break between President Quadros and Vice President Goulart, the leader of the Brazilian Labor Party (PTB) and now serving a second term. The present incident stems from a report by one of Quadros' numerous investigating committees connecting Goulart with irregularities in the previous regime. Goulart wrote Quadros protesting; Quadros returned the letter terming it insolent, disrespectful and inaccurate. The Embassy believes this break can have far-reaching consequences in Brazilian politics.

Though elected at the same time, Quadros and Goulart are not of the same political party. Quadros received principal backing in last year's election from the conservative UDN. Goulart's party was allied with the conservative Social Democratic Party (PSD) in backing loser Marshal Lott. In the previous administration, Goulart, through arrangements with Kubitschek, enjoyed considerable power by virtue of his control of the Labor Ministry, the social security institutions and the labor courts. Immediately after Quadros' election, indications appeared that he intended to strip Goulart of his political power and reduce him to his purely constitutional role (mainly the Presidency of Congress). It appears Quadros may also intend to attempt to destroy Goulart by exposing his part in the corruption of the previous government.

The principal risk to Quadros in the break with Goulart appears to be from the solidification of the opposition which controls Congress, particularly the firming of the recently shaky alliance between the two Vargas-founded parties, Kubitschek's conservative PSD and Goulart's Labor Party. The danger to Quadros from the hostility of the latter is reduced by the weakening of Goulart's control of his own party, which is by no means firm. Recently a faction of the PTB was actually lost to Fernando Ferrari, one of Goulart's opponents for the Vice Presidency last year. Quadros, himself once a PTB deputy and on friendly terms with Ferrari, may have in mind gradually to take over the leadership of the PTB. In any event Quadros has appeared to be largely ignoring the Congress up to now, preferring to await the opportunity to win a majority in the congressional elections next year.

We do not see this fight as any immediate threat to stability of the Quadros Government.

Attachment:
Rio's cable 1664.

JWWilson

ARA:EST:AWHembaugh:dhh 5/24/61

CONFIDENTIAL

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1044

Embassy learned Quadros 2 months ago ordered secret investigation alleged influence Ambassador and US business of generalized press criticism Quadros in wake Berle visit. Both Ministry Justice and Foreign Minister have mentioned to TIME correspondent dissatisfaction activities US advertising agencies in Brazil though not clear whether because compete with Brazilian firms or because they believe agencies influence editorial policy. Probably latter.

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INCOMING TELEGRAM *Department of State* ACTION COPY

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8:22 p.m.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 1681, May 24, 7 p.m.

INFO:

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EA7/8: jaulson - lmc
6/20/61

JOINT EMBASSY/USIS MESSAGE

Quadros May 23 ordered Ministry Justice investigate foreign news agencies and recommend in 8 days "possible permanent restraint" measures. News release announcing order said Quadros concerned with "reasons why news stories are vehicles for unfounded information of sensationalist or alarming nature to detriment of people and nation"

Neither UPI nor AP Bureaus here aware against whom investigation is aimed or what specific complaints Quadros has in mind, although ULTIMA HORA reports Presidential order grew out of "sensational" reporting emergency meeting military cabinet members (EMBTEL 1664). TIME Magazine has since May 23 been asked for first time sign and date all pages of copy filed for US instead of only last page.

Foreign Minister Arinos in session with Chamber of Deputies May 17 complained that foreign news agencies were disseminating false information about Cuba (EMBTEL 1622). Matter is in speculation stage until resolved but Quadros action has been attacked editorially mildly by CORREIO DA MANHA and violently by JORNAL DO BRASIL. Prensa Latina head applauds move while France Presse says report only facts.

Quadros apparently continues distrust press and harbors resentment any press criticism reaction or person as indicated by large number suits (variously reported as from 34 to over 70) instituted against newspapers and journalists while Governor Sao Paulo (none of which he won) and refusal see any American journalists since taking office as President.

Embassy

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1042

W I T H D R A W A L N O T I C E

RG: 059 TAB #: 7

ENTRY: CDF60-63 1 / 10 / C /

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BOX: 1576

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 732.00/5-2461 HBS

Document Date: 24/05/61

Document Ser.#:

DESP 442 FR SAO PAULO TO STATE

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

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interventions, always collective, are licit." This position, and it is still the ex-Chancellor speaking, "does not imply any judgement as to the conformity of Cuban opinion with the Castro regime, that is, does not recognize popular self-determination to accept that institutional status as verified. Only a popular consultation through free elections will elucidate this capital point, for the passivity of the people when confronted with the recent attempt to overthrow the government could as well be explained by the existence of the sinister paredón facing the defenseless Cubans, reveal general acceptance of the established regime."

So much for the manner of viewing doctrinarily the established regime in Cuba. As for the letter of the treaties signed by the component nations of the organisms which Chancellor Afonso Arinos classified as "immature", it determines, textually, "that the domination or control of the political institutions of any American state on the part of the international communist movement, which has as a result the extension to the American continent of the political system of an extra-continental power would constitute a threat to the sovereignty and the political independence of the American states, which would endanger the peace of America and would call for a meeting of consultation to consider the adoption of suitable measures, in accordance with existing treaties." This is exactly what good sense would determine and what almost the whole nation thinks. Alluding to the Treaty of Rio de Janeiro, Mr. Raul Fernandes says that Brazil, "one of its authors" cannot honestly renounce it. "If it wanted to be neutral (neutrality is a question of power not of desire) it will have to denounce it in the form and with the established antecedents." Anything more would be a formal transgression against the basic principle which inspire the active forces of the nation in the victorious campaign of last October 3.

1040

the ideas of Mr. Janio Quadros on the subject. To be consistent with its past policy and with the terms of the final motion approved not yet a month ago by his party in Recife, to reflect truly the general sentiment of the nation, such as it is expressed in the letter of the treaties which we voluntarily and solemnly have signed, Mr. Afonso Arinos would not have affirmed, as he did, that Brazil had considered the international organizations of which moreover it takes part, "still /too/ immature and incompletely equipped" to permit an attitude of respect and of defense of them. His education and his spiritual formation in contact with a man of the moral and intellectual stature of Afranio de Mello Franco ought to have counselled him to think twice before accepting the demolishing rôle with which the chief of the government invested him in face of the system of continental defense. And, above all, to restrain himself from searching in a muscovite vocabulary for words with which he tried to wound those whom we have just asked for substantial and necessary assistence for the solution of the grave crisis with which the nation is struggling. Descending from the heights in which he ought to hover, the Chancellor extracted from the communist slogans arguments which did not convince the country. /The country/ does not recognize the authority of anyone to speak in its name of the "invasion of international capitalism which tends to restrain national development." And if it recognizes anyone's authority to do so, it would ask at least the delicacy of not affirming in public, at a moment in which the greatest capitalist power resolved, at our request, to concede to the government of Mr. Janio Quadros the "bagatelle" of almost two billion dollars . . . To refer in such terms at this moment to our great and generous ally is a discourtesy which is totally discordant with our diplomatic past.

Mr. Janio Quadros decided to stamp on the itinerary of his government a swerve to the left. We do not contest the right of Mr. Afonso Arinos to agree with it. This, however, does not destroy the fact that the country feels itself much more in accord with the interpretation which the illustrious ex-Chancellor Raul Fernandes gives to the treaties which we solemnly signed, in an interview which he conceded to Jornal do Brasil and which we carried in our edition of yesterday. For the ex-Foreign Minister and for the majority of the nation, "/as one/ of the basic characteristics of his regime Fidel Castro brings into being, to the point of excess, the single party the governmental /party/, for in Cuba there is no party, and to the point that, as the caudillo says, there will be no more elections." As for the attitudes which "Brazil and the rest of the American republics ought to take in this emergency, it is," says Mr. Raul Fernandes, "a matter regulated by international agreements which oblige and foresee the cases and the form in which

1039

TRANSLATION OF
O ESTADO DE SAO PAULO EDITORIAL
"SWERVE TO THE LEFT" OF MAY 19, 1961

All the attitudes taken by Janio Quadros, as soon as his victory in the October 3 election became evident, have made apparent His Excellency's determination to break once and for all with the antecedents of Brazilian foreign policy. The decision to visit Yugoslavia, Egypt and India when everything indicated that the actions of the President-elect of the Republic ought to be oriented toward Western Europe and, above all, toward the United States, could not leave the slightest doubt concerning his intimate intentions. This desire, which His Excellency carefully concealed during the whole electoral campaign, was as a matter of fact implicit in the tendencies which he revealed always throughout his rapid and triumphant political career. Janio Quadros was always a tenacious adversary of the basic principle of the democratic system, that is, that principle which sees the organic constitution of parties as the "sine qua non" of the functioning of democracy. His hypertrophied personalism demonstrated, at all times, his visceral incompatibility with the division of powers as well as the discipline and limitations which this division imposes on all those who hold a portion of the power which the system distributes equally to all those who constitute, together, the State. And once arrived at the Presidency of the Republic he could not rest until he had transported into the field of foreign policy his ill will toward everything which is systemetic and organic. Thus the attack on all the treaties and obligations contracted by Brazil in the course of its contemporary history. And thus, by temperament and vocation, His Excellency was compulsorily brought to demonstrate unrestrainable aversion for men such as the English Prime Minister Mr. MacMillan, the Chief of State of Western Germany, Mr. Adenauer, the President of the great Republic of the North, Mr. Kennedy, or, yet again, the representative of the USA in the United Nations, Mr. Stevenson, and to enter irresistably into the orbit in which move Dictator Tito of Yugoslavia, the strong man of Egypt, and Fidel Castro of Cuba. It was a destiny to which he was dragged by his caudillistic tendencies. And it is, after all is said and done, that which was clearly demonstrated the day before yesterday in the Chamber of Deputies by his agent in Itamaraty, Mr. Afonso Arinos de Mello Franco.

It was not Brazilian policy, certainly, such as we can deduce from all the diplomatic antecedents of the country, that the Chancellor defended in Parliament; what His Excellency did was to accept as good

1038

Enclosure:

As stated.

DISTRIBUTION: All consulates in Brazil, Service Attachés, USIS, Econ (2), Brasilia, Labor, CF (3), Pol (5), Pol II.

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO 1054 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 24, 1961
DATE MAY 25 1961

REF : Sy-2 SCA-3 Eur-5

For Dept. Use Only	ACTION	DEPT.
	ara-4	RMR-2 INR-7 IO-4 P-3 ICA-10 B/FAC-3
	REC'D 5-30	OTHER CIA-10 USIA-10 Lab-6 TR-3 NSA-4 USUN-3 Army-4 Navy-4

SUBJECT: INFLUENTIAL PAPER ATTACKS ADMINISTRATION FOREIGN POLICY

Enclosed is a translation of an editorial from O Estado de São Paulo of May 19 entitled "Swerve to the Left." The piece is a frontal attack on the Quadros/Arinos orientation of GOB foreign policy and is so abusive of the President as to constitute a formal repudiation of Quadros, whose candidacy the paper warmly supported. Its main points are (1) Quadros fooled the voters by looking, after the election, to the neutral states instead of the West; (2) Quadros has always tended toward a non-democratic personal rule; (3) he is launching an attack on traditional Brazilian diplomacy and its solemnly signed treaties; (4) Arinos should know better than to participate in Quadros' leftist innovations, for he was raised in a long tradition of true Brazilian diplomats; (5) the majority of the nation believes, as does former Foreign Minister Raul Fernandes, that Castro is a dictator and an agent of international communism and as such comes under the meaning of the Treaty of Rio for collective intervention.

O Estado's criticism of Afonso Arinos includes a reference to his having termed recent U.S. financial aid to Brazil a "bagatelle" while testifying before the Chamber of Deputies Foreign Relations Committee on May 17. It seems most unlikely that the Foreign Minister made such a statement. Some accounts of his testimony before the Chamber, however, indicate the validity of O Estado's attribution to him of a remark (with reference to Cuba) concerning "invasion of international capitalism which tends to restrain national development."

732.00/5-2461

HBS

For the Chargé d'Affaires a.i.:

Thomas M. Tonkin

Thomas M. Tonkin
Third Secretary of Embassy

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
JUN 1 1961
6/13/61 ESTHB

APPROVED:
Philip Raine
Philip Raine
Counselor of Embassy
for Political Affairs

End: Art.

TMTonkin:RHShields:jw

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1036

MISCELLANEOUS:

The city of Curitiba has given the name "Praça da Polonia" to one of the local parks. The Polish Consul, expressing his delight with the designation, said that the "Polish colony" would finance the construction work and upkeep. A bust of Chopin will be placed on the site. The Polish Consul left Curitiba for "home leave "on May 21.
UNCLASSIFIED

Janio Quadros has re-appointed Flavio Suplicy de LACERDA rector of the University of Paraná. Lacerda has held the job for 12 years. Under him the University has become one of the most modern and best equipped in Brazil.
UNCLASSIFIED

Sources: "Diário do Paraná" - April 2o, 1961
"Estado do Paraná" - April 2o, 1961
"Gazeta do Povo" - April 2o, May 12,1961

15. LAFER AND "Diários Associados"

"Diários Associados", owner of a chain of newspapers, magazines and television and radio stations, is said to be interested in getting former foreign minister Horacio Lafer on its board of directors. Since Lafer is a partner in the Klabin Paper Company he would be in a position to provide "Diários" with much needed paper supplies. Instruction 204 has put newsprint at a premium, forcing substantial increases in the price and reductions in the size of most newspapers and magazines.
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Sources: Conversations.

George M. Scanlan

George M. Scanlan
American Vice Consul

cc: AmEmbassy, Rio de Janeiro (2)

48

1035

"Estado" of Florianópolis, a six-page newspaper, devoted one of its pages (on April 30 and 20) to articles by Mexican writer Victor Alba of "Excelsior" concerning his visit to the Soviet Union. Alba, like many a Western visitor to the Communist capital was most impressed by the general drabness of the people, the hotels, the stores; the incessant propaganda, the ignorance the people display of the rest of the world, the broken plumbing and light fixtures. Articles showing this side of Soviet life are rarely seen in these parts.
UNCLASSIFIED

Sources: "Gazeta", Florianópolis - April 26, 1961
"Estado", April 20, 30, 1961

CULTURAL EVENTS

13. Exchange Visitors:

The Exchange Visitor Program was amply publicized during the month. A University of Parana student who attended a Washington University seminar on law reported that Brazil is little known in the United States but that the blame rests with Brazil for its failure to publicize its attributes. ... A public health specialist, recently returned from a six-months survey of public health facilities in the United States gave his impressions to the press. He reported favorably on U.S. methods of eradicating contageous diseases, treating water supplies, providing maternity and child care... The activities of two Curitiba industrialists presently in the U.S. (University of Pittsburgh) as exchange visitors were also reported by one of the local papers, as was the scheduled visit of a Santa Catarina agronomist. UNCLASSIFIED

Sources: "Diário do Paraná" - May 7, 1961
"Estado do Paraná" - May 14, 1961
"Gazeta do Povo" - April 19, 27, 1961
"Tribuna do Paraná" - April 20, 1961
"Gazeta" - May 11, 1961

14. CULTURAL NOTES:

Visits:

Two members of the West German Parliament (both Christian Democrats) arrived in Curitiba on May 18. They are in Brazil to discuss ways of bettering economic and cultural relations between Brazil and Germany. ... Santa Catarina's Secretary for Education and Cultura MARTINHO CALLADO JUNIOR has accepted an invitation extended by the German government to visit that country. He informed this Consulate that time would not permit him to visit the United States on his way back... A Parana PSD senator, Gaspar VELOSO accepted the Polish Government's invitation to visit Poland but former Governor of Parana, Bento Munhoz da ROCHA made it known that he had refused a similar invitation for "personal reasons".

SOURCES: "Estado do Paraná" - April 23, 1961
"Gazeta do Povo" - April 28, May 1o, 1961
"Ultima Hora - April 26, 1961
"Gazeta", Florianopolis

1034

The Politicians divided along the usual lines. Representatives of the Curitiba Nationalist Movement staged a rally in one of the local parks which was attended by other "nationalists" and a few park dwellers. PTB mayorlty candidate Leo de Almeida NEVES, several state deputies, a well-known "integralist", and a collection of labor leaders, were there. Counting the pigeons about 75 attended. In Florianópolis a "Brazilian Committee Against Intervention in Cuba" was formed, headed by PTB Vice Governor Doutel de Andrade. Andrade and a law student leader at the University of Santa Catarina recently made a 10 day trip to Cuba at the expense of the Cuban Government.

The moderate Press, while naturally sensitive on the issue of intervention, probably would have been happy to see the Castro regime collapse. Castro's proclamation of Cuba as a Socialist Republic was widely condemned, except, of course, in the leftist newspapers. The latter could only draw upon their infinite store of time-worn clichés to laud the gallant Cuban people and the fearless Fidel.

The students reacted rather calmly. An anti-Castro declaration was circulated at the University of Parana and Catholic University, drawing about 400 signatures. Anti-Castro leaflets were distributed both in the universities and at Catholic churches. There were scattered pro-Castro comments but no demonstrations to speak of.

The people in general took the invasion as they are inclined to take most things - with indifference. OFFICIAL USE ONLY

Sources: Personal observation and all newspapers.

11. Alliance for Progress:

When he was in Rio Secretary Dillon commented that the United States Government believes financial stability is not everything but that economic development should have priority in the Latin American countries. His words have been interpreted by some local commentators as confirmation of the economic policies of the Kubitscheck administration and by nearly all as proof of a change in U.S. policies. The Kennedy Administration has also been praised for calling upon the prosperous Europeans nations to do their share in aiding Latin America's development. Mr. Adolph Berle's address in New Orleans on the "Alliance for Progress" was reprinted, in large part, in "Gazeta do Povo". UNCLASSIFIED

Sources: "Diário do Paraná" - April 16, 18, 1961
"Gazeta do Povo" - May 13, 1961

12. Miscellaneous Comments:

Santa Catarina Federal Deputy Wilmar DIAS proposed to the Chamber of Deputies the creation of an international "food pool" made up of the surpluses of the participating nations. Brazil's contribution to the pool would be rice, coffee, sugar and cocoa. His proposal was made in the course of a speech about "Food for Peace".

1033

Quadros for his honesty in describing Petrobras' present financial situation and condemn him for his temerity in creating ELETROBRAS. "Gazeta do Povo" believes Quadros is betraying his election promises to support private initiative and demonstrating a remarkable inability to profit by the disastrous experiences the Brazilian Government has had in operating PETROBRAS, the railroad system, Lloyd Brasileiro and Companhia de Navegação Costeira, all of which are bankrupt. "Diário do Paraná" voiced much the same distaste for state ownership. UNCLASSIFIED

SOURCES: "Diário do Paraná" - April 26, 1961
"Gazeta do Povo" - May 11, 1961

8. QuadrosLooks for Friends:

"O Dia" is comforted by Janio Quadros' failure to win over the Brazilian Parliament to his way of thinking despite the President's assiduous courting of the leftists, the "workers" and other elements. Quadros, the paper claims, had hoped to capitalize on the anarchy which usually reigns within Brazil's political parties. His failure to do so is a proof of the "strength of the democratic system" in Brazil. UNCLASSIFIED

SOURCE: "O Dia" - May 11, 1961

9. U.S. - Brazilian Relations:

The Dillon - Moreira Salles - Mariani negotiations in Washington have been receiving headline attention for the past several weeks. The negotiations have been successful in dissipating criticism of the United States for its "disinterest" in Latin America generally and Brazil specifically, and in putting the damper on anti-U.S. demonstrations resulting from the Cuban invasion. Aside from the usual criticisms from the usual sources most press comment during the month was favorable. Even the students, at times inclined to be hostile, were tame. Their annual parade caricatured Fidel Castro, Janio Quadros and other personalities but did not play on the " out with the imperialists" theme. UNCLASSIFIED

SOURCES: Personal Observation and
"Diário do Paraná " - April 27, 1961
"O Dia" - April 21, 27, 1961
"Gazeta do Povo" - April 29, 1961
"Ultima Hora" - April 27, 1961

le: CUBA: Reaction

The Communists and their sympathizers who, like Pavlov's dogs, respond to Moscow's bell by writing anti-American slogans in the streets once again proved the validity of the eminent doctor's theory by doing some more writing. "VIVA FIDEL" was written on some of the city's principal streets but it was soon obliterated by passing automobiles. Six of the painters were jailed. Nobody seemed the least interested in their activities.

1032

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4. PTB Congress:

Seventy-two Paraná mayors and about 500 aldermen attended the Second Laborite Congress held in Curitiba on April 22 and April 23. Although JOÃO GOULART was slated as the star attraction he never showed up. His substitute, PTB Federal Deputy Almiro Afonso, delivered a speech on "The Laborite Doctrine and Aspects of the World and Brazilian Situation". The speech was not reported in the local press possibly because he may still be delivering it, so vast are the possibilities implicit in its title. Sixty resolutions were adopted dealing with labor's participation in industry's profits, the establishment of rural centers and the founding of an Association of Parana Municipalities. Curitiba mayor Ibere de Mattos cautioned his confrères against allowing foreign companies to operate local telephone companies. He says he learned the hard way - "by experience". (see Curitiba Despatch 60 of May 18, 1961)

UNCLASSIFIED

SOURCES: "Diário do Paraná", April 21, 25, 1961
"O Dia" - April 20, 1961
"Ultima Hora" - April 24, 1961

5. May Day:

May Day came and went calmly. The only happening of any consequence in Curitiba was the presentation of a play called "The Subterraneans of the City" (with no apologies to Jack Kerouac) by Communist writer Walmor Marcelino. The play is concerned with the exploitation of labor. In attendance were members of the state secretariat, the city council, mayor Iberê de Mattos, and about 2000 others.

UNCLASSIFED

SOURCE: "O Dia" - May 3, 1961

6. Santa Catarina Politics:

The UDN in Santa Catarina has elected alternate Senator Brazilio Celestino de OLIVEIRA its regional party chairman for the 1961/63 period. Oliveira comes from the state's "far west" and is said to be highly regarded by his party associates.

The PDC reelected Martinho CALLADO Junior its party chairman. Callado, who is State Secretary for Education and Culture, was responsible for the alliance of his party with the PSD and PTB during last year's election campaign.

UNCLASSIFIED

SOURCES: "Estado", Florianópolis - April 20, 1961
"Gazeta", Florianopolis, April 18, 20, 1961

II PSYCHOLOGICAL EVENTS

7. Petrobras and Eletrobras

Editorials appearing in two of the local newspapers commend President

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Having touched on such familiar themes the Governor's message hardly created a stir in the local press.
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SOURCES: "Diário do Paraná" - May 3, 1961
"O Dia" - May 3, 1961
"Estado do Paraná" - May 3, 1961
"Gazeta do Povo" - May 3, 1961
"UltimaHora - May 2, 1961

2. Aid to Paraná:

The state's efforts to obtain outside financing for development projects have thus far achieved a limited degree of success. The National Economic Development Bank (BNDE) is said to be considering financing the construction of silos and warehouses in 17 Paraná municipalities and giving additional assistance to electrical energy projects.

Two of the directors of the Interamerican Development Bank visited Maringá in late April and listened as Governor Braga explained the state's needs and requested the Bank's assistance. The most noteworthy result of the encounter appears to have been the bank's promise to consider the governor's proposals and an explanation by the Directors of the procedure the state should follow in soliciting assistance (coordination by the state of individual requests).

The chief of police of Paraná visited the American Embassy in Rio in an attempt to have this state included in the Point Four agreement which provides technical assitance and training to the police of several Brazilian states. He claims he was successful in doing so. The agreement will be welcomed by the local populace who would like to see what a little training can do.
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SOURCES: "Diário do Paraná" - April 18, 19, 28, 1961
"Estado do Paraná" - April 16, 18, 19, 1961
"Gadeta do Povo" - April 19, 20, 28, 30, 1961

3. Paraná Legislative Assembly Elections:

Once again a dark horse managed to upset the odds makers by getting himself elected President of the Parana Legislative Assembly. The same thing happened last year. It was expected that the PSD would nominate a party liner and the PTB a candidate who would obtain the Government's (UDN) approval. The PTB ran true to form but the PSD surprised everyone by nominating an anti-Lupionist named VIDAL VANHONI and VANHONI surprised them again by beating out PTB candidate JOAQUIM NEIA. The result was a defeat for UDN ("NATIONALIST") deputy Haroldo Leon Peres, speaker for the governmental bench, who put all his chips on NEIA. It was also further proof that the PSD, "follows the election returns" (last October's) and is inclined to adapt itself to the current rage for honesty and denunciations of Lupion.
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SOURCES: "Diário do Paraná", April 30, May 3, 4, 1961
"Estado do Paraná", April 29, April 30, 1961
"O Dia" - April 29, 30, 1961
"Gazeta do Povo" - April 19, 30, May 3, 1961



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FOREIGN SERVICE DESPATCH

62
DESP. NO.

MAY 23 1961
DATE

FROM : AmConsulate, CURITIBA

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

EUR-5 B/IGC-3 REP-1

For Dept. Use Only	ACTION	DEPT.
19	AISA-4	INFO R m/R-2 P-3 CU-5 [redacted] INR-7 E-7 ICA-11 B/RC-3
	REC'D 61	OTHER cia-10 TR-3 agr-8 com-10 OSD-5 usia-10 Army-4 navy-4 air-4 DLF-7 NSC-2 NSA-4

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) - April 16 to May 15, 1961

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
file copy
1961
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6/13/61

CONTENTS:

1. Governor Braga's Message
2. Aid to Parana
3. Parana Legislative Assembly Election
4. PTB Congress
5. May Day
6. Santa Catarina Politics
7. Petrobras and Electrobras
8. Quadros Looks For Friends
9. U.S. - Brazilian Relations
10. Reaction on Cuba
11. Alliance for Progress
12. Miscellaneous Comments
13. Exchange Visitors
14. Cultural Notes: German Visitors; "Praça da Polonia"; Rector Retained.
15. Lafer May Head "Diarios Associados".

I POLITICAL EVENTS:

1. Governor's Message:

The state constitution requires the governor to deliver an annual message to the Legislative Assembly. On May 1, Governor Braga delivered his message and promised (or threatened) to appear more frequently for the same purpose whenever the "public interest" demands it.

The message was, for the most part, a recitation of the obvious - a brief comment on the debts left by the Lupion administration, an historical analysis of the state's development vis a vis the rest of Brazil, a caution against overemphasizing the importance of coffee cultivation and a call for industrialization and exploitation of the state's natural resources.

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While most sympathies would normally rest with Quadros in any quarrel with Goulart, President's highly emotional reaction to what most consider a mildly phrased letter likely put Quadros supporters on defensive. (Quadros reportedly alleged to Goulart emissaries existence plot to overthrow him and in their presence called for emergency meeting chief military advisers.) Moreover Brazilians tend respect office (Vice President is also president of the Congress) if not man and PSD attempting put quarrel in context Quadros attack on legislature. Immediate result is firming PSD-PTB alliance recently splintered into numerous factions over pro-and anti-Quadros sentiment.

This new development for moment at leasg overshadowing leftist-nationalist VS conservative polarization for which Cuban issue serving as catalyst. However, has direct influence thereon since bulk PSD, though not PTB leaders, oppose Quadros equivocal position on Cuba, and other conservatives becoming more vocal in protesting Quadros neutralist-inclined foreign policies. For moment at least anti-Quadros forces have initiative for first time.

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Control: 14789
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9:26 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

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RMR

NO: 1664, May 23, 6 p.m.

President's rejection of letter addressed him by Vice President Goulart, complaining about allegations made in reports Presidential investigation commissions - implication Goulart in irregularties without giving him opportunity defend self or supply information, has led to break between two which can have far reaching consequences. President has maintained ostensibly good relations with Goulart but was in fact undermining his prestige in labor circles and authority i.e. PTB of which Goulart apparently only recently became aware. (Embassy informed by reliable source Quadros had appealed to Goulart for PTB support for radical aspects his internal and foreign policies because claimed hemmed in by rightist military led by Cordeiro de Farjas and even asked for support from Lotpiitas in Army -- Lott-ists which appeal Goulart apparently accepted as sincere.) Terms of rejection ("insolent, disrespectful and inaccurate") likely make reconciliation difficult especially since PSD and other small parties declaring solidarity with Vice President who himself however attempting play down break.

Conservative opposition (PSD which may have masterminded incident, recently established committee prominent leaders in party to study executive acts Quadros which it alleges unconstitutional and which could lead to impeachment. PSD immediate motivation fear Quadros intends use committee findings (substantiated or not) to discredit some of its followers including Kubitschek and PSD undoubtedly intends hold its committee over President's head to discourage exploitation findings. Party long-term objective appears to be forging weapon which might be needed in future legally to remove Quadros from office if situation reaches point where military would join political opposition.

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that increasing living costs demanded a corresponding readjustment of wages.

Minister of Labor Castro Neves, in the course of his contacts with the Governor, labor organizations, and the press during his visit here in the first part of April, made a number of interesting statements. On the question of wages, he declared that he opposed an increase in the minimum wage, favoring instead a policy that would tie wages to the cost of living so that the worker would be assured at all times of a real wage. One of his aims, he said, was to strengthen the labor unions by making them more independent of the Ministry of Labor and having them bargain on their own for better wages. "If I stay in the Ministry of Labor to the end of President Janio Quadros' term of office," he added, "we will have genuine labor unions in Brazil".

Edmund A. da Silveira

Edmund A. da Silveira,
American Consul

1026

8. Important Visits

Many important visitors stopped at Belo Horizonte during the months of March and April. Worthy of note were the following: -1) Minister of Commerce and Industry, Arthur Bernardes Filho, a native son of Minas Gerais and the president of the PR; 2) PSD senator for Minas Gerais Benedito Valadares, the head of the State section of the PSD; 3) PSD Federal deputy for Minas Gerais Jose Maria Alkmin, who was Minister of Finance under the Kubitschek Administration; 4) Captain Henrique Galvão, the anti-Salazar rebel leader who captured the Portuguese merchant ship SANTA MARIA; 5) Vice President João Goulart; 6) Israel Pinheiro, native son of Minas Gerais who was in charge of the building of Brasilia and was the first mayor of the new Capital; 7) Minister of Labor Castro Neves; and 8) Japan's ambassador to Brazil Yoshiro Ando.

The visit of Minister Bernardes Filho was expected to clarify the position of the State PR toward the Administration, particularly in view of the cordial relations between him and the Governor. Instead he made a non-committal statement to the effect that his Party's attitude toward the Administration was one of understanding and wait-and-see. "Governor Magalhães Pinto," he said, "is a man with whom a person can talk calmly. It will all come out fine. (Comment: The State PR is getting restless, claiming that while it has been waiting in the expectation of more considerate treatment from the Governor, the Administration has been displacing PR's political appointees throughout the State.)

While here PSD Senator Benedito Valadares announced that he would run for reelection in 1962. He also met with the State PSD deputies. Although it may be reasonably assumed that the position of the PSD with respect to the Administration was discussed, subsequent developments have not yet indicated that the Party has reached a decision.

During his brief stay in Belo Horizonte, PSD Federal deputy Alkmin refuted at length the present Minister of Finance's alleged statement that Alkmin, when he headed that Ministry, had consulted the International Monetary Fund on the matter of foreign exchange reform in Brazil. He said that Brazil, like any other member of the Fund, has certain obligations toward it, one of them being to inform the Fund of any change in the monetary system before the change is put into effect. This, he concluded, is not consultation.

Vice President João Goulart, in Belo Horizonte in early April, expressed in the course of a press interview his great dissatisfaction with President Quadros' measure revising special foreign exchange rates because of its inflationary effect on the cost of living, particularly with respect to basic foodstuffs. He favored, however, the establishment of minimum prices for agricultural products. He also stressed the need for establishing rigid controls over the outflow of profits from foreign enterprises in Brazil. To a question on wages, he replied rather vehemently



fulfilled the needs of Brazil. Point IV, he stated, was a little too "bookish" and did not create capital, the thing Brazil needed the most.

With specific reference to foreign capital investment, he said that his State both needed it and welcomed it. Any U.S. investor who came to the State, he asserted, would not only find warm acceptance but could also count on the effective association of native capital. There was, however, one essential condition for this acceptance, and that was that the U.S. investor use his capital to advance the industrialization of the region. Gone were the days, he emphasized, when foreign capital could come into Brazil on its own terms.

Incidentally, the Federation of Industries was the local sponsor for a Point IV seminar on industrial productivity and management held in Belo Horizonte in March. The outstanding success of this seminar was due not only to the exceptional competence and personal charm of the four members of the American team but also to the efficient organization and wide publicity promoted by the Federation.

6. Reaction to the Cuban Revolt

Following the failure of the anti-Castro Cuban forces to gain a foothold on Cuban soil, PTB State deputy Hernani MAIA sponsored a motion of congratulations in the Legislative Assembly to the Cuban people for having repelled the invasion. He encountered a great deal of resistance in the Assembly, and it was May 2 when the motion finally came to a vote, to be defeated by 21 to 7. Immediately after rejecting that motion, the Assembly approved a declaration congratulating the Archbishop-Assistant of Belo Horizonte, Dom João Resende COSTA, for his campaign soliciting prayers for the Cuban people.

Comment: The vote in the Legislative Assembly on the Cuban question reflected accurately the public temper on the subject of Fidel Castro. His excesses, particularly with respect to his treatment of the Catholic Church in Cuba, have but for a lunatic fringe turned public opinion against him. There is a sharpened awareness of the danger of communist subversion of the Americas based on Cuba, and public opinion media have raised their voices in favor of collective action to isolate Castro. Even President Quadros has not been immune to criticism whenever he has left doubts as to Brazil's historical allegiance to the West. The United States has continued to receive a favorable press (see Consulate's despatch No. 32 of April 24, 1961).

7. Consular Corps Affairs

Mexico has opened an honorary consulate in Belo Horizonte with jurisdiction limited to the State of Minas Gerais. The new honorary consul is Mr. Augusto Amar William PARISH. The office address is Rua Barão de Macaubas 358. The Mexican colony is believed to be very small.



5. Seminar on Brazilian Economic Problems and Policies

Under the sponsorship of a group of students from the School of Economic Sciences of the University of Minas Gerais, a seminar on Brazilian economic questions took place in the last week of April. Both with respect to sponsorship and participation, this week-long seminar was definitely leftist in ideology and was oriented toward proving the case for nationalistic policies. Several of the lecturers came from the Superior Institute of Brazilian Studies (ISEB).

In general the main theses favored the breaking up of large landholdings and revolutionary land reform; the development of national sources of capital; and the strict regulation of foreign capital investment. One of the lecturers developed the theme at length that 80-90 percent of foreign capital investment in Brazil was of the type that by its very nature prevented the accumulation of national capital, being so closely linked to the country of origin that it could not be nationalized.

Insofar as the Consulate is aware, all references to the United States were unflattering. One lecturer, in support of his position in favor of strict regulation of foreign capital investment, enumerated several allegedly protectionist measures in the United States aimed, he said, at keeping out foreign capital and foreign bidders. Another lecturer, Professor Osvaldo GUSMÃO, who heads the Federal monetary and credit agency (SUMOC) and who has been appointed by President Quadros to set up a study group on agrarian problems, discussed among other things the activities of Point IV in Brazil. He was particularly critical of the role of Point IV in the agricultural regions. He was reported as saying that the mission or main objective of Point IV was to prevent the farmer from gaining an awareness of the agrarian problem so that he might not raise an effective voice in the campaign to promote agrarian reform in Brazil. The action of Point IV, he concluded, "is an evil that must be extirpated from Brazilian soil by the Federal Government".

Comment: The seminar received little publicity, and its ideas have had little impact. Largely because of the clearly biased and extremist views of the sponsors, the seminar lacked the necessary prestige to influence the minds of an essentially conservative but not reactionary population.

More significant for its regional influence is criticism by well established and highly reputed organizations such as the Federation of Industriesof Minas Gerais. This organization is not only economically influential but has also at its core a dynamic group of economists who are developing among the organization's members a definite intellectual awareness of industrial questions particularly pertinent to the State of Minas Gerais. In a recent conversation the reporting officer had with the president of the Federation of Industries and one of its advisors, a young economist who has studied in the United States, the Federation's president said that the U.S. Government should not be led into thinking that Point IV assistance



the question of his relations with the President. He said that he had talked with the President for one and a half hours and that the President had made him a formal promise of coming to his assistance in solving the State's economic problems. The President evidently asked the Governor to document the need for assistance for the Governor added in his press interview that he would return to Brasilia to take the documentation requested by President Quadros. That the Administration feels it has not been treated with due consideration there can be little doubt. The Governor's even temper and demonstrated common sense would militate against an open break between the two men, but a note of impatience with the slowness of things is cropping up with increasing frequency among the Governor's associates.

4. Appointment of Deputy Chief of Presidential Military Household

As part of President Quadros' objective to establish direct lines of communication between the States and himself, the office in Belo Horizonte of deputy chief of the President's Military Household has been established and is in operation. The head of this office is a young Army officer, Major Ericio de Oliveira PANISSET, who was appointed to the position on March 22. Although he is reputed as being an intelligent and professionally capable man, there is nothing in his career to give him special distinction. He was born in the State of Minas Gerais less than 30 years ago and was graduated from the School of Law in Salvador, Bahia. After spending some time teaching in Salvador, he entered and won a competitive public examination for a professorship of French in the Military School of Belo Horizonte. He taught French there until the time of his present appointment. Major Panisset will also perform the functions of deputy chief of the President's Civil Household until this position is filled by direct appointment.

Comment: The establishment of this Federal office has not caused very much of a stir. A few State deputies of the Social Democratic Party (PSD) and PTB benches have accused Quadros of violating the Constitution and of wanting to establish a dictatorial regime. The UDN and the Republican Party (PR) have shown a "correct" but cool attitude toward the move. The absence of widespread reaction on either side can be attributed to the fact that no violation of customs or traditional institutions has occurred.

The new office mainly underlines the centralization of government in Brazil and the weakness of the political party system. It is irksome to State political leaders because it brings the presence of the President into the State and within the reach of the people, bypassing State government institutions and belittling their role as a means of communication with the Federal executive. On the other hand, the widespread acceptance and knowledge of these characteristics of the Brazilian political system which underlie the establishment of the new office and the realization that the office is clearly of a subordinate category are factors not conducive to dramatic demonstrations of animus.



with only the UDN and the PTB is to veto unpalatable measures passed by the Assembly. The picture is brightened on the one hand by splits in virtually all the major parties. On the other hand, the Governor cannot count on the undivided support of the PTB, party discipline being what it is.

2. State Convention of the National Democratic Union

The UDN held its State convention during April 15-16 to elect new officers. The convention was attended by 390 delegates, and the election of officers took place in a climate of harmony. The new State UDN president, replacing former Secretary of the Interior Osvaldo Pierucetti, is Elias Sousa CARMO, who had been secretary-general of the State UDN for the preceding twelve years.

In the course of the convention the Governor reemphasized his determination to conduct his Administration on a basis of political co-existence with other parties, taking into consideration his commitments to his own Party and the other political groups that elected him. Also, the convention launched the Governor's candidacy for President of the Republic in 1965.

Comment: An authoritative source has told the reporting officer in a matter-of-fact way that "of course, everybody knows that Governor Magalhães Pinto has presidential ambitions".

3. Relations Between the Governor and President Quadros

Rumors have circulated for some time to the effect that relations between Governor Magalhães Pinto and President Quadros have become somewhat strained. In March, in the course of a visit to Belo Horizonte, Minister of Commerce and Industry Artur BERNARDES Filho took the occasion to tell the press that the relations between the Governor and the President were excellent. He added that the President was perfectly aware of the State's vital needs and that only because of the accumulation of other urgent work had the President been unable to turn his attention to the problems of the State of Minas Gerais. This delay, Minister Bernardes Filho continued, would go on for some time yet.

Comment: The Governor has been under great pressure to show concrete accomplishments and been criticized in private circles for not being sufficiently aggressive. For lack of other practicable sources, and as customary, he turned to the President for financial assistance. This assistance has evidently not been coming in the manner or amount expected or hoped for. This situation may have given rise to the rumors. A member of the State UDN machine who is close to the Administration has in conversation with the reporting officer referred to President Quadros in unflattering terms. This attitude may reflect a disenchantment on the part of the Administration with President Quadros.

During a press interview on April 26, on the Governor's return from the national convention of the UDN in Brasilia, the reporters again brought up



construction for the coming year are illustrations of the measures he has taken. Time is against him, however, and what he has done or announced for the near future suffers from comparison with his election campaign promises. To make matters worse President Quadros has not yet come to the Governor's assistance to the extent expected. Nor has Governor Magalhães PINTO that flair for spectacular gestures that might do for a time in place of action. Nevertheless, he retains the confidence and good will of the people at large.

1. First Cabinet Resignation and Appointment of New Secretary of the Interior

On April 19 the Governor accepted the resignation of Osvaldo Pierucetti as Secretary of the Interior and appointed National Democratic Union (UDN) Federal deputy Rondon PACHECO to fill the vacated cabinet post. On the same date, Pierucetti was appointed by the Governor to direct and organize certain governmental economic functions which will eventually come under the proposed Secretariat of Economic Development. This job is apparently a temporary one, and it is said in political circles that he will be chosen as president of the Crédito Real Bank in the near future.

Comment: The change in this cabinet position stems from a deep political controversy that is raging within the UDN hierarchy, despite official declarations to the contrary. Many members of this hierarchy, perhaps a majority that includes several State deputies and cabinet members, have become more and more critical of the Governor's methods of political compromise to build a broad basis of support in the Legislative Assembly. In support of their criticism they have pointed to the lack of progress in the Administration in concrete matters, such as financial reforms, economic development, and educational improvements.

Their view is that the Governor can never obtain a dependable majority in the Assembly and that he should, therefore, stand on his personal electoral strength and take the issues directly to the people over the heads of the non-UDN State deputies. This procedure would also have the advantage of protecting the political and patronage interests of the UDN.

Indications are that Osvaldo Pierucetti became too much of a controversial figure. Occupying as he did the key political cabinet post, his continued presence in that post became a hindrance to the Governor in his efforts to wage effective but unobtrusive negotiations with non-UDN political leaders. Rondon Pacheco, the new Secretary of the Interior, has been more active and more flexible than his predecessor in promoting an understanding with the Labor Party (PTB), and all indications are that he is succeeding.

The Governor, however, will need more than the PTB and the UDN combined if he is to have controversial legislation enacted. The best he can do



PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, Belo Horizonte

33
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 23, 1961
DATE

REF : -

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19	ARA-4	RPM/R-4 Cu-5 P-3 INR-7 ICA-11 O/FAC-3 E-9 REP-1
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SUBJECT: POLITICAL SUMMARY FOR MARCH-APRIL 1961 - STATE OF MINAS GERAIS

INTER-AMERICAN AFFAIRS

732.00/5-2361

Table of Contents

1. First Cabinet Resignation and Appointment of New Secretary of the Interior
2. State Convention of the National Democratic Union
3. Relations Between the Governor and President Quadros
4. Appointment of Deputy Chief of Presidential Military Household
5. Seminar on Brazilian Economic Problems and Policies
6. Reaction to the Cuban Revolt
7. Consular Corps Affairs
8. Important Visits

During the period under review the political scene was marked by the first cabinet resignation, that of the key post of Secretary of the Interior. This resignation was apparently connected with the Governor's efforts to gain broad political support for his Administration. Although he has in general met with a sympathetic response on the part of the party leaders, virtually all party delegations in the State legislature are split as to the choice between opposition and cooperation. As a consequence the Governor's success has been limited.

He has accelerated the pace of administrative reform and announced the start of some of his socio-economic projects. His prohibition of hiring of civil servants for a period of six months and scheduling of road and school

Embassy-Rio

Cos: Pol. Section -
Couns. for Consular Affairs)

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Page #7
Encl #1
Desp #138
SAO PAULO
5-22-61

Comment: (UNCLASSIFIED)

The present population of Santos is 263,337.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE

1. Consulate in Good Administrative Order (UNCLASSIFIED)

After a year's occupancy of its new quarters, the reporting officer is gratified to feel he can state that the Consulate, including its USIS section, is currently in good administrative order: its administrative reporting is current; the post's files are properly maintained and screened; there are no personnel, budget and fiscal problems; supplies are adequate; and all needed equipment is on hand and functioning. The Consulate's new quarters are quite satisfactory from a functional and esthetic standpoint; and the reporting officer estimates that the efficiency of the post's staff has been increased by possibly 15-20% since it settled into its present office space.

The post is now awaiting approval by the Department of a new local salary schedule.

Comment: (UNCLASSIFIED)

The reporting officer has requested the Embassy, through the Consulate General in Sao Paulo, to seek authorization for a second American position for this one-man post. This position is absolutely essential if the Consulate is to expand and improve its substantive reporting program and if some relief is to be afforded the reporter who, frankly, is feeling the strain of 19 months unremitting labor.

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("Pele") and the Instituto Brasileiro de Cafe (IBC), the fans attending soccer matches in Europe in which the touring Santos club participates will receive 50-gram sample bags of Brazilian coffee, adorned with "Pele's" face, for each goal that "Pele" scores. "Pele" himself will receive Cr$50.000,00 per month for the use of his name and face, but has declared that he really doesn't want this money "which ought to stay in Brazil to held the IBC a little". The IBC estimates that it will devote 10,000 bags of coffee to this proposed scheme.
"Pele" currently is featured in a highly-successful billboard and magazine advertisement for a Brazilian pharmaceutical company.

Comment: (OFFICIAL USE ONLY)

Incidentally, the reporting officer understands that Joao Roberto Suplicy Hafers, a native of this city, will stay on as the IBC representative in New York. Hafers, a Kubitschek appointee, is on good terms with Minister Frazao.

5. Rumored Amalgamation of American and French Shipping Office in Santos (OFFICIAL USE ONLY)

The reporting officer has heard rumors that the Santos office of the Mississippi Shipping Company (Delta Line) will absorb the Santos office of the French Compagnie Maritime des Chargeurs Reunis.

Comment: (UNCLASSIFIED)

The reporting officer has no further details.

6. New Santos Customs Inspector Takes Charge (UNCLASSIFIED)

On May 16 Argemiro Nascimento assumed charge as Chief Customs Inspector of Santos, succeeding Dr. Paulo da Silva Nery, who will return to the ranks of the Santos customs appraisers (conferente de carga e descarga). Up to this time Nascimento himself has been employed here as a conferente. (See Weekly Comment of May 12, Economic item 3.)

Comment: (UNCLASSIFIED)

Nascimento announced that "war is declared on contraband in the port of Santos".

7. Vehicles in Use in Santos (UNCLASSIFIED)

The reporting officer has been told by Dr. Benedito Lellis, the Santos Traffic Chief, that there are now in use in Santos 6,000 private automobiles, 4,800 trucks, 1,000 taxicabs and busses, and 18,000 bicycles, most of the latter property of workingmen, especially port-workers.

/Comment:

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Page #5
Enl #1
Dsp # 438
São Paulo
5-22-64

Comment: (OFFICIAL USE ONLY)

Just at present Santos is experiencing a lull in port activity, but the reporting officer understands that this situation, far from being due to any corrective action taken by the Government or the Dock Company, is attributable both to a seasonal decline in incoming and outgoing cargo and to the diversion of cargo ships from Santos by the carriers themselves. In the near future, with the expected pick-up in exports of coffee, sugar and fruits, port congestion is expected to become serious once again.

2. Santos Reaction to New Coffee Export Regulations (UNCLASSIFIED)

Local reaction to the recently-promulgated regulations governing the export of Brazilian coffee for the coming crop has been unusually favorable, and the Santos Chamber of Commerce has sent telegrams of approval to the President, Minister of Commerce and Industry and the head of the IBC. Chamber of Commerce President Francisco Luiz Cunha Bueno has stated publicly that SUMOC Instruction 205 has "taken care of the basic requests of the coffee trade".

Comment: (OFFICIAL USE ONLY)

A number of coffee exporters have told the reporting officer that the Brazilian Government's plan to build up a stabilization fund is well-conceived and that the only weakness in the scheme might be the "fiscalization", or enforcement, aspect.

3. Moore-McCormack to Continue Passenger Ship Runs to Brazil (UNCLASSIFIED)

The Santos manager of Moore-McCormack this week told the reporting officer that his company plans to continue the regularly-scheduled runs of the fast luxury liners "Argentina" and "Brasil" from New York to Brazilian and River Plate ports.

Comment: (OFFICIAL USE ONLY)

The informant admitted that Moore-McCormack was losing a fortune on the current operations of these ships and had seriously considered extensively remodeling them to increase their passenger-carrying capacities, but that these plans had fallen through. He did admit, however, that Moore-McCormack would increasingly use its two big liners for extended cruises to Africa, the Mediterranean and the Baltic.

4. Soccer Player's Visage to Adorn Brazilian Coffee Samples (UNCLASSIFIED)

As a consequence of a contract signed this week between the Santos Football Club's champion soccer player Edson Arantes do Nascimento ("Pele")

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Page #4
Sheet #1
Desp # 438
São Paulo
5-22-61

4. Other Local Unions Seeking Wage Increases (UNCLASSIFIED)

The Sindicato dos Trabalhadores nas Industrias Quimicas e Farmaceuticas de Cubatao is demanding a 20% wage increase from the four private (and partially U.S.-controlled) companies in the industrial complex surrounding the Petrobras oil refinery at nearby Cubatao. On May 16 the Força Publica had to be called in to quell a disturbance raised by workers at the Union Carbide plant protesting the firing of a labor agitator, while the employees of Alba, S. A., Copebras and Union Carbide staged a brief walkout. The union reportedly has rejected the companies' proposal for a 10% increase and is aggry at the dismissal by Alba and Copebras of several other workers, allegedly also for inciting to strike. Unaffected so far is the Brazilian Styrene Company.

The non-communist Glass, Crystal and Mirror Industries Workers Union of Sao Vicente has also announced that it will fight for a 70% wage increase, and the communist-controlled Santos Bank Employees Union is making noises for an immediate wage boost to meet the cost of living. In the meantime, the local Light & Power Company has informed its workers that it is unable to meet the unions demand for a 48% wage hike. (See Weekly Comments of April 20 and of May 4, Economic item 2 and Labor item 1, respectively.) The power company's union President, Joao de Morais Chaves, a strong adherent of President Quadros, has fired off a telegram to the latter asking for help for the union, is now visiting Rio for conversations with the Light Group's directors, and may visit Brasilia to make a personal appeal to the President.

III ECONOMIC

1. Santos Port Situation (OFFICIAL USE ONLY)

Effective May 15, the shipping lines calling here which are members of the Brazil-U.S. Freight Conference have imposed a 15% surcharge on all goods imported into Brazil through Santos, in order to make up for lost revenue and expenses incurred by the lines during the delays resulting from the recent severe port congestion. The 15% surcharge will remain in effect until at least June 18, when the carriers will re-examine port conditions with a view to either raising the surcharge, keeping it at 15% or eliminating it altogether. At least one local carrier (Moore-McCormack) recommended that the surcharge be postponed until next month, despite the fact that this spring's congestion cost it alone well over $600,000, in order to allow the Brazilian Government and the Santos Dock Company to continue their studies on how relief can be afforded the crowded port (see Weekly Comments of March 10 and April 19, Economic items 1).

The local shipping companies on March 15 had agreed to slap a 25% surcharge on imports into Santos, effective May 15, thus giving the required 60-day notice to exporters.

/Comment:

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Page #3
Enl #1
Desp #438
São Paulo

Dr. Francisco Castro Neves, while in Santos on May 13, took the opportunity to preside at the installation of Waldemar Neves Guerra and others as President and directors of the 2,300-member and communist-controlled Sindicato dos Empregados na Administraçao dos Serviços Portuarios de Santos (see Weekly Comment of April 19, Labor item 1). Present were a number of the more important Santos union leaders, Mayor Jose Gomes and other politicians.

Comment: (UNCLASSIFIED)

Castro Neves said nothing startling at this gathering, nor at any other of his appearances in Santos.

2. Worker-Student Congress Ends (UNCLASSIFIED)

The First Regional Workers-Students Congress, which began here on May 8 (see Weekly Comment of May 12, Labor item 1) ended May 13 in a blizzard of resolutions, the most important of which were a vote of thanks to Governor Carvalho Pinto for his agrarian program (26 to 20 votes), support for President Quadros' fiscal policies (26 to 25 votes), repudiation of the "diretrizes e bases" bill, solidarity with the Algerian rebels against France, and agreement that the Brazilian Congress should revise the constitutional right to strike and allow worker participation in companies' profit-sharing plans.

The communist labor reporter for the Santos daily O Diario, Luiz Rodrigues Corvo, hailed the action of the Congress in repudiating the "diretrizes e bases" project.

Comment: (UNCLASSIFIED)

Labor Minister Castro Neves (see item 1 above) addressed the final session of the Congress. Present was a clutch of notables, including the Bishop of Santos. Castro Neves devoted most of his address to a defense of Quadros' economic and financial policies.

3. Petrobras Union Seeks Wage Increase (UNCLASSIFIED)

The 1,700-plus-member Sindicato dos Trabalhadores nas Industrias da Destilaçao e Refinaçao de Petroleo de Cubatao has voted to seek a 30% over-all wage increase, effective June 1. The union is sending a memorial to this effect to the board of directors of Petrobras, and on May 13 a union delegation waited upon Labor Minister Castro Neves to impress upon him the workers' demands.

Comment: (UNCLASSIFIED)

This union is under considerable communist influence.

/4. Other Local Unions

☆ U. S. GOVERNMENT PRINTING OFFICE: 1958-498476

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Page #2
Encl #1
Desp# 438
São Paulo
5-2261

regime.

2. Santos Representative to ILO Conference (UNCLASSIFIED)

Arthur Alves de Amorim, Jr. has told the reporting officer he will be a Brazilian representative from the employers' category to the forthcoming ILO meeting in Geneva. Amorim, who is only 29, has a law degree and is President of the 486-member Sindicato do Comercio Varejista de Carnes Frescas de Santos, besides being a partner with his father in a chain of local meat shops.

Comment: (OFFICIAL USE ONLY)

Amorim is also Secretary of the Santos directorate of the PTB and a member of the local PTB wing which opposes Acting Mayor Jose Gomes. Amorim, it may be recalled, was beaten out as PTB candidate for Vice Mayor by Gomes last February (see Weekly Comment of February 24) and has not forgiven him for this or for Gomes' recent refusal to allow him certain graft-tinged concessions from the municipal slaughter-house.

Amorim is also at outs with Sao Paulo Regional PTB chieftainess Ivete Vargas, and is allied to PTB National President Joao Goulart, through whose influence presumably Amorim was selected as an ILO delegate.

Amorim, incidentally, is travelling on an ordinary passport.

3. New Santos PSB Directorate (UNCLASSIFIED)

The following persons on May 17 were chosen as the new officers of the local PSB: Fernando Salgado Luis, president; Emanoel Leon Sztanjbok, vice president; Silvio Fortunato, secretary general; Valdir Costa Oliveira, first secretary; Dimas do Amaral, treasurer; Luiz Rodrigues Corvo (see Labor item 2 below), labor secretary; Jose Nascimento Vazques, secretary for organization; Arnaldo Figueiredo, propaganda secretary; and Mateo Coscia, secretary for culture.

Comment: (OFFICIAL USE ONLY)

This party is badly split here as a result of its 1960 division over the national presidential election in which the PSB's 3 City Councilmen all joined the Acao Socialista group within the PSB to support Quadros while the party regulars backed Lott. Now the local tables are turned as the Acao Socialista backed Athie Coury for Mayor in March, while the regular PSB supported Jose Gomes. The party is still weak but now may try for a comeback within the framework of its support for Gomes.

II LABOR

1. Labor Minister Visits Santos (UNCLASSIFIED)

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Page #1
Encl #1
Disp # 438
SAO PAULO
5-22-61

OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo

Date: May 18, 1961

FROM: American Consulate SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

THIS DOCUMENT MUST BE RETURNED TO RIVER CENTRAL FILES

I POLITICAL

1. Acting Mayor Apparently Firmly in Office (OFFICIAL USE ONLY)

By virtue of last week's 4-2 decision by the Regional Election Tribunal (TRE) that acting Mayor Jose Gomes should continue in office to serve out the full 4-year mandate of the late Mayor-Elect Luiz La Scala, Jr. of the PSP, Gomes now seems to be firmly ensconced in office. It now appears that his opponents in the PSP will not appeal the TRE's decision and that all political parties here are resigned to his remaining in office. In fact, one of Gomes' bitterest opponents within his own PTB is leaving Brazil on an extended trip to Europe (see item 2 below). And Athie Jorge Coury of the PDC this week pushed through the Sao Paulo State Legislature a vote of congratulations to Gomes on his TRE victory.

Comment: (OFFICIAL USE ONLY)

Moving fast to consolidate his position, Gomes is contemplating having a survey made by a firm of professional management experts with a view toward elaborating his own 'Plan of Action' for Santos. For this, Gomes is being hailed by the press as "leaving behind administrative empiricism". To placate labor, Gomes has promised his support for a campaign to construct a Social Security Hospital here.

Gomes is also reported to favor closer cooperation with the janista-carvalhista elements in this city and is seeking to draw into his administration representatives of parties from outside the PTB-PSP orbit.

Rumors have also begun to be heard that Gomes and ex-Mayor Silvio Fernandes Lopes, leader of the PSP faction which has energetically supported Gomes, are now at odds, and that Fernandes Lopes may, in a sharp reversal of his earlier attitude, even be flirting with the idea of appealing the TRE's decision to the Superior Election Tribunal in Brasilia. Presumably the ex-Mayor's attitude is motivated by pique at not enjoying the prestige and influence he had hoped under the new regime.

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Full Report in R.D.

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 438 (DESP. NO.) — May 22, 1961 (DATE)

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

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	REC'D 6-6-61	INFO Rm/R-2 REP-1 INR-7 R-3 ICA-11 PER-2 FBO-1 CIA-10 USIA-16 HAB-6 COM-10 AGR-8 OSD-5 NSA-4 ARMY-4 NAVY-4 AIR-6

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated May 18, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/5-2261

Enclosure:

Santos Weekly Report
dated May 18, 1961

cc: Amembassy Rio

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 6 1961

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minds of many people. To them Capitalism suggests a system in which the rich exploit the poor and in which businessmen and others from foreign countries exploit the people and the riches of the home country. Much of this too is supported in past history or even in the current scene in their country, so that proof is readily at hand. The Christian Democratic Party carries as its principal slogan "Neither Capitalism nor Communism" but its Party credo also endorses private ownership and rejects state ownership. It should be possible to convince people such as these that what we have in the United States is neither Capitalism nor Communism, but rather a system which might more accurately be described as economic democracy. It seems to the reporting officer that the United States Government puts itself at an unnecessary disadvantage in identifying itself as Capitalist and in defending itself as such. Most big industry in the United States is owned by thousands of shareholders. Our laws prohibit and punish exploitation, etc. etc. To cling to the label "Capitalism" is to encumber oneself with a host of stereotypes derived out of historic and even current actualities.

In view of the above it is therefore recommended that the United States Government in all its pronouncements and propaganda, take the position that the United States is no longer a Capitalist society but has emerged and evolved in the 20th Century into a new and different society most appropriately labeled "Economic Democracy". By this tactic we divest ourselves of all the stereotypes and legitimate opprobrium which have been directed against the Capitalist society. We offer too a stronger competition against Communist doctrine and propaganda in that we too have a new and better way of life which liquidates the vices and deficiencies of the old Capitalist system; which reflects a dialectic process of evolution achieved by the pressure of the people at large within the framework of a democratic system rather than within the framework of violent overthrow and bloody dictatorial suppression.

William P. Cochran, Jr.
Minister Consul General

cc: Amembassy Rio

Tarso in his speech to the students. The Brasilia Mayor claimed that Communism was "sincerely materialist" and had the courage to make itself vulnerable without disguise while Capitalism dissemblingly makes use of Christianity for the defense of its privileges. The Mayor argued that Christianity is not an economic system but rather moral and religious; that one could have both Christianity and Communism if the latter were limited to the economic sphere and abandoned its materialist philosophy. In rather strong language Paulo de Tarso is credited with having sneered at Capitalist liberty as a kind of license extending to the weak and the strong -- the chicken and the fox have the same liberty; the fox to eat the chicken and the chicken to be eaten. The Brasilia Mayor expressed the belief that there is a world wide reaction against the Capitalist structure.

BEGIN CONFIDENTIAL

COMMENT: The speech of the Minister of Labor must be viewed in the light of recent criticism, especially in democratic labor circles, that the Minister was working with and giving support to Communists in the labor unions. In part Castro Neves' speech may have been motivated by a desire to counteract any leftist label being attached to him. In part Castro Neves may have been interested in building a favorable impression with conservative business and landed interests (note his attitude toward the cost-of-living wage, profit sharing and increased labor benefits for rural workers). The views of Castro Neves have significance not only in possibly reflecting the orientation of the national administration but also in relation to the 1962 gubernatorial contest in São Paulo. Castro Neves, who served as Secretary of Labor in the state when Janio Quadros was Governor, is frequently mentioned as the possible harmony candidate for the competing political forces which have supported Quadros and São Paulo Governor Carvalho Pinto.

It will be recalled that Paulo de Tarso played a large part in the arrangements for Janio Quadros' visit to Cuba during Brazil's presidential campaign of last year. The Embassy political counselor at the time noted from personal observation the extreme leftist tendencies of Paulo de Tarso. It would seem that the preachments of Paulo de Tarso represent a far greater hazard than usual to the fight for democratic principles because of the wedding of Communism with Christianity, at the same time arguing that Capitalism is incompatible with Christianity. While this post does not now have sufficient data readily at hand to judge conclusively, it would seem that if there is any possibility of re-orienting Paulo de Tarso to the fact that certain stereotypes associated with Capitalism need not apply and that economic democracy can achieve the better way of life for all, it might be useful to consider arranging an invitation for him to visit the United States and a program for him in the United States directed toward this re-orientation.

Tarso's speech likewise brings to mind the fact that certain deficiencies which have occurred under the Capitalist system have become stereotypes in the

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AIR POUCH
PRIORITY

CONFIDENTIAL
(Security Classification)

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832.00

FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

434
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 18, 1961
DATE

REF :

For Dept. Use Only	ACTION REC'D	INFO	DEPT. / OTHER
55	AAA-4		AMR-2 REP-1 INR-7 P-3 S/S-2 S/P-1
	5/25		CIA-10 USIA-10 LAA-6 OSD-5 Army-4

SUBJECT: Castro Neves and Paulo de Tarso on Capitalism and Communism; Recommendation - U.S. Abandon Capitalist Label. FBI-1 Navy-4 air-6 NSA 4

BEGIN UNCLASSIFIED

Mayor of Brasilia, Paulo de Tarso (also PDC deputy from São Paulo) and Minister of Labor Castro Neves (also from São Paulo) spoke last week on different days in São Paulo in a lecture series on "Men and Parties" sponsored by the local McKenzie University Engineering School. Both made significant observations on the subjects of Communism and Capitalism.

Minister of Labor Castro Neves said that the Brazilian Labor Party (PTB) is not Socialist. He stated further that because the party foundations are based on existing capitalist institutions they are likewise based on a private property system. He went on to say that the PTB is the defender of the protelariat within this private enterprise framework.

Castro Neves also addressed himself to other current issues in the labor field. On the subject of a cost-of-living law, for which much of labor has been pressing, he said that there are negative aspects. He said further that France and Italy have encountered obstacles under a cost-of-living wage system which raised the possibility of a re-examination. He went on to say that any such cost-of-living measure must be surrounded by every precaution. It is also reported that Castro Neves declared himself against employee profit sharing. He said that labor must be free to denounce employers realizing excess profits which would be impeded if they shared in such profits. He is also credited with recognizing the advantages of extending the benefits of existing labor laws to the farm workers but he also considers this problem extremely complex and reported that it was under study by the government.

Paulo de Tarso informed the students that a Christian party must be revolutionary, not conservative. If all creation does not serve humanity but rather profits, as occurs in a Capitalist organization, said he, this is against nature itself. He argued that the means for survival must be available to all. He condemned any social structure which permits misery and hunger. "I consider Capitalism a worse enemy of Christianity than Communism" are the exact words of Paulo de

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RJBrigton/lfw
REPORTER

CONFIDENTIAL

DEPARTMENT OF STATE
MAY 29 1961

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1008

W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 6

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BOX: 1576

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Folder Title: 732.00/5-1761 HBS

Document Date: 17/05/61

Document Ser.#:

DESP 431 FR SAO PAULO TO STATE

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00006



Page 6 Encl #1
Desp # 429
SAO Paulo

VI PSYCHOLOGICAL

1. Vampire Woman Terrifies Santos (UNCLASSIFIED)

Several "sober, hardworking" male residents of the Macuco neighborhood in Santos, frightened out of their wits, have come forward declaring that they have been attacked after midnight by a blonde, big-eyed lady vampire, who endeavored to suck their blood.

Comment: (UNCLASSIFIED)

A madwoman in a local mental clinic states she is the vampire. If she does exist outside the realm of excited imagination, she may well be suffering from some sort of mental derangement, not thirst.

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1006

Page 5 Encl #1
Despatch 429
SAO PAULO

are likewise receiving bribes.

And on May 10 Nery was investigating his own Guarda-Mor, Joao de Oliveira Freitas, for allegedly having authorized an increase from 3 to 5 cruzeiros in the fee charged by the customs posts at the entrances to the docks to visitors who wish to go on board vessels in port. Freitas has said that the difference was earmarked for charity, but Nery wanted it all for the customs.

Comment: (LIMITED OFFICIAL USE)

Nery, a holdover from the Kubitschek Administration, has been desperately trying to cling to his important and lucrative job in the Santos customs by seeking to attract favorable publicity to ostentatious efforts to control the rampant corruption in the Santos customs (see Weekly Comment of February 9, Economic item 1).

But the reporting officer has it on good authority that Nery himself not only takes bribes, but actually has gone on board incoming ships to offer his connivance (for a heavy consideration) in smuggling contraband into Brazil. Guarda-Mor Freitas, on the other hand, is thought to be an honest man.

The reporting officer also knows for a fact that officers of the local Maritime Police demand tips f r going aboard passenger liners and invariably accepts invitations for a drink, often leaving the ship much the worse for drink and invariably with a bottle or two tucked under their arms to be smuggled ashore.

3. Chief Customs Inspector Fired (UNCLASSIFIED)

Dr. Paulo da Silva Nery (see item 2 above) has been fired as Chief Inspector of Customs of Santos. He will be replaced by Argemiro Nascimento, preported in the press to have been the personal choice of Quintanilha Ribeiro, Chief of President Quadros' Civil Household.

Comment: (UNCLASSIFIED)

Nery's ouster was overdue.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATION - Negative.

/VI PSYCHOLOGICAL

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Page 4 Enl #1
Desp #429
São Paulo

2. Reds Win Warehousemen's Union Election (UNCLASSIFIED)

Slate #2, headed by Raimundo Caetano Conceiçao, has won the Warehousemen's (Arrumadores) Union election with a vote of 262 to 124 for slate #1, led by incumbent President Ivanildo Henrique Moura. Slate #3, headed by Brigido Lobo de França polled only 31 votes, while slate #4, headed by Jardelino Francisco dos Santos, received 54.

Comment: (OFFICIAL USE ONLY)

The reporter is led to believe that slate #2 contains a number of communist sympathizers.

III ECONOMIC

1. No Prospect for Russian Ship Visits to Santos (LIMITED OFFICIAL USE)

The reporting officer has been told by Charles O. Kenyon, Santos agent for the Russian and East German ships which previously have visited Santos, that no such vessels are scheduled to call at Santos in the immediate future.

Comment: (LIMITED OFFICIAL USE)

Kenyon added that he had recently been approached by Anderson, Clayton & Co. in Sao Paulo, inquiring if any ships from Russia could be expected in Santos which could carry a consignment of Brazilian cotton to a Russian port, as the firm was "negotiating for a large shipment" of cotton to Russia. Kenyon telegraphed his principals in London (who arrange charters for Russian ships), and received word that no Russian ships are due to call here for the next few months.

2. Customs Inspector Lashes Out Against Critics (UNCLASSIFIED)

Dr. Paulo da Silva Nery, Chief Customs Inspector in Santos, has complained to the Manager of the Hamburg-Sud shipping agency here about an article appearing in the Estado de Sao Paulo on May 5 charging that customs officials have been visiting incoming ships and demanding Cr$400,00 per official for their services in clearing each vessel. Nery has demended Hamburg-Sud furnish him with the names of such customs functionaries so that corrective measures can be taken. The Hamburg-Sud Manager replied to Nery denying that the newspaper story emanated from his office.

At the same time President Janio Quadros ordered an investigation of the Maritime Police in Santos in order to determine if its officers /

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assistance in proportion to the political advantage he calculates to gain from Sao Vicente.

3. Santos Legislator to Visit Beirut (UNCLASSIFIED)

Athie Jorge Coury, PDC member of the Sao Paulo State Legislature and a successful coffee broker (see above), will be a member of a Brazilian commercial mission to Lebanon next month which will investigate the feasibility of establishing in Beirut a distribution center for Brazilian coffee.

Comment: (UNCLASSIFIED)

Coury's family was of Middle Eastern origins.

II LABOR

1. Worker-Student Congress Convenes in Santos (UNCLASSIFIED)

The First Regional Workers-Students Congress, sponsored by the Santos branch of the State of Sao Paulo Students Union and by the Forum Sindical de Debates (Santos City Central) began here on May 8. Plinio de Arruda Sampaio, Coordinator of Governor Carvalho Pinto's "Plan of Action", addressed the inaugural session of the Congress, whose announced purpose is to gather together workers and students to discuss such topics of mutual interest as social security, secondary education problems, the income tax and university curricula. Labor Minister Castro Neves will make the concluding speech on May 13.

Comment: (OFFICIAL USE ONLY)

Student centers representing more than 100 students are allowed 4 delegates to the Congress; those representing up to 250 send 8; those representing up to 450, 12; up to 650, 16; and those larger, 2 delegates for every 500 students. Unions with less than 22 members have the right to 2 representatives; less than 400, 4; less than 650, 6; less than 900, 8; more than 900, 1 per 700 members up to 3,000; unions with more than 3,000 members are allowed 1 delegate per 1,000 members. This weighted participation is designed of course to equalize representation from both sectors. Unfortunately, representation has not been as good as hoped.

Although the proceedings are dominated by anti-communists, some communist labor union representatives are active among the several committees, e.g., Orlando Sposito of the Typographic Workers Union, Gelasio Ayres Fernandes of the Refinery Workers Union of Cubatao and Waldemar Neves Guerra of the Dock Employees Union. The latter caused an uproar at the May 10 meeting by threatening to walk out of the proceedings.

/2. Reds Win

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Page 2 Encl #1
Desp #429
São Paulo

and the city administration suffering in the long run.
A biographic data report on Jose Gomes has been submitted to the Department by the reporting officer.

Comment: (OFFICIAL USE ONLY)

At the moment the local political battle lines are drawn as follows: Gomes is supported by most of his own party, the PTB, and by a powerful faction in the locally-dominant PSP, led by ex-Mayor Silvio Fernandes Lopes, City Council President Fernando Oliva and City Councilman Oswaldo Justo and Nelson Antunes Mattos. Within the PSP Gomes is opposed by Federal Deputy Rubens Ferreira Martins and by ex-City Council President Jose Aflalo Filho. Gomes is likewise opposed by City Councilmen Antonio Bento de Amorim Filho (PSD), Mario Capp (dissident PSB), Esmeraldo Tarquinio (dissident PSB), Joao de Marais Chaves (dissident PSB) and Julio Moreno (PSD). But Gomes feels that he can rely on 22 of the 31 votes in the Council and so carry through his legislative program. Gomes can also count on backing from the PDC and its Athie Jorge Coury, from the other defeated janista mayoralty candidate Mario Covas, Jr., and from many minor politicians in the smaller parties, who are tired of the political alarms and excursions since La Scala's death and are willing to let Gomes run Santos as, after all, he did receive 33,369 votes - more than any other candidate - for Vice Mayor.

2. Carvalho Pinto to Aid Sao Vicente (UNCLASSIFIED)

Last week the new Mayor of Sao Vicente, Orlando Intrieri, accompanied by State Deputy Athie Jorge Coury and Sao Vicente City Council President Oswaldo Toschi and City Councilman Jonas Rodrigues, visited Sao Paulo Governor Carlos Alberto de Carvalho Pinto in Sao Paulo. The delegation laid before the Governor Sao Vicente's most urgent problems: (1) the need for State funds to complete construction of a two-lane bridge over the tracks of the Sorocabana railway (2) three garbage trucks (3) two ambulances and (4) skilled accountants.
Hopes are high that the Governor will grant at least a portion of these requests.

Comment: (OFFICIAL USE ONLY)

Intrieri assumed office April 15 after Mayor Roberto Andraus resigned under heavy fire, leaving Sao Vicente is a mess. Andraus never got along with Carvalho Pinto, and Intrieri is obviously attempting a rapprochement (see Weekly Comment of April 19, Political item 2) with the carvalhistas. Athie Coury is a good go-between with Intrieri and Carvalho Pinto, being a good friend of the latter who can be relied upon to portray as emotionally as possible the desperate conditions existing in the luckless municipality.
The reporting officer thinks that Carvalho Pinto will accord /assistance

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1002

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

TO : THE DEPARTMENT OF STATE, WASHINGTON.

429 DESP. NO.

May 15, 1961 DATE

REF :

20 For Dept. Use Only	ACTION ARA-4	DEPT. INFO RPM/R-2 REP-1 INR-7 E-3 ICA-11 P-3
	REC'D 5-18-61	OTHER CIA-10 USIA-10 DOM-26 LAB-6 AGR-8 TR-3 NSA-4 OSD-5 ARMY-4 NAVY-4 AIR-6

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated May 12, 1961.

William P. Cochran, Jr.
Minister Consul General

Enclosure:
Santos Weekly Report
dated May 12, 1961

cc: Amembassy Rio

1961 MAY 18 AM 10 20

732.00/5-1561 HBS

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MAY 26 4 11 PM '61

CLASSIFIED FILE

RJBurton/lfw REPORTER

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W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 5

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Document Date: 14/05/61

Document Ser.#:

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NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00005



W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 4

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Folder Title: 732.00/5-1061 HBS

Document Date: 10/05/61

Document Ser.#:

DESP 417 FR SAO PAULO TO STATE

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NND: 949515

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A commission of retired employees of IAPFESP (Instituto de Aposentadoria e Pensões dos Ferroviarios e Empregados em Serviços Publicos) asked for the restoration of the old table of salaries.

Steps were taken on the appeal of Dr. Francisco Ariani Martins, Delegate of IAPETEC (Instituto de Aposentadoria e Pensões de Transportes e Cargas) for the hospitalization of a member of the Instituto.

On the initiative of Elias Moreira dos Santos arrangements were made for the digging of an artesian well in the locality of Ipicaetá, Municipality of Santo Estevão, with Dezildo Menezes Pedreira, Chief Engineer of the Departamento de Obras contras as Secas.

Consultations with the Director of the local Post Office resulted in a new direct service to Ipirá instead of the roundabout route of Salvador-Castro Alves-Itaberaba-Iperá.

President Quadros is reported to have set up a third body in Brasilia, a Municipal Service which would parallel the Casa Civil and the Casa Militar. There has been no word here of the appointment of a third member to the Bahian sub-cabinet, an official who would act as federal liaison for the municipalities of Bahia. Such an appointment would surely draw fire from the senators and federal deputies who by tradition and practice have acted as agents for the municipalities. If this additional innovation were to be introduced successfully, the results could in the long run be quite startling. A direct channel to Janio, short-circuiting the Congress, might well encourage a new and more independent type of municipal politician who would be solidly based on local rank-and-file strength.

James M. Flanagan
James M. Flanagan
American Consul

cc: Amembassy, Rio de Janeiro.

JMF



Among them:

Dr. João Vieira Lopes, administrative assistant of the Cia. Hidro-Eletrica do São Francisco
Emanuel de Araujo Dorea, Chief Engineer, Fiscal District of the National Department of Railways
Brother Gonzaga Regis, Secretary to the Faculty of Philosophy, Catholic University of Bahia
Oswaldo Rios, Director of Leste Brasileiro, the Federal Railway Company
Pinto Martins, President of the Chamber of Councilmen of Itiuba, a small town in the dry region of Bahia
Professor Carlos Simas, Director of the Engineering School, University of Bahia
Professor Archimedes Guimarães, President of TREBASA, a newly organized tourist service
Edgard Menezes, Engineer, Director of the Department of Energy
Heladio Porciuncula, Guarda-Mor da Alfandega
Wade Elbachá, Delegate of the Federal Patrimony (national landmarks and shrines)
Juarez Pedreira, Delegate of IPASE (Instituto de Aposentadoria dos Servidores do Estado)
Jairo Gois, Mayor of Coaraci
Djalma Vieira de Melo, Representative of the Merchant Marine
Dario Sampaio Cruz, Chief of Fiscalização da Exportação do Ministerio da Agricultura
Mario Padre, State Deputy, Bahia
José Joaquim Borges de Araujo Filho, Director do Departamento de Correios e Telegrafos
Elbert de Menezes, Professor, Engineering School
Fernando Medrado, Engineer, Director Cia. Comercio Imoveis e Construções
Papirio Carleial, Engineer, National Department of Railways

Among the problems and requests presented were:

A commission from the open-market merchants of Feira de Agua de Meninos asked permission to use the dockside area at São Joaquim while the Government is building new facilities at Feira de Agua de Meninos.

A committee of maritime workers from Navegação Bahiana appealed for back payments of the "adicional" owed them by the Federal Government.

A local federal employee of the Ministry of Agriculture asked for a more "judicious" application of the credits distributed to the federal offices, suggesting a commission of three employees to check the entry of equipment and the execution of services.

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position, and just possibly with a bit of malice, he selected Milton Santos. (There is a rumor that this was in part, at least, a favor to Rafael Cincurá who is reputed to have contributed handsomely to Juracy's campaign for Governor). Governor Magalhães then telephoned to General Freitas, Commander of the Second Military District, and asked him if he had any bright young major suitable for the Casa Militar position. Major Francisco Cabral de Andrade was recommended and both appointments were confirmed in a radio announcement from Brasilia that same day. Juracy observed that he knew how to handle Janio: he never asked for anything for Bahia and got everything.

It seems likely that Bahia's sub-cabinet will be used less vigorously by Janio than those he will establish in states where he expects stronger opposition to his policies. For one thing Bahia will not be a critical area in the approaching struggle for the control of labor. Even so there will be changes, gradual ones at first, yet signals of a shift in political channels. Major Cabral sounded one keynote. Speaking of the flood of personal mail directed to Janio -- appeals, suggestions, criticisms which too often gets lost in Brasilia --- he intimated that the sub-cabinet would act as a clearing house and would expedite answers. In his phrase, "the mountain had come to Mohammed" and no one need fear that his plea for Presidential consideration, or intervention, would go disregarded. Also implied was the use of the sub-cabinet as a watchdog committee for federal funds and activities. Already apparent, if the gossip here has foundation, is the probability that persons shocked or injured by violations of federal regulations will report such violations freely to the sub-cabinet.

By sheer lack of precedent the functioning of the sub-cabinet, at least until Janio takes a direct hand, will reflect the personalities of the appointees, especially that of Milton Santos. Santos is reportedly brash, egotistical, ambitious, certain to personalize his new position. He is admired as an educated man, an authority on geography, though some of this admiration could have its source in the half-guilty liberalism which seems to be the characteristic reaction of a white Bahiano toward a capable and intelligent negro. Santos has strong leftist sympathies. He is pro-Castro and anti-American. We have no evidence that he is or has been a Communist. We doubt, in fact, that he knows what communism is about. Yet his record is such that at a recent meeting of the Consular Corps in Salvador the British Consul, who has twenty-odd years of residence and would come close to being a disinterested party, openly labeled him as an "out and out Red."

The activities of the sub-cabinet in these early days may or may not prove to be typical. It is hard to tell. A stream of visitors making "courtesy" calls (but most of them with axes to grind) have kept the office of the Casa Civil open till late at night.

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AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : AmConsul SALVADOR, Brazil. -48- DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. May 10, 1961 DATE

REF :

MAY 10 1961

For Dept. Use Only	ACTION	DEPT.
	ARA-4	RPM/R-2 INR-7
	REC'D 5/20	INFO OTHER CIA-10 USIA-10 Navy-4 NSA-4

SUBJECT: President Quadros Creates a Sub-Cabinet in Bahia.

732.00/5-1061 HBS

With very little fanfare, and apparently no opposition, President Quadros has created his "sub-cabinets" in Bahia. A structural innovation which in the United States would have aroused a violent defense of States' rights has been installed casually and without incident. Continued probing by the Consulate has failed to uncover any outspoken resistance. We have not be able to establish even the fact that there is an understanding of the revolutionary nature of Janio's maneuver. Governor Juracy Magalhães is complacent. He speaks freely of his role in selecting the appointees. Vice-Governor Orlando Moscoso and Prefeito Heitor Dias have tamely made their protocol calls on the two presidential representatives. The senators and federal deputies, if they are at all aware of a threat to their prerogatives, have avoided public comment. The press coverage in Salvador has been superficial, without interpretation.

The representative at the state level of the President's civil household is Professor Milton Santos, a Negro, coal-black in color, who at the time of his appointment was chief of the Bahia's Diario Oficial. He is the son of Irineu Santos, an Inspector in the Bahian Secretariat of Education, and a protegé of Rafael Cincurá, Secretario de Segurança Pública. He was a member of the presidential party when Janio Quadros visited Fidel Castro in Cuba. Santos, who speaks several languages but no English, holds French university degrees and was traveling in Europe when his appointment was announced. Of Major Francisco Cabral de Andrade, the representative of the President's military household, we have little information except that he is young, bright and ambitious.

Concerning the appointment of these two Bahianos, Governor Magalhães told the writer the following story. One day last month Juracy Magalhães Jr., now a member of the Casa Civil in Brasília, telephoned to his father, the Governor, relaying the President's request for the names of two persons who might be appointed to the Sub-Cabinet positions. The Governor replied that he had no names and closed the conversation. A few hours later the telephone rang again and the request was repeated -- with emphasis that the President wanted names. This time the Governor a[illegible] of the civil

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DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
MAY 24 1961

JMFlanagan:ym
REPORTER

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PROPIEDADES

91764 — VENDO casa mixta, Tibás. Tiene garaje, bodega, jardín. ₡ 67.500.00 contado. Teléfono 3886. José Luis.

AUTOMOVILES

91869 — GANGA STATION Wagon Rambler 1952 tipo pequeño, 85 kilómetros por galón, verla 100 vs. oeste puerta Iglesia La Soledad, casa 731.

91869 — OPORTUNIDAD MOTO Triumph 200 cc., cómo nueva. Verla 100 varas oeste puerta Iglesia La Soledad, casa Nº 731.

91900 — GANGA PANEL PARA reparto europea Commer 1959 en perfecto estado ₡ 1.500.00 contado. Verla 100 oeste puerta Iglesia La Soledad casa Nº ... 731.

91900 — BUICK 1956 todo lujo como nueva, un dueño, 20 kilómetros por galón. Verla 100 varas oeste puerta Iglesia La Soledad casa Nº 731.

91446 — STATION WAGON Land Rover 60, como nuevo, vendo o cambio por carro Volkswagen, modelos 59 - 60 ó 61. Teléfono 3927. Apartado 1288.

91895 — FOR SALE: 1957 Cadillac, Alpine White, Coupe Deville, Like New, low milage, one owner automobile, in excellent condition. Fully power equipped: Power steering, brakes, windows, seats & antenna. New tires. Prefer to sell to party with diplomatic privileges. Call 1008.

91836 — SE VENDE: 1957 Cadillac, color: Blanco Alpino, Coupe de Ville, como nuevo, poco millaje, [illegible]

91830 — MOTOCICLETA Horex Resident se vende. Atenein Horex, avenida 7a., casa 721.

91834 — COMPRO carro del 55 al 60, doy carro europeo pequeño, motocicleta N.S.U. Super Luxe, 57 o lote de trescientas varas en Barrio México vuelto con condiciones. Teléfono 7053.

46320 — VEHICULOS USADOS, a precios de verdadera oportunidad:

TOYOTA, enterito 1960
AUSTIN, Station pequeña 1960
AUSTIN, Gipsy modificado 1959
AUSTIN, Sedán, mediano 1959
AUSTIN, Station pequeña 1960
FORD, station 9 pasajeros 1955

Verlos AGENCIA AUSTIN. Tel. 7235.

40310 — CIA. TAURO MOTORES Ltda. Vende revisados y en muy buen estado un variado surtido de automóviles y vehículos de trabajo usados de todas las marcas, a precios razonables y con facilidades de pago. Véalos en su salón de exhibición situado en: Paseo Colón y calle 24, Cía. Tauro Motores Ltda.

91790 — PANEL STANDARD modelo 1960 con 6000 kilómetros. Se vende en ₡ 16.500.00 como nuevo. Teléfono 3054.

40308 — COSTA RICA Machinery Co. Inc., frente a la Casa España, teléfono 3259, apartado 1328. Auto Volkswagen 1959, Deportivo DKW 1959, auto Simca 1958, Station Wagon Chevrolet 1956. Auto Chevrolet 1955, Station Dodge 1953, panel Ford 1950, panel DKW 1956, Jeep Land Rover 1958, pick up Willys 1955. Camión FWD 1954, camión Chevrolet 1[illegible] doble

91726 — AUTOMOVIL Dodge ... 1948, vendo barato, acepto otro menos valor y vuelto. Teléfono 6484.

91812 — OPEL KAPITAN 1956 4 puertas, radio, como nuevo 33 kilómetros por galón. ... ₡ 13.500.00. Teléfono J-5808.

40291 — VOLKSWAGEN DE COSTA RICA LTDA. tiene para la venta los siguientes vehículos usados.

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Volkswagen Microbús	1955
Volkswagen Panel	1956

"VEHICULOS AMERICANOS"

Ford Station Wagon	1958
Ford Station Wagon	1957
Ford sedán Automático	1955
Ford sedán Automático	1954
Studebaker sedán	1954
Plymouth Station Wagon	1957
Pontiac sedán	1953
Pontiac sedán	1947
Mercury	1948
Studebaker Station Wagon	1956

"VEHICULOS EUROPEOS"

Triumph Herald	1960
Austin Station Wagon	1960
Vanguard sedán	1958
F. K. 1800 Lujo	1957
Atlas Panel	1961
Morris Panel Oxford	1958
Renault Panel Pequeña	1958
Renault Pickup ¾ Ton.	1954

"VEHICULOS COMERCIALES"

Land Rover Jeep	1951
Dodge Panel	1955
Willys Jeep	1953
Willys Station Wagon	1953

Verlos en su nuevo local Edificio "Antoferos teléfonos 4845 - 9856 Apartado Postal Nº 3833.

91735 — TRAMITES aduaneros vehículos traídos por tierra. Edwin Retana, Aduana Principal.

91718 — VENDO panel Willys doble tracción. Teléfono 3866 José Luis. ₡ 7.500.00.

91777 — STUDEBAKER Silverhawk, nuevo, lujoso y económico, vendo precio ganga. Impuestos no pagados. Teléfono: [illegible] 10 a 11 a.m.

EMPLEOS

91900 — TAQUIMECANOGRAFA auxiliar de secretaría con conocimientos de archivo y experiencia, se necesita. Escribir al apartado 426 en manuscrito dando todos los datos necesarios.

91905 — SE NECESITA cocinera, inútil presentarse sin recomendaciones, buen sueldo. Informes de Chico Soto 75 varas al sur, casa gris mano izquierda.

91904 — SE NECESITA empleada para limpiar, lavar y planchar, sería, y responsable y que duerma en el trabajo, 250 varas norte Seguro Social, casa 968.

91848 — SE NECESITA empleada 275 varas norte del Banco Central, casa Nº 571.

91854 — SAN PEDRO SE necesita empleada dos oficios. Llamar al 1738.

91857 — SE NECESITA una buena empleada para la casa. Se paga buen sueldo. Llame al teléfono 6927.

91861 — SE NECESITA empleada para oficios de adentro. Sueldo ₡ 125.00 mensuales. Presentarse con recomendaciones. Casa 172 frente costado este Parque Nacional de 2 a 4 p.m.

40326 — SE NECESITA cocinera con recomendaciones. Informes al teléfono 6290.

91885 — CHINA SE NECESITA con recomendaciones, de Bomba Los Yoses, 125 sur, casa amarilla con rojo.

91874 — HAGASE CHOFER rápidamente. Escuela de Choferes Tony Conde, 25 sur Teatro Center City. Nº 874. Teléfono ... J-7081.

91746 — EMBAJADA Británica necesita para servicio de la residencia chofer competente y experimentado en esa clase de empleo.

91831 — SE NECESITA empleada seria y responsable con recomendaciones para ayudar a todo oficio. 25 oeste pulpería La Luz, casa Nº 3167.

91830 — GRADUADO, Miembro Colegio Contabilistas Privados de Costa Rica, se hace cargo de contabilidades, balances, declaraciones, reclamos (impuestos s/. renta) cobro de cuentas atrasadas, pérdidas o judicialmente. Dirección: Francisco Cortés Salazar, Cantón Jiménez, Juan Viñas, Cartago.

91825 — SE NECESITA secretaria. Enviar carta manuscrita a Agencias, Apartado Nº 2190, dando experiencia, edad y pretensiones de sueldo. Adjuntar foto.

91843 — A QUIEN interese ofrezco mis servicios, dentro o fuera del país, como fractorista, chofer, mecánico "diesel", gasolina y electricista. Fernando, teléfono 3640.

40297 — SE NECESITA cocinera que sepa bien su oficio y con buenas recomendaciones, 300 varas al norte del Correo. Casa Nº 209.

91789 — CURSO COMPLETO de oficinista práctico en 6 meses Mecanografía, archivo, redacción manejo de oficina. Matrícula teléfono 3516.

91765 — EMPLEADA cocina, recomendaciones. Dormir en casa. Segunda entrada Los Yoses, casa esquinera izquierda. Teléfono J - 3229.

91818 — SE NECESITA cocinera con buenas recomendaciones, 150 varas al sur de la Cantina Obelisco. Teléfono J-6217.

91847 — SECRETARIA contabilista graduada se hace cargo de contabilidades. Informes casa 1248, calle 12 - 14, avenida 6ª. Señorita Margarita Campos.

91728 — SE NECESITA cocinera. Buen sueldo. Del Gallo de Oro 200 al este, 25 al norte, casa 668 frente línea del tren.

91764 — SE NECESITA empleada para cocinar y lavar. Traer recomendaciones. Cuarta entrada de Los Yoses, 300 varas sur 50 este.

91560 — EMPLEADA para una sola persona, se necesita. Preferible mujer seria. 25 varas sur Oásis.

91631 — SE NECESITA cocinera buena con recomendaciones. Buen sueldo. Matute Gómez 200 Este, 275 Sur, Barrio González Lahmann.

91642 — SE NECESITA empleada de adentro, familia pequeña, buen sueldo. Presentarse con recomendaciones. Informes Joyería Rosé Avenida Central frente La Magnolia.

91699 — SE NECESITAN costureras suficiente práctica. Informes al teléfono 1836.

91870 — NECESITO EMPLEADA con recomendación, para lavar, planchar y cocinar. Sueldo ... ₡ 200.00. 250 varas este de la pulpería La California. Casa Nº 2745.

40328 — SE NECESITA empleada de adentro, buen sueldo. Teléfono 2843.

91844 — SE NECESITA empleada, con recomendaciones. Sueldo ₡ 125.00. Teléfono: J - 6709.

91601 — SE NECESITA, cocinera con recomendaciones; sueldo ₡ 150.00 de la última entrada de Los Yoses 200 varas al sur casa esquinera amarilla.

91559 — COCINERA con buenas recomendaciones para cuatro personas se necesita. 50 varas sur segunda entrada Barrio Los Yoses; última casa mano izquierda.

91788 — SE NECESITA empleada oficios domésticos. Buen sueldo. Bozar Holanda, 25 sur Chelles.

91769 — SE NECESITA empleada de adentro. Llamar teléfono 6312.

MUEBLES

91846 — VENDESE MODERNO juego dormitorio, cama matrimonial, mesas de noche, tocador con espejo 1½ x 1½ metros, valor ₡ 1.000.00, todo moderno, en perfecto estado, 600 varas este de la Tabacalera sobre carretera al Zapote, frente urbanización Sáenz, casa Gonzalo Valverde.

91896 — CREALO O NO! Muebles: Taller Macho. Desamparados. Camas somier matrimonio ₡ 135.00, persona ₡ 125, ropero ₡ 250.00. Toda clase muebles puestos en su casa. Escriba.

91889 — VENDO TOCADOR, juego comedor, caja seguridad pequeña, cocina extranjera, camas. Teléfono 2124.

46313 — NECESITO comprar sofá que se convierte en cama. Entenderse con Sr. Vinicio Gutiérrez, teléfono 6376.

91821 — MUEBLES se venden a ridículos precios. Cortinas, colchas y demás, 250 sur Señoritas, casa alto, verde. Señora Ulloa de Fernández.

91818 — VENDENSE BARATOS camas y otros artículos. 275 norte de Sevillana, casa Nº 763.

91772 — UNOS MUEBLES más salidos del montón, no! Creaciones exclusivas de "Casa Muebleria" Ltda., es lo que vendemos. Precios bajos. Con talleres propios, frente al Cementerio General.

91814 — POR MOTIVO DE viaje se vende juego de recámara y cuna. Calle 20 norte, casa Nº 735.

91691 — GRAN REALIZACION de muebles. Juegos de sala, de oficina, comedor, dormitorio. Todo mueble. Contiguo Teatro Moderno, Anexo Mueblería La Industrial.

91532 — POR MOTIVO viaje se venden varios muebles a precio muy cómodo. Informes teléfono J-8404.

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40299 — TUBOS de acero bituminados, de 6 hasta 14 pulgadas de diámetro en existencia donde Yodava & Co., 25 varas norte Estación Pacífico.

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INMEDIATA INTERVENCION DE LA O.E.A. EN EL CASO DE CUBA

Excelentísimo señor
Embajador Fernando Lobo
Presidente del Consejo de la OEA.
Washington D.C.

Muy estimado señor Presidente:

Los suscritos hemos tenido el honor de dirigir, en distintas épocas, y bajo diferentes gobiernos, las relaciones internacionales de Costa Rica, desde los cargos de Ministro o de vice-Ministro de Relaciones Exteriores.

Hemos pertenecido, y pertenecemos ahora, a los diferentes partidos políticos que durante los últimos cuarenta años han ocupado el Poder o han luchado por alcanzarlo, mediante el sufragio.

Representamos, en consecuencia, distinto y hasta opuestos matices del pensamiento político y económico - social costarricense, pero nos encontramos unidos por nuestra devoción al sistema democrático de gobierno, y por nuestra adhesión a los principios que sustenta el Sistema Interamericano.

Son precisamente esa devoción a la democracia representativa y esa adhesión a la comunidad americana, las que nos congregan hoy para enviar a la Organización de los Estados Americanos, por su digno medio, el presente mensaje.

Después de las conferencias de Chapultepec, Río de Janeiro y Bogotá, las instituciones jurídicas interamericanas tomaron una definitiva inspiración democrática. La O.E.A., sus organismos y los tratados por ella administrados, tienen ahora una finalidad más importante que la seguridad misma de los Estados miembros, cual es la de consolidar en este hemisferio un régimen de libertad individual y de justicia social, fundado en el respeto de los derechos esenciales del hombre y en el ejercicio efectivo de la democracia representativa.

Numerosas normas jurídicas aprobadas por todos los países americanos, han sustraído el ejercicio de la democracia representativa y el respeto a los derechos del hombre de la jurisdicción interna de cada uno de los Estados para convertirlos en obligaciones internacionales.

Son, sin embargo, tales normas han sido y son violadas por los regímenes dictatoriales que ha padecido y aún padece nuestra América. Ello se ha debido, principalmente, a la falta de instrumentos de coerción para hacerlas acatar. Después de la Conferencia de Cancilleres reunida en Santiago de Chile en 1959, se han reanudado los esfuerzos para dotar a la O.E.A., de los instrumentos necesarios para proteger los derechos fundamentales del hombre americano y para sancionar a aquellos gobiernos que niegan a sus pueblos el disfrute de las instituciones democráticas. Tenemos la esperanza de que tales instrumentos serán forjados en la Undécima Conferencia Interamericana Interamericana, próxima a celebrarse.

Pero cuando ya se vislumbra la culminación del desarrollo democrático del Sistema Interamericano, un nuevo obstáculo, quizá más serio y más peligroso, amenaza no solamente con detener ese impulso democratizador, sino también con destruir toda la estructura de convivencia hemisférica elaborada a través de decenios de incesante esfuerzo.

Nos referimos, desde luego, a la amenaza que para la paz y la democracia en este continente plantea la dominación comunista del régimen dictatorial que hoy gobierna la república de Cuba, y la incorporación de ese país hermano al bloque Chino - Soviético.

No creemos necesario enumerar los hechos que demuestran, sin lugar a dudas, que en Cuba se ha establecido un régimen dictatorial de definida ideología comunista. Tampoco juzgamos imperativo señalar las pruebas que nos llevan a afirmar que ese régimen se ha sumado al bloque de naciones dominadas por la Unión Soviética y la República Popular China. Las evidencias han recibido tanta publicidad, son tan claras y concordantes, que resultaría ocioso repetirlas en este mensaje.

Si el régimen cubano, no fuera más que una dictadura nacional, aunque de signo comunista, su incongruencia con el Sistema Interamericano no sería mayor que la que ofrecen las dictaduras criollas que aún oprimen a pueblos hermanos en otros países del hemisferio y, como ellas, estaría llamada a desaparecer a corto plazo.

Pero la dictadura que hoy padece Cuba no puede considerarse como pieza aislada en el panorama mundial. Cuenta con el apoyo fanático del movimiento comunista internacional, y con el soporte económico y militar de los poderosos gobiernos totalitarios que integran el bloque soviético.

La dictadura cubana no sólo desafía el Sistema Interamericano, en cuanto ha suprimido brutalmente —al igual que las otras dictaduras que aún persisten en América— los procedimientos del sistema democrático y ha negado a su pueblo el derecho de autodeterminación, sino que se ha convertido en cuartel general de la subversión comunista para toda América Latina, constituyéndose así en una amenaza para la estabilidad de los gobiernos democráticos de nuestra América.

Ya hemos dicho que el sistema Interamericano no cuenta, por el momento, con los medios necesarios para borrar el sello infamante que sobre América ponen diariamente los gobiernos dictatoriales. Pero el bien no existen los instrumentos jurídicos que permitan la acción colectiva contra el régimen de Cuba y demás dictaduras americanas, en cuanto cometen violación de las libertades democráticas, sí existe el mecanismo interamericano para enfrentarse a la agresión subversiva que la tiranía cubana está dirigiendo contra los gobiernos democráticos de América. Es el mismo mecanismo que ya ha sido usado en otras ocasiones en que dictaduras del hemisferio han puesto en peligro la paz, o la integridad, o la soberanía de otros estados americanos.

En efecto, el Tratado Interamericano de Asistencia Recíproca, conocido como Pacto de Río, vigente para todos los Estados Americanos, dispone en su Artículo quinto:

"Si la inviolabilidad o la integridad del territorio o la soberanía o la independencia política de cualquier estado americano fueren afectadas por una agresión que no sea ataque armado... o por cualquier hecho o situación que pueda poner en peligro la paz de América, el Organo de Consulta se reunirá inmediatamente, a fin de acordar las medidas que en caso de agresión se deben tomar en ayuda del agredido o en todo caso las que convenga tomar para la defensa común y para el mantenimiento de la paz en el Continente."

De acuerdo con el artículo 8 del mismo Pacto de Río, el Organo de Consulta puede tomar una serie de medidas destinadas a sancionar al gobierno culpable de la agresión, medidas que van desde la ruptura de relaciones diplomáticas hasta el empleo de la fuerza armada.

Los artículos 24 y 25 de la Carta de la O.E.A., ratifican estos principios del Pacto de Río. El artículo 19 de esa Carta dispone:

"Las medidas que, de acuerdo con los Tratados vigentes, se adopten para el mantenimiento de la paz y la seguridad, no constituyen violación de los principios enunciados en los artículos 15 y 17 (o sea los artículos donde se establece el principio de no intervención, el de autodeterminación de los pueblos)".

De los textos citados es fácil inducir que la O.E.A., como entidad jurídica que representa la voluntad soberana de sus miembros, tiene a su cargo la custodia de la paz hemisférica, y está obligada a defenderla tomando las medidas que sean del caso, aún recurriendo al empleo de la fuerza armada, para frenar las agresiones de todo género que pongan en peligro esa paz hemisférica.

Es necesario destacar que el principio de no intervención, que constituye una de las piedras fundamentales del Sistema Interamericano, no tiene aplicación en lo que se refiere a la acción colectiva tomada por los órganos apropiados de la O.E.A., para sancionar a un agresor. Estas sanciones que el Organo de Consulta puede tomar, no son más que medidas defensivas debidamente autorizadas de antemano por todos los Estados miembros, aún por aquellos que cometen la agresión. Ese es el sentido del artículo 19 de la Carta de la O.E.A. cuyo texto claramente hemos transcrito.

Se ha alegado que la sumisión del gobierno de Cuba a los intereses del bloque de potencias comunistas es un acto de autodeterminación a su pueblo, y que en forma alguna constituye caso de agresión contra otros gobiernos americanos. Pero resulta fácil poner en evidencia la falacia de estos argumentos:

1. Si la forma del régimen actual de Cuba, al subordinarse con el Bloque Soviético son resultados de actos de autodeterminación del pueblo cubano. Son producto de decisiones tomadas por un pequeño grupo que, a espaldas de ese pueblo, decidió acabar con las libertades democráticas que había ofrecido restablecer cuando asumió de facto el poder público. A base de esa oferta, el pueblo cubano luchó contra la dictadura de Batista y dio su apoyo inicial al gobierno integrado por los dirigentes de la rebelión. El único acto de autodeterminación del pueblo cubano en los últimos años, manifestado en forma indubitable, es el de derrocar una tiranía para darse un gobierno democrático, que promoviera el desarrollo económico y el progreso social dentro de un marco de libertades políticas.

Pero desde que el régimen que gobierna Cuba asumió la forma de dictadura comunista traicionando la clara voluntad de la inmensa mayoría de los cubanos, a ese noble pueblo se le ha negado toda oportunidad de autodeterminación. El grupo gobernante ha usurpado la soberanía popular, ha instalado un régimen policíaco que los cubanos detestan, ha atacado y vilipendiado el Sistema Interamericano, y se ha pasado abiertamente, en el campo de la guerra fría, al lado de las potencias agresivas que luchan por destruir la convivencia hemisférica.

Pretender que el régimen tiránico de Cuba está ejerciendo el derecho de autodeterminación, cuando ahoga las libertades básicas de los cubanos y se comete al colonialismo del imperialismo chino - soviético, sería cometer, pues ser indulgentes, el error grosero de considerar que el derecho a la autodeterminación lo tienen los gobiernos y no los pueblos.

Por otra parte, si aún con el apoyo de la mayoría del pueblo —lo que no es verdad en el caso de Cuba— pueda un gobierno americano realizar impunemente alianzas con potencias extra - continentales que tienen como norte de su política internacional, la destrucción del sistema democrático representativo. La "Declaración d. Solidaridad para la Preservación de la Integridad Política de los Estados Americanos", conocida como Declaración de Caracas, expresó en su parte resolutiva:

"Que el dominio o control de las instituciones políticas de cualquier Estado Americano por parte del movimiento comunista internacional, que tenga por resultado la extensión hasta el continente americano del sistema político de una potencia extra - continental, constituiría una amenaza a la soberanía e independencia políticas de los Estados Americanos, que pondría en peligro la paz de América, y exigiría una Reunión de Consulta para considerar la adopción de las medidas procedentes de acuerdo con los Tratados existentes".

Esta declaración, suscrita por todos los Gobiernos Americanos, constituye una interpretación auténtica de la cláusula 5º del Pacto de Río. Si como sucede en Cuba, el movimiento comunista internacional controla el gobierno y ha extendido hasta este hemisferio el sistema político de las potencias chino - rusas, existe una situación que pone en peligro la paz de América que amerita la convocatoria urgente del Organo de Consulta, a fin de tomar las medidas necesarias —inclusive el uso de la fuerza armada— para poner fin a esa amenaza.

No hay lugar a dudas, repetimos que de el régimen cubano en franca rebeldía frente al Sistema Interamericano, ha convertido su país en centro de conspiración contra los gobiernos democráticos de América.

Mientras eso sucede, mientras se consolida la intervención de las potencias chino - soviéticas en la isla de Cuba y se continúa con ímpetu la campaña para extender, tras el mascarón de proa de la revolución cubana, la influencia del imperialismo comunista en nuestro Continente, la O.E.A., no ha intentado siquiera llamar la atención al gobierno cubano, ni menos exigirle el cumplimiento de los tratados vigentes.

Varios gobiernos de los Estados miembros han indicado su negativa a que la O.E.A. tome acción alguna destinada a poner coto a la agresión subversiva que nos viene de Cuba, escudándose en los principios de no intervención y de libre autodeterminación de los pueblos, que, como hemos visto, no tienen aplicación al doloroso caso que nos ocupa.

Algunos dirigentes políticos democráticos de América Latina, sin ser partidarios del régimen cubano, se niegan a apoyar dichas medidas para considerar que el conflicto planteado por la penetración comunista en Cuba no es más que un pleito entre el gobierno de esa isla y el de los Estados Unidos. Y como consumar a este último de haber mirado con fría indiferencia por largos años los esfuerzos libertarios de los latinoamericanos, pretenden que ahora no tienen por qué cooperar en la solución de un problema que sólo a Estados Unidos afecta.

Pero es evidente que quienes toman esta actitud están en un grave error. La pelea no es entre Cuba y los Estados Unidos. La amenaza que el régimen tiránico de Cuba plantea, tiene dimensiones hemisféricas. La dictadura cubana no constituye tanto un peligro para los Estados Unidos como para los regímenes democráticos de América Latina. Las potencias comunistas no tienen prisa en acabar con las tiranías tradicionales de América. Ellas les sirven para su propaganda en contra del Sistema Interamericano, y para poner en entredicho la sinceridad de los Estados Unidos, que a pesar de proclamarse campeón de la democracia mundial, ha mantenido relaciones cordiales con esos regímenes.

Si la O.E.A., no pone a funcionar los instrumentos jurídicos que organizan la acción colectiva para la defensa de la paz y de la democracia en el hemisferio, cerrará en el peor de los desprestigios y sus días estarán contados.

Creemos que la acción colectiva jurídicamente decretada, como único método legítimo para hacer frente a agresiones como las que hoy nos vienen a través de Cuba.

Pero así como defendemos la acción colectiva basada en el principio de la igualdad jurídica de los Estados de la comunidad americana, comprendemos las responsabilidades que incumben a los Estados Unidos como líder del Bloque Occidental en su guerra fría contra el Bloque Chino - Soviético. Las consideraciones de estrategia global en esta contienda tienen que pesar muy fuertemente sobre los gobernantes norteamericanos. Y esas consideraciones podrían determinar en un momento dado que, ante la negativa de la O.E.A., a cumplir con sus tareas de custodia de la paz y defensa de la integridad política de Hemisferio, el Gobierno de los Estados Unidos decida denunciar tratados porque no es aplicará, y actuar por su cuenta, en forma unilateral, cuando consideren en peligro su propia seguridad.

Debemos salvar la Organización de los Estados Americanos; debemos mantener el Sistema Interamericano; y más importante aún, debemos poner a salvo de la subversión comunista a los Gobiernos de América Latina.

Por lo tanto América está obligada a actuar sin dilación y con energía frente a la agresión que el comunismo internacional está dirigiendo desde el reducto que le ofrece el Gobierno de Cuba.

Y América sólo puede actuar por medio de la O.E.A.

Del señor Presidente, atentos servidores.

San José, 1º de Mayo de 1961.

Alberto F. Cañas Escalante.
Ricardo Castro Beeche.
José A. Coronado Alvarado.
Mario A. Esquivel Arguedas.
Gonzalo J. Facio Segreda.
Fernando Fournier Acuña.
Mario Gómez Calvo.
Radi Gurdián Rojas.
Fernando Lara Bustamante.
Fernando Volio Sancho.
Tobías Zúñiga Montúfar.

Hospicio de Huérfanos pondrá un bazar de muñecas en la Feria de San Juan

Distinguidas damas de nuestra sociedad que cooperan con el Hospital de Huérfanos, cuyas necesidades son de sobra conocidas, ayudarán a esa institución en la Feria de San Juan que tiene el fin de ayudar a varias asociaciones de beneficencia.

Dichas damas pondrán un bazar de muñecas, que ha de tener sin duda la mayor aceptación. Los precios serán sumamente bajos porque se ha logrado conseguirlas a bajo costo lo que permitirá darlas muy baratas. De modo, pues, que la gente menuda tendrá donde surtirse, con la ayuda de sus papás, y esperar así para los huerfanitos tengan, por unos días al menos, mejor comida y no pasen fantasías necesitadas.

Pasado mañana jueves a las tres y media de la tarde, en el Club Social de Cartago, habrá la reunión quincenal para cambio de impresiones de todos los organizadores.

Hoy llegará el nuevo Embajador de los EE. UU.

Hoy se espera en esta capital al Excmo. Señor Embajador de los Estados Unidos Mr. R. Téllez, quien será esperado en el Aeropuerto de El Coco por miembros del Protocolo del Ministerio de Relaciones Exteriores.

Adelantamos al distinguido diplomático de la gran nación del Norte nuestro atento saludo de bienvenida y le deseamos el mejor de los éxitos en sus delicadas funciones.

La señora de Téllez, doña Delfina Navarro, llegará con sus hijitos dentro de algunas semanas.

Sentido fallecimiento de doña Mimí Sánchez de Lizano

Muy sentido ha sido la muerte de la estimable señora doña Mimí Sánchez de Lizano, quien por sus magníficas cualidades era sumamente apreciada en esta capital. Se destacó ampliamente en sus actividades por su talento y preparación, realizando una brillante labor.

Sus funerales y entierro se verificaron el domingo constituyendo una verdadera manifestación de duelo.

LA REPUBLICA hace llegar su más sincera condolencia a su esposo don Roberto Lizano Trejos y demás miembros de la apreciable familia doliente.

Cine en el Centro Cultural

Esta noche 9 de mayo a las 8.15 p.m. el Centro Culturad Costarricense Norteamericano presentará dos películas de extraordinario interés: la primera es "El Trío Musical Charlie Byrd", la cual será un "pre-vue" de la función que dará este famoso guitarrista de los EE. UU. aquí en Costa Rica en el Teatro Nacional el 18 de mayo. La segunda se titula "Western Symphony", una linda combinación del ballet con la música del Oeste de Norteamérica.

Se invita cordialmente a todos los amigos del Centro y al público en general a asistir a este acto cultural en el Salón del Centro en la avenida Central Nº 539.

Sociales

Por MYRIAM FRANCIS

EL PARTIDO LIBERACION NACIONAL

tiene la honda pena de comunicar a sus partidarios, amigos y simpatizantes, la muerte de su estimada partidaria, señora

MIMI SANCHEZ DE LIZANO

cuyos funerales se efectuaron el domingo pasado en la Catedral de Alajuela.

Hacemos llegar nuestra más sentida condolencia a su esposo don Roberto Lizano Trejos, a sus hijos Francisco, Jorge Alberto, Leda María y Carmen; a sus padres y demás familiares.

Lic. JOSE F. CARBALLO
Secretario General.

San José, 8 de mayo de 1961.

HELEN SAXE F.

En Cartago cumple años hoy la encantadora niña Helen Saxe Fernández, a quien por este medio enviamos nuestra cariñosa enhorabuena.

Doña MARIA LUISA SEDO DE GUTIERREZ

Hoy festeja su cumpleaños la estimable matrona doña María Luisa Sedó de Gutiérrez, a quien nos complace enviar nuestros mejores votos de dicha y ventura en unión de los suyos.

ENFERMA EN CARTAGO

En la ciudad de Cartago se halla un tanto mejor de salud la estimable señora doña Dora de Domián, a quien deseamos un pronto y completo restablecimiento.

Doña ANA ISABEL GARCIA DE MONTEIL

Felicitamos en forma cordial a la apreciable señora doña Ana Isabel García de Monteil, quien hoy está festejando la grata fecha de su natalicio.

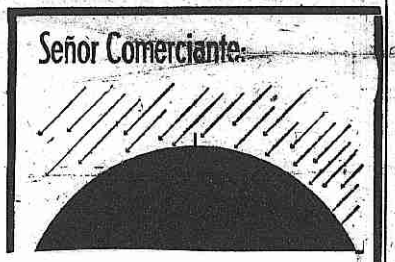
PARA EUROPA

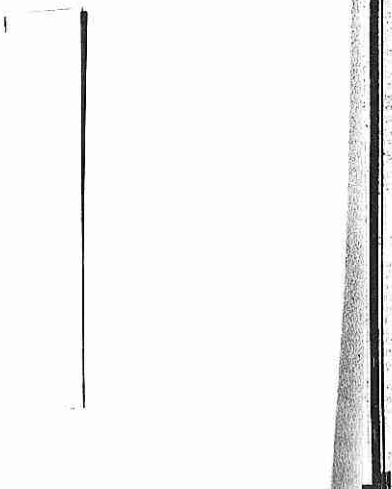
Sale próximamente para Europa la gentil señora doña Diosa Forero, a quien despedimos deseándole un viaje lleno de felicidad.

SRTA. LILIANA LOPEZ ODIO

Por este medio enviamos nuestras mejores felicitaciones a la encantadora señorita Liliana López Odio, cuya fecha de cumpleaños celebra el día de hoy.

Señor Comerciante:







0992

"AMERICA DEBE ACTUAR EN CUBA POR MEDIO DE LA O. E. A."

Excelentísimo señor
Embajador Fernando Lobo
Presidente del Consejo de la
O. E. A.
Washington, D. C.

Muy estimado señor Presidente:

Los suscritos hemos tenido el honor de dirigir, en distintas épocas y bajo diferentes gobiernos, las relaciones internacionales de Costa Rica, desde los cargos de Ministro o de Vice-Ministro de Relaciones Exteriores.

Hemos pertenecido, y pertenecemos ahora, a los diferentes partidos políticos que durante los últimos cuarenta años han ocupado el Poder o han luchado por alcanzarlo, mediante el sufragio.

Representamos, en consecuencia, distinto y hasta opuestos matices del pensamiento político y económico-social costarricense, pero nos encontramos unidos por nuestra devoción al sistema democrático de gobierno, y por nuestra adhesión a los principios que sustenta el Sistema Interamericano.

Son precisamente esa devoción a la democracia representativa y esa adhesión a la comunidad americana, las que nos congregan hoy para enviar a la Organización de Estados Americanos, por su digno medio, el presente mensaje.

Después de las conferencias de Chapultepec, Río de Janeiro y Bogotá, las instituciones jurídicas interamericanas tomaron una definitiva inspiración democrática. La O. E. A., sus organismos y los tratados por ella administrados, tienen ahora una finalidad más importante que la seguridad misma de los Estados miembros, cual es la de consolidar en este Hemisferio un régimen de libertad individual y de justicia social, fundado en el respeto de los derechos esenciales del hombre y en el ejercicio efectivo de la democracia representativa.

Numerosas normas jurídicas aprobadas por todos los países americanos, han asegurado el ejercicio de la democracia representativa y el respeto a los derechos del hombre de la jurisdicción interna de cada uno de los Estados, para convertirlos en obligaciones internacionales.

Sin embargo, tales normas han sido y son violadas por los regímenes dictatoriales que ha padecido nuestra América. Ello se ha debido, principalmente, a la falta de instrumentos de coerción para hacerlas acatar. Después de la Conferencia de Cancilleres reunida en Santiago de Chile en 1959, se han reanudado los esfuerzos por dotar a la O. E. A. de los instrumentos necesarios para proteger los derechos fundamentales del hombre americano y para sancionar a aquellos gobiernos que ataquen a sus pueblos el disfrute de las instituciones democráticas. Tenemos la esperanza de que tales instrumentos serán forjados en la Undécima Conferencia Interamericana, próxima a celebrarse.

Pero cuando ya se vislumbra la culminación del desarrollo democrático del Sistema Interamericano, un nuevo obstáculo, quizá más serio y más peligroso, amenaza no solamente con detener ese impulso democratizador, sino también con destruir toda la estructura de convivencia hemisférica elaborada a través de denodado y incesante esfuerzo.

Nos referimos, desde luego, a la amenaza que para la paz y la democracia en este Continente plantea la dominación comunista del régimen dictatorial que hoy gobierna la República de Cuba, y la incorporación de esa isla hermana al Bloque Chino-Soviético.

No creemos necesario enumerar los hechos que demuestran, sin lugar a dudas, que en Cuba se ha establecido un régimen dictatorial de definida ideología comunista. Tampoco juzgamos imperativo señalar las pruebas que nos llevan a afirmar que ese régimen se ha sumado al bloque de naciones dominadas por la Unión Soviética y la República Popular China. Las evidencias han recibido tanta publicidad, son tan claras y concordantes, que sería tarea ociosa repetirlas en este mensaje.

Si el régimen cubano no fuera más que una dictadura nacional, aunque de signo comunista, su incongruencia con el Sistema Interamericano no sería mayor que la que ofrecen las dictaduras criollas que aún oprimen a pueblos hermanos en otros países del Hemisferio; y, como ellas, estaría llamada a desaparecer a corto plazo.

Pero la dictadura que hoy padece Cuba no puede considerarse como pieza aislada en el panorama mundial. Cuenta con el apoyo fanático del movimiento comunista internacional, y con el soporte económico y militar de los poderosos gobiernos totalitarios que integran el bloque soviético.

La dictadura cubana no sólo desafía el Sistema Interamericano, en cuanto ha suprimido brutalmente —al igual que las otras dictaduras que aún persisten en América— los procedimientos del sistema democrático y ha negado a su pueblo el derecho a la autodeterminación, sino que se ha convertido en cuartel general de la subversión comunista para toda América Latina, constituyéndose así en una amenaza para la estabilidad de los gobiernos democráticos de nuestra América.

Ya hemos dicho que el Sistema Interamericano no cuenta, por el momento, con los medios jurídicos necesarios para borrar el sello infamante que sobre América ponen diariamente los Gobiernos Dictatoriales. Pero si bien no existen los instrumentos jurídicos que permitan la acción colectiva contra el régimen de Cuba y demás dictaduras americanas, en cuanto cometen violación de las libertades democráticas, sí existe el mecanismo interamericano para enfrentarse a la agresión subversiva que la tiranía cubana está dirigiendo contra los gobiernos democráticos de América. Es el mismo mecanismo que ya ha sido usado en otras ocasiones en que dictaduras del Hemisferio han puesto en peligro la paz, o la integridad, o la soberanía de otros Estados americanos.

En efecto, el Tratado Interamericano de Asistencia Recíproca, conocido como Pacto de Río, vigente para todos los Estados Americanos, dispone en su Artículo quinto:

"Si la inviolabilidad o la integridad del territorio o la soberanía o la independencia política de cualquier Estado Americano fueren afectados por una agresión que no sea ataque armado... o por cualquier hecho o situación que pueda poner en peligro la paz de América, el Organo de Consulta se reunirá inmediatamente, a fin de acordar las medidas que en caso de agresión se deben tomar en ayuda del agredido o en todo caso las que convenga tomar para la defensa común y para el mantenimiento de la paz en el Continente".

De acuerdo con el artículo 8 del mismo Pacto de Río, el Organo de Consulta puede tomar una serie de medidas destinadas a sancionar al Gobierno culpable de la agresión, medidas que van desde la ruptura de relaciones diplomáticas hasta el empleo de la fuerza armada.

Los artículos 24 y 25 de la Carta de la O. E. A. ratifican estos principios del Pacto de Río. El artículo 19 de esa Carta dispone:

"Las medidas que, de acuerdo con los Tratados vigentes, se adopten para el mantenimiento de la paz y la seguridad, NO CONSTITUYEN VIOLACION DE LOS PRINCIPIOS ENUNCIADOS EN LOS ARTICULOS 15 y 17 (o sea los artículos donde se establece el principio de no intervención, el de autodeterminación de los pueblos)".

De los textos citados se fácil incluir que la O. E. A. como entidad jurídica que representa la voluntad soberana de sus miembros, tiene a su cargo la custodia de la paz hemisférica, y está obligada a defenderla tomando las medidas que sean del caso, aún recurriendo al empleo de la fuerza armada, para frenar las agresiones de todo género que pongan en peligro esa paz hemisférica.

Es necesario destacar que el principio de no intervención, que constituye una de las piedras fundamentales del Sistema Interamericano, no tienen aplicación en lo que se refiere a la acción colectiva tomada por los órganos apropiados de la O. E. A. para sancionar a un agresor. Estas sanciones que el Organo de Consulta puede tomar, no son más que medidas defensivas debidamente autorizadas de antemano por todos los Estados miembros, aun por aquellos que cometen la agresión. Este es el sentido del artículo 19 de la Carta de la O. E. A. cuyo texto claramente hemos transcrito.

Se ha alegado que la sumisión del Gobierno de Cuba a los intereses del bloque de potencias comunistas es un acto de autodeterminación de su pueblo, y que en forma alguna constituye caso de agresión contra otros gobiernos americanos. Pero resulta fácil poner en evidencia la falacia de estos argumentos.

Ni la forma del régimen actual de Cuba, ni su alianza con el Bloque Soviético son resultados de actos de autodeterminación del pueblo cubano. Son producto de decisiones tomadas por un pequeño grupo que, a espaldas de ese pueblo, decidió acabar con las libertades democráticas que había ofrecido restablecer cuando asumió, de facto, el poder público. A base de esa oferta, el pueblo cubano luchó contra la dictadura de Batista y dio su apoyo inicial al gobierno integrado por los dirigentes de la rebelión. El único acto de autodeterminación del pueblo cubano en los últimos años, manifestado en forma indudable, fue el de desarrocar una tiranía para darse un gobierno democrático, que promoviera el desarrollo económico y el progreso social dentro de un marco de libertades políticas.

Pero desde que el régimen que gobierna Cuba asumió la forma de dictadura comunista traicionando la clara voluntad de la inmensa mayoría de los cubanos, a ese noble pueblo se le ha negado toda oportunidad de autodeterminarse. El grupo gobernante ha usurpado la soberanía popular, ha instalado un régimen policíaco que los cubanos detestan, ha atacado y vilipendiado el Sistema Interamericano, y se ha puesto abiertamente, en el campo de la guerra fría, al lado de las potencias soviéticas que luchan por destruir la convivencia hemisférica.

Pretender que el régimen tiránico de Cuba está ejerciendo el derecho de autodeterminación, cuando ahoga las libertades básicas de los cubanos y se somete al coloniaje del imperialismo chino-soviético, sería cometer, para ser indulgentes, el error grosero de considerar que el derecho a la autodeterminación lo tienen los gobiernos y no los pueblos.

Por otra parte, ni aún con el apoyo de la mayoría del pueblo —lo que no es verdad en el caso de Cuba— puede un Gobierno americano realizar impunemente alianzas con potencias extracontinentales que tienen como norte de su política internacional, la destrucción del sistema democrático representativo. La "Declaración de Solidaridad para la Preservación de la Integridad Política de los Estados Americanos", conocida como Declaración de Caracas, expresó en su parte resolutiva:

"Que el dominio o control de las instituciones políticas de cualquier Estado Americano por parte del movimiento comunista internacional, que tenga por resultado la extensión hasta el Continente Americano del sistema político de una potencia extracontinental, constituiría una amenaza a la soberanía o independencia política de los Estados Americanos, que pondría en peligro la paz de América, y exigiría una Reunión de Consulta para considerar la adopción de las medidas procedentes de acuerdo con los Tratados existentes".

Esta declaración, suscrita por todos los Gobiernos Americanos, constituye una interpretación auténtica de la cláusula 8ª del Pacto de Río. Si como sucede en Cuba, el movimiento comunista internacional controla el Gobierno de un país, el sistema político de las potencias Chino-Rusas, existe una situación que pone en peligro la paz de América que amerita la convocatoria urgente del Organo de Consulta, a fin de tomar las medidas necesarias—inclusive el uso de la fuerza armada— para poner fin a esa amenaza.

No hay lugar a dudas, repetimos, que del régimen cubano en franca rebeldía frente al Sistema Interamericano, ha convertido su país en centro de conspiración contra los gobiernos democráticos de América.

Mientras eso sucede, mientras se consolida la intervención de las potencias chino-soviéticas en la isla de Cuba y se continúa con ímpetu la campaña para extender, tras el mascarón de proa de la revolución cubana, la influencia del imperialismo comunista en nuestro Continente, la O. E. A. no ha intentado siquiera llamar la atención al Gobierno cubano, ni menos exigirle el cumplimiento de los Tratados vigentes.

Varios gobiernos de los Estados miembros han indicado su negativa a que la O. E. A. tome acción alguna destinada a poner coto a la agresión subversiva que nos viene de Cuba, escudándose en los principios de no intervención, y de libre autodeterminación de los pueblos, que, como hemos visto, no tienen aplicación al doloroso caso que nos ocupa.

Algunos dirigentes políticos democráticos de América Latina, sin ser partidarios del régimen cubano, se niegan a apoyar dichas medidas por considerar que el conflicto planteado por la penetración comunista en Cuba no es más que un pleito entre el Gobierno de esa isla y el de los Estados Unidos. Y como acusan a éste último de haber mirado con fría indiferencia por largos años los esfuerzos libertarios de los latinoamericanos, pretenden que ahora no tienen por qué cooperar en la solución de un problema que sólo a Estados Unidos afecta.

Pero es evidente que quienes toman esta actitud están en un grave error. La pelea no es entre Cuba y los Estados Unidos. La amenaza que el régimen tiránico de Cuba plantea, tiene dimensiones hemisféricas. La dictadura cubana no constituye tanto un peligro para los Estados Unidos como para los regímenes democráticos de América Latina. Las potencias comunistas no tienen prisa en acabar con las tiranías de América. Ellas los sirven para su propaganda en contra del Sistema Interamericano, y para poner en entredicho la sinceridad de los Estados Unidos, que a pesar de proclamarse campeón de la democracia mundial, ha mantenido relaciones cordiales con esos regímenes.

Si la O. E. A. no pone a funcionar los instrumentos jurídicos que organizan la acción colectiva para la defensa de la paz y de la democracia en el Hemisferio, caerá en el peor de los desprestigios y sus días estarán contados.

Creemos en la acción colectiva, jurídicamente decretada, como único método legítimo para hacer frente a agresiones como las que hoy nos vienen a través de Cuba.

Pero así como defendemos la acción colectiva basada en el principio de la igualdad jurídica de los Estados de la comunidad americana, comprendemos las responsabilidades que incumben a los Estados Unidos como líder del Bloque Occidental en su guerra fría contra el Bloque Chino-Soviético. Las consideraciones de estrategia global en esta contienda tienen que pesar muy fuerte, temente sobre los gobernantes norteamericanos. Y esas consideraciones podrían determinar en un momento dado que, ante la negativa de la O. E. A. a cumplir con sus tareas de custodio de la paz y defensora de la integridad política del Hemisferio, el Gobierno de los Estados Unidos decida denunciar tratados porque no se aplican, y actuar por su cuenta, en forma unilateral, cuando consideren en peligro su propia seguridad.

Debemos salvar la Organización de los Estados Americanos; debemos mantener el Sistema Interamericano; y más importante aún; debemos poner a salvo de la subversión comunista a los Gobiernos de América Latina.

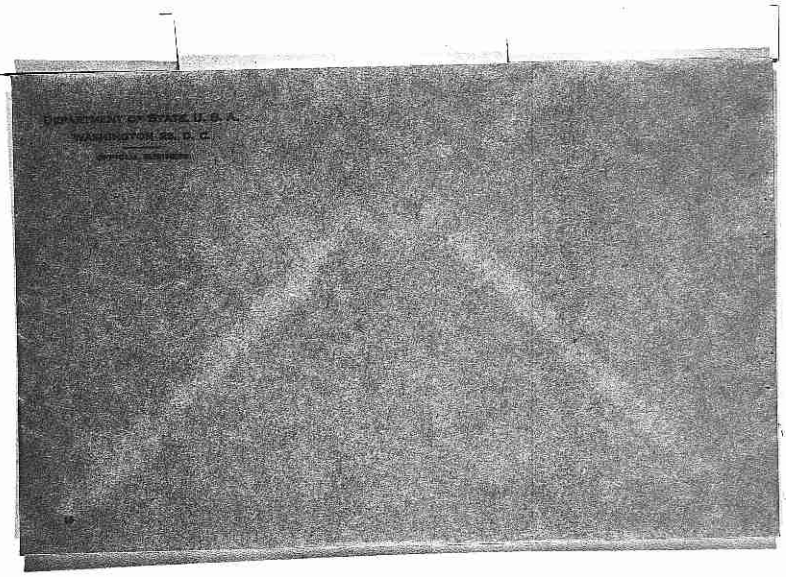
Por lo tanto América está obligada a actuar sin dilación y con energía frente a la agresión que el comunismo internacional está dirigiendo desde el reducto que le ofrece el Gobierno de Cuba.

Y América sólo puede actuar por medio de la O. E. A.

Del señor Presidente, atentos servidores.

San José, 1º de mayo de 1961.

Alberto Cañas Escalante.
Ricardo Castro Beeche.
José A. Coronado Alvarado.
Mario A. Esquivel Arguedas.
Gonzalo J. Facio Segreda.
Fernando Fournier Acuña.
María Gómez Calvo.
Raúl Garrido Rojas.
Fernando Lara Bustamante.
Fernando Volio Sancho.
Tobías Zúñiga Montúfar.


DEPARTMENT OF STATE, U. S. A.
WASHINGTON 25, D. C.
OFFICIAL BUSINESS

We must save the OAS, we must maintain the Inter-American system; and still more important, we must safeguard Latin American governments from communist subversion.

Hence America is obliged to act without delay and energetically in the face of the aggression which international communism is conducting from the redoubt which the Government of Cuba offers it.

And America can only act through the OAS.

For the Chargé d'Affaires ad interim:

Alex A. Cohen
First Secretary of Embassy

Enclosures:

encl 1 Newpaper clippings
May 9, 1961, "La Republica"

encl 2 May 9, 1961, "La Nación".

COPY SENTTO: DIRECTOR RPA.

0989

After citing pertinent part of the Caracas declaration, the document then continues:

> If, as is happening in Cuba, the international communist movement controls the government and has extended into this hemisphere the political system of the Chino-Russian powers, there exists a situation which endangers the peace of America meriting the urgent convocation of the Organ of Consultation for the purpose of taking the necessary measures - including the use of armed force - to put an end to this threat.
>
> And while the intervention of the Chino-Soviet powers in Cuba is being consolidated, the OAS has not even attempted to call attention of the Cuban government, much less demanded compliance with current treaties.

The letter then mentions fact that certain governments of member states have opposed OAS action in the Cuban case based upon the principle of non-intervention and self-determination. Certain political leaders have considered the Cuban case as essentially one between Cuba and the US. Then it continues textually:

> It is evident that those who are taking this attitude are committing a grave error. The fight is not between Cuba and the US. The threat is hemispheric. The Cuban dictatorship does not so much constitute a danger to the US as it does to the democratic Latin American regimes. The communists are in no hurry to terminate with the traditional tyrannies of America. They serve them for their propaganda against the Inter-American system and to place into doubt the sincerity of the US, which, although proclaiming itself champion of world democracy, has maintained cordial relations with these regimes.
>
> If the OAS does not place into operation the legal instruments to organize collective action in defense of hemispheric peace and democracy, it will be completely discredited and its days can be counted.
>
> We believe in legally decreed collective action as the only legal means to confront aggression of the Cuban type.
>
> But just as we defend collective action based on the principle of juridical equality of the States of the American community, do we understand the responsibility falling upon the US as leader of the Western Bloc in its cold war against the Chino-Soviet bloc. Considerations of global strategy are bound to weigh heavily upon North American leaders. And these considerations might determine at a given moment that in the face of refusal of the OAS to perform its duty as custodian of the peace and defender of the political integrity of the hemisphere, the US Government may decide to denounce treaties because they are not being complied with and proceed on its own account, unilaterally, when it considers its own security endangered.

0988

Today a new, more serious and more dangerous obstacle threatens not only to detain democratic impulses, but to destroy the entire structure of hemispheric living together which has taken decades of constant effort to establish.

Communist domination of Cuba's dictatorial regime and its incorporation into the Chino-Soviet bloc is a threat to continental peace and democracy.

Cuban dictatorship of today can not be considered as an isolated case in the world scene. It has the fanatical support of the international communist movement and the financial and military support of totalitarian governments of the Soviet bloc.

Cuban dictatorship is not only a challenge to the Inter-American system, it has been converted into general headquarters for communist subversion for all of Latin America, hence a threat to the stability of the democratic governments of our America.

After quoting applicable clauses of Charter of OAS and the Inter-American Treaty for Reciprocal Assistance, the communication continues:

It is necessary to point out that the principle of non-intervention, which constitutes one of the keystones of the Inter-American system, does not apply insofar as it refers to collective action taken by appropriate organs of the OAS for the purpose of sanctioning an aggressor. Such sanctions are nothing but defense measures, duly authorized by the member States.

Neither the form of the present Cuban regime, nor its alliance with the Soviet bloc are the result of acts of self-determination of the Cuban people. They are the result of decisions taken by a small group which behind the backs of the people decided to terminate the democratic liberties which it had offered to reestablish when it assumed de facto public power.

The regime which now governs Cuba betrayed the clear desires of the immense majority of Cubans. It has usurped popular sovereignty, has installed a police regime which Cubans detest, it has attacked and villified the Inter-American system and, in the cold war has openly passed to the side of the Soviet powers which attempt to destroy hemispheric unity.

To assert that the tyrannical Cuban regime is exercising the right of self-determination when it suppresses the basic liberties of Cubans and commits itself to the colonialism of Chino-Soviet imperialism would be committing - to put it mildly - the vulgar error of considering that the right to self-determination belongs to governments and not to the people.

0987

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PRIORITY

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737.00/5-961

FOREIGN SERVICE DESPATCH

FROM : Amembassy SAN JOSE

665
DESP. NO.

MAY 9
May 9, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

55
For Dept. Use Only

ACTION	DEPT.
ARA-4	RM/R-2 INR-7 P-3
REC'D 5/11	INFO OTHER CIA-10 USIA-10 OSD-5

DEPARTMENT OF STATE
FOREIGN OFFICE
INTER AMERICAN AFFAIRS
MAY 11 1961

SUBJECT: Former Foreign Ministers of Costa Rica Appeal for Collective Action on Cuban Threat

The morning press for May 9 contained the text of a lengthy communication, the Spanish text of which is enclosed, from the eleven living former Foreign Ministers of Costa Rica to Ambassador Fernando LOBO, Presiding Officer of the Council of the Organization of American States. The signatories of this communication, which is in the nature of an appeal to save the OAS, range all the way from José A. CORONADO, who was Foreign Minister during the administration of the late President Julio ACOSTA (1922) to Lic. Mario GOMEZ, the predecessor of the current incumbent. With the possible exception of two of the signatories, all are still important in the domestic and international political scene. They represent varied schools of political thought, from the Liberal Figueres group to the wealthy ultra-conservative.

The document is outspoken to the extreme on the subject of the Cuban danger. Unfortunately, it injects the pet gripe of the Liberals of the Figueres school, i.e., the dictatorships, and blames their continued existence in the hemisphere to the lack of "adequate instruments of coercion" to make them observe fundamental human rights.

Because the document does represent the consensus of a very important and influential segment of opinion, it may perhaps be taken as an indication as to which way the wind may blow in case a Meeting of Foreign Ministers should be convoked for the exclusive purpose of considering the Cuban case.

The following is a resumé, in translation of the essential points contained in the document:

> The OAS has today a more important finality than the security of its member states, i.e., consolidating in the hemisphere a regime of individual liberty and social justice, based upon respect for the rights of man and the effective exercise of representative democracy. Juridical rules established under the system and approved by all member states have been and are being violated by dictatorial regimes. This has largely been due to the lack of effective means of coercion for their enforcement.

737.00/5-961 HBS

FILED
MAY 9 1961

AACohen:mmm
REPORTER

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ACTION ASSIGNED TO:	ACTION TAKEN	
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to RM/R files with an endorsement of action taken.

0986

Reply drafted EST/B: JWWilson:jck 5/15/61
5/23/61

CABLE ADDRESS: RODUN - CHICAGO

ROGER DUNN & COMPANY
111 WEST WASHINGTON STREET
CHICAGO 2, ILLINOIS, U.S.A.

8 May 1961

EST/B RMR

Brief acknowledgment

File
JWW/EST/B
5/31/61

Honorable Dean Rusk
Secretary of State
United States of America
Washington 25, D. C.

Dear Sir,

In Brazil, we have a representative, Mr. W. W. Stevens, whose comments on the location situation we have found in the past to be quite accurate. In a letter dated April 28, just received from Mr. Stevens, he makes the following comment, which we quote verbatim. The reference to Itamarati, as you will recognize, is the Foreign Office.

TR 611.32
632.37

632.00/5-861

"Another important factor has been Cuba. Everyone here is waiting to see what will happen after Castro declares it was or is becoming a Socialistic Republic of Cuba. That, to the people here, signifies that he is tying in with Russia as one of its satellites, and while the general opinion is against that move, some of the Itamarati personnel have expressed themselves in favor of such a move. It appears that Janio is hovering as to his own decision on the matter. I heard by the grapevine that they are trying to settle the question of the interest payments of Brazil to the U.S. before making a major move. If the settlement on that is favorable they will go all out for the U.S., as they have lost ground in Europe but have gained ground in the U.S. THIS IS IMPORTANT. Now if the Ex-Im Bank and others do not make monkies out of Janio, they can swing ~~them~~their way."

I hope the quotation will be useful as an unbiased and very candid comment by a U.S. businessman with an ear close to the ground.

Respectfully yours,

Roger F. Dunn
President

RFD:gt

FILED
MAY 31 1961

RM/R
Anal. 32
Rev.
Cat. 7

0985

May 24, 1961

Dear Mr. Dunn:

Thank you for your letter of May 8, 1961 forwarding the comment of Mr. W. W. Stevens concerning the Brazilian government's attitudes toward Cuba and the United States. I appreciate your interest in making the information available to us.

Sincerely yours,

J. W. Wilson
Officer in Charge, Brazilian Affairs

FW 732.00/5-861

Mr. Roger F. Dunn,
President, Roger Dunn & Company,
111 West Washington Street,
Chicago 2, Illinois.

RM/R
Anal. 32
Rev.
Cat.

AMA:EST/B:JWWilson:jck 5/23/61

S/S CR
MAY 24 1961 AM

0984

W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 3

1 / 6 / C /

COPIES/PPS/CLASS/SPECMARK

BOX: 1576

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 732.00/5-861 HBS

Document Date: 08/05/61

Document Ser.#:

DESP 999 FR RIO DE JANEIRO TO STATE

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00003



UNCLASSIFIED

both communist and fascist domination. The struggle in Cuba is, among other things, the struggle for communist infiltration on America's southern flank."

Mr. Tynan replied in turn to this letter in the Times April 29, saying that " . . . if the recent invasion attempt proves anything, it is that our estimate of Cuban support for Castro was considerably sounder than that of the American Government." Concerning progress in Castro's Cuba, Tynan mentioned "much needed . . . land redistribution", the "halving" of rents and unemployment, school construction, and the facts that "Houses have shot up" and "Segregation has been abolished". With regard to criticisms of Cuban totalitarianism, Tynan wrote "It is hard to build Utopia when you are in a state of siege. (When Castro expropriated US property) America at once shrieked communist, as if any movement toward a centrally planned economy, however great the need for it, were prima facie evidence of communist subversion. What followed was relentless hostility from the State Department, and further proof of an ancient truth: the best way to foster communism is to condemn socialism. It was not ideology, but national survival, that forced Castro to trade with the Soviet bloc.

"To deny America's right to intervene in Cuba is no doubt to incur the full blast of trans-Atlantic obloquy; not to do so, however, is to condon Russian intervention in Hungary."

J. L. P. MacNair in the Times May 3 rebutted statements in Tynan's last letter, pointing to "Cuban jails packed with Cuban prisoners"; calling the "land redistribution" "dandity of the Robin Hood variety"; and stating that the trade shift to the Soviet bloc was a case of "The red hand of the Soviet (being) grasped deliberately." He concluded, " . . . until international justice has found some way of enforcing ordinary rules of integrity, men like Castro will continue to 'expropriate' and live on ill-gotten gains until deposed by his exasperated victims. There are plenty of examples of benevolent revolution in the past, but they are not of the Communist or Castro variety."

BRUCE

Francis J. Galbraith

POL/[illegible]enlert/flj
May 4, 1961

Clearance: POL - Mr. O'Shaughnessy

UNCLASSIFIED

0982

INCOMING AIRGRAM *Department of State* ACTION COPY

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Action

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UNCLASSIFIED
Classification

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NUMBERED

PAGE 1 OF 2 PAGES

Date Sent: May 5, 1961 1PM
Rec'd: MAY 6 12 30 PM '61

FROM: Amembassy, LONDON

TO:

NO: G-1389

737.00/5-561

HBS

CUBA

A letter calling upon the UN "to condemn America's part in (the Cuban) invasion in the strongest possible terms" appeared in the Times (conservative) April 19. Among the 16 signers were Kenneth TYNAN, drama critic; A. W. BENN and Michael FOOT, Labor MP's; Kingsley MARTIN, editor of the left-wing New Statesman weekly magazine; playwright John OSBORNE; author Alan HILLITOE; and cartoonist VICKY.

The letter stated in part: "That many of these (US) activities (in support of rebel groups) were in violation of the Neutrality Act seems obvious . . . .

"Whatever one's opinion of the Castro administration, there appears to be little doubt that it is an effective Government enjoying solid majority support. Many of us will also have considerable sympathy for that rare thing in Latin America, a government which has wholeheartedly tackled problems of poverty, ignorance and backwardness, though not always in ways that all of us would approve."

This was followed by a series of other letters, some supporting, others criticizing the stand of the 16. This exchange is summarized below:

Michael ASTOR in the Times April 22 replied to the above letter, stating in part:

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" . . . how can one assess majority support in a regime where political opposition is suppressed? . . . (the Tynan letter) reminds me that there are always some people prepared to seize on any pretext or any weapon with which we can enjoy, largely due to the fact that America's military power . . . has kept the western world free from

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ACTION ASSIGNED TO:	ACTION TAKEN	
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

0981

Comment: (UNCLASSIFIED)

The fire started when dockworkers allowed two drums to fall against each other, which produced a violent combustion of acids. The resulting blaze raged for five hours, sending up a huge pall of smoke and injuring five fire-fighters.

The nearness of the conflagration to a number of Mobiloil gasoline and oil tanks made the blaze all the more dangerous. Had it been allowed to spread, the consequences might have been catostrophic for the port.

There was no evidence of any sabotage.

2. Santos Light & Power Company Faces Financial Difficulties (OFFICIAL USE ONLY)

The reporting officer has been told by Robert G. C. Hansford, Manager of the Cidade de Santos - Serviços de Eletricidade e Gaz, S. A., that his company, one of the Canadian-controlled Light Group, faces serious financial difficulties unless it can obtain substantial increases in its light and water rates from the Brazilian Government. According to Hansford, the company's operating budget for this year was unexpectedly cut by the São Paulo utility authorities last fall; the compnay has suffered from President Quadros' devaluation of the cruzeiro; and the company now faces serious agitation from its labor union for higher wages (see weekly Comment of April 26, Labor item 1).

Comment: (OFFICIAL USE ONLY)

Again according to Hansford, the head of the local light & power workers union, João de Morais Chaves, lost face in Santos last month when he proposed that the union demand a sweeping series of fringe benefits from the company, but failed to obtain support from the out-of-town utility company union representatives in Santos for the unions' policy meeting who realized that Chaves' company as well as the other Light Group enterprises could not reasonably be expected to confer such utopian benefits while facing the prospect of keeping their books in red ink.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATION - Negative.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-495476

0980

infiltrated Typographic Workers Convention held in a distant part of the State of São Paulo. (See Labor item No. 2 below.)

2. Typographic Workers Announce Resolutions (UNCLASSIFIED)

Orlando Sposito, communist boss of the Santos Typographic Workers Union, has announced the fruits of last week's State convention of typographic workers in the interior city of Presidente Prudente: resolutions by which the typographic workers will seek (1) reduction of the workweek by at least 6 hours without a corresponding reduction in pay (2) extra pay for work performed under unhealthful conditions (3) general wage increases (4) revision of the minimum wage (5) exemption of salaries up to five times the minimum wage from the income tax (6) repudiation of SUMOC instruction No, 204 (7) "total solidarity with the Cuban people" (8) full support for PETROBRAS, opposition to the remittance abroad of profits earned by foreign companies in Brazil and support for the government's monopoly on exchange and credit control.

Comment: (UNCLASSIFIED)

Sposito further stated, "The Congress also examined the question of participation by a representative from our State in the Brazilian delegation which will be going to the International Congress of Typographic Workers to be held in Leipzig in November.... A committee has been formed to obtain as much money as possible so that more Sao Paulo representatives may be sent."

The reporting officer would not be at all surprised if Sposito himself were one of the Sao Paulo representatives to the Leipzig Congress.

3. May Day Passes Quietly in Santos (UNCLASSIFIED)

May Day passed off quietly in Santos, with the scheduled parades and open air assemblies drawing minimum participation because of threat of rain.

Comment: (UNCLASSIFIED)

Santos was jammed with weekend tourists from São Paulo.

III ECONOMIC

1. Fire at Dock Company Warehouse (UNCLASSIFIED)

In the morning of April 28 fire broke out in a Santos Dock Co. inflammables warehouse in the Alamôa section of the port, completely destroying the warehouse and part of its contents, mostly acids. Estimates of the damage run up to almost a billion cruzeiros.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-403475

0979

Page 2
excl 1
Sao Paulo A-407

tion of the mayoralty succession, that Santos will continue to be governed for some time to come by a coalition between José Gomes and his PTB allies and the Fernandes Lopes wing of the PSP. Whether these two rather disparate groups can manage to work together in running the city and in preserving their community of political interest remains to be seen.

2. President Vacations in Consular District (UNCLASSIFIED)

President Quadros spent the three days of April 30-May 2 at Bertioga, a secluded beach resort northeast of Santos along the coast and a portion of the municipality of Santos.

Comment: (UNCLASSIFIED)

Quadros rested in the elegant home of José Ermírio de Morais Filho, saw no newspapermen and few visitors, and returned to Brasília on May 2. Quadros had spent some time in Bertioga after his election last October.

During this visit Quadros promised local officials that he would see to it that Bertioga soon received an adequate supply of electricity.

II LABOR

1. Local Unions' May Day Declaration (UNCLASSIFIED)

Twenty-three Presidents of local labor unions signed a May Day declaration made public over the weekend announcing they would: (1) intensify the fight against the high cost of living and seek federal intervention in the distribution of foodstuffs, which have become "inaccessible to the great salaried masses as one of the serious consequences of the recent /SUMOC/ Instruction No. 204" /relating to exchange control/ (2) support the "campaign for exemptions from the income tax" (3) fight for "the absolute freedom and autonomy of labor unions", especially for the unrestricted right to strike (4) campaign for special legislation to regulate the remittance of profits, dividends and royalties abroad and (5) "consolidate yet more the undisputed solidarity of the workers of the world, by considering their struggles ours also, including the aspirations for freedom of the under-developed countries, especially those of Latin America".

Comment: (OFFICIAL USE ONLY)

Nearly all of the individuals signatory to this announcement are communists or communist sympathizers, and the manifesto appears to be a fair summary of the current public communist line to be followed by the local labor unions. The declaration bears a strong resemblance to the resolutions adopted about the same time by the communist-

/infiltrated

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0978

FORM DS-662
8-1-50

OFFICIAL USE ONLY

page 1
encl 1
Sao Paulo D-407

OPERATIONS MEMORANDUM

TO: American Consulate General, São Paulo Date: May 4, 1961

FROM: American Consulate SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. New Elections for Santos? (UNCLASSIFIED)

On April 28 the Santos City Attorney presented to the Regional Election Tribunal in São Paulo his brief concerning the legal necessity for a new mayoralty election as a consequence of the death of Mayor-Elect Luiz La Scala, Jr. Although its contents were not made public, it is understood to advocate new elections. The Election Tribunal is now considering the brief and presumably will hand down its ruling within a very few days.

Comment: (OFFICIAL USE ONLY)

There is a considerable body of vested interest within the locally-dominant PSP which desires the retention of José Gomes as Mayor of Santos, considering him, although a member of the PTB, allied to their cause. This group undoubtedly will appeal to the Superior Electoral Court in Brasília any Regional Election Tribunal decision in favor of a new election in hopes of indefinitely postponing a final solution and keeping Gomes on as Acting Mayor for months or years. The pro-Gomes group within the PSP is led by ex-Mayor Silvio Fernandes Lopes, who sees in Gomes the hope of continuing his, Lopes', influence in the City Hall (Lopes was mainly responsible for having Gomes nominated by the PSP for Vice Mayor), and counts the support of such important PSP politicians as City Council President Fernando Oliva, who regards Gomes as a loyal collaborator who is not likely to pursue too independent a line while Santos' chief magistrate. This pro-Gomes group is opposed by another faction within the PSP led by PSP National President and Santos Federal Deputy Rubens Ferreira Martins, which fears that the focus of the local political power and influence now enjoyed by the PSP is passing from the old-line PSP organization into the hands of such relative ipstarts as Lopes, Oliva & Co. and even to their own cronies outside the party, such as José Gomes.

At this moment the pro-Gomes wing is dominant, and the reporting officer expects, in the absence of a final determination

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SÃO PAULO, BRAZIL

0977

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 407 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — May 5, 1961 DATE

REF :

55 For Dept. Use Only	ACTION	DEPT.
	ARA-4 *	RMA-2 INR-7 REP-1
	REC'D 5/10	OTHER CIA-10 USIA-10 LAB-6 Navy-4 MSA-4

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated May 4, 1961.

For the Minister Consul General

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
MAY 15 1961

Ralph J. Burton
Consul

Enclosure: Santos Weekly Report dated May 4, 1961

cc: Amembassy Rio

732.00/5-561 HBS

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REPORTER

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0976

W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 2

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BOX: 1576

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Folder Title: 732.00/5-461 HBS

Document Date: 04/05/61

Document Ser.#:

DESP 49 FR RECIFE TO STATE

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X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00002

0975

W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 1

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Folder Title: 732.00/5-361 HBS

Document Date: 03/05/61

Document Ser.#:

DESP 403 FR SAO PAULO TO STATE

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NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00001

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AIR POUCH
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FW 732.00/5-361

FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo
404
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.
May 4, 1961
DATE

REF :

For Dept. Use Only	ACTION / REC'D	INFO	DEPT.
55	AAA-4		AMA-2 INR-7 SY-2 P-3 FE-4
	5/10	OTHER	CIA-10 USIA-10 OSD-5 Navy-4

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
MAY 10 1961

SUBJECT: Kubitschek's Running Mate in Goiás

With reference to Item 4 of this post's weekly summary No. 96 for the week ending April 29, latest news from Goiás reports that the opposing political parties have apparently "kissed and made up" on the subject of a candidate for alternate senator. It is reported that Dom Abel Ribeiro Camelo, Bishop of the city of Goiás, has been indicated for this office by agreement between the PSD and the opposing UDN-PSP alliance after a two hour conference between party leaders. It is further reported that Dom Fernando Gomes dos Santos, Archbishop in Goiana, has said that he has no objection. It is understood that the invitation to run has not yet been extended to Bishop Ribeiro Camelo.

For the Minister Consul General

Ralph J. Burton

Ralph J. Burton
Consul

FW 732.00/5-361 HBS

FILED
MAY 6 11 06 AM '61

cc: Amembassy Rio

RJBurton/lfw
REPORTER

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0973

Encls D 402
São Paulo P4

President of the Telephone Workers Union of São Paulo; Argemiro Rocha, Jr., President of the Electric Energy Workers Union of the State of Guanabara; and Antônio Joaquim Vasconcelos, President of the Urban Transportation Workers of the State of Guanabara.

The Santos union's demands will be integrated into a nation-wide campaign for higher pay and increased benefits to be mounted against the Canadian-controlled Light Group.

III ECONOMIC

1. Typhus Reported in Santos Jail (UNCLASSIFIED)

A case of typhus has been diagnosed in one of the prisoners in the overcrowded Santos City Jail, and public health officials admit that it is not the first to have occurred in the local lock-up. An investigation into prison conditions is being conducted.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE - Negative.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-493476

0972

Encls. D 402
São Paulo p3

5. Armed Forces Industrial College Group Visits Santos (UNCLASSIFIED)

On April 25 a group of U.S. Army, Navy and Air Force officers from the Industrial College of the Armed Forces in Washington, under Major General E. M. Houseman, visited Santos, inspecting the dock area and the Anderson, Clayton coffee exporting firm here.

Comment: (UNCLASSIFIED)

The group was first shown the São Paulo Light Company's Cubatao electric generating plant, where the officers were joined by Minister-Consul General William P. Cochran and Mayor General Raymond Bell of JBUSMC.

6. Norwegian Mission to Seamen Opened (UNCLASSIFIED)

On April 23 the reporting officer and his wife attended the inauguration of the handsome Norwegian Mission to Seamen building in Santos. A crowd of notables was also present, including the Norwegian and Finnish ambassadors to Brazil, the Counselor of the Danish Embassy in Rio, the Norwegian Consul General in São Paulo, and the local honorary Scandinavian consuls. Norwegian Bishop Ragnvald Indrebö came especially from Norway to preside.

Comment: (UNCLASSIFIED)

The Mission is part of the worldwide combined Scandinavian Seamen's Mission, a cooperative effort of the four Scandinavian countries. Thus in Santos Norway operates the Mission, while in Rio de Janeiro and in Buenos Aires the Danes and the Swedes operate the respective Missions.
A resident Norwegian priest manages the Santos Mission.

II LABOR

1. Utility Workers Agitate for Pay Increases (UNCLASSIFIED)

The local Light & Power Company workers union, under the leadership of João de Morais Chaves, met on April 20 to formulate its latest demands for higher wages. Specifically, the union is seeking a minimum general wage hike of 48%, a Christmas bonus of one month's pay, and sweeping fringe benefits. The union desires a new labor agreement to go into effect on June 1.

Comment: (UNCLASSIFIED)

The Santos union met together with Salvador Ribeiro, President of the Urban Industries Workers Union of São Paulo; Leopoldo Brissaqui, President of the Gas Workers Union of São Paulo; Nelson Mazzegani,

/President

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952-493475

0971

Encls. D402
São Paulo P2

seat upon José Gomes' election as Mayor, and the only communist on the Council. When Councilman Joaquim Coutinho Marques (PTB) vainly remonstrated that such matters lay outside the competency of the Council, he was argued down by Rodrigues, who reminded Marques that in the past he had voted for resolutions condemning anti-semitism in other countries, the Salazar dictatorship, etc. etc.

3. Situation of Acting Mayor Jose Gomes (UNCLASSIFIED)

According to Fernando Oliva, PSP President of the Santos City Council, in a conversation with the reporting officer recently, most Santos politicians favor new mayoralty elections in view of the recent death of Mayor-Elect Luiz La Scala, Jr., and only the PSP stalwarts who follow ex-Mayor Silvio Fernandes Lopes favor outright the retention of Gomes without new elections. The Regional Election Tribunal (TRE) reportedly will rule on the question at the end of the week. Meantime, Gomes had talked and acted as if he plans to remain in office indefinitely, although he has freely admitted his "psychological unpreparedness" for the office of mayor.

Comment: (OFFICIAL USE ONLY)

Oliva also told the reporting officer that the leaders of the janista opposition-rivals to the present PSP-PTB coalition here are largely opportunists and cannot agree among themselves on a common standard-bearer in the event of new elections. Oliva himself expressed his hope that Gomes could continue as mayor, which is interesting since Oliva would be a prime contender for the PSP nomination for mayor if and when new elections are held. Oliva also hinted that if the TRE ruled in favor of new elections, as all appearances indicate, Fernandes Lopes and his associates (including Oliva) would appeal the decision to the Brazilian Supreme Court and endeavor to drag out a final solution for months, if not years, during which time Gomes would continue on as mayor. Apparently the PSP is confident that Gomes, although a member of the PTB, will prove a staunch ally of the PSP.

4. No Further Anti-American Demonstrations in Santos (UNCLASSIFIED)

No anti-U.S. demonstrations have occurred here since a small communist-organized and led student group met on April 18 in the Praça Mauá carrying pro-Cuban and anti-American slogans; and the danger of any further such outbursts seems to have waned. (See Weekly Comment of April 19, Psychological item 1.)

Comment: (UNCLASSIFIED)

As of April 26 a guard posted at the entrance of the building whose third floor the Consulate occupies was still on duty, although the Consulate had not requested any protection from the local authorities.

/5. Armed Forces

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0970

FORM DS-802
8-1-59

OFFICIAL USE ONLY

Encls. P1402
São Paulo P1

OPERATIONS MEMORANDUM

TO: American Consulate General, São Paulo Date: April 26, 1961

FROM: American Consulate SANTOS, Brazil VPR

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Municipal Officials Visit Consulate For Film Showing (UNCLASSIFIED)

At 8:15 p.m. on April 25 Acting Mayor José Gomes, City Council President Fernando Oliva, the Mayor's chefe de gabinete Remo Petrarchi, and a dozen or so section chiefs of the Santos municipal government responded to the Principal Officer's invitation to attend a special but informal 75-minute film showing in the Consulate's USIS section. The group viewed three USIS films on municipal government and professed satisfaction with what it saw and learned.

Comment: (OFFICIAL USE ONLY)

The Principal Officer has enjoyed excellent personal relations with José Gomes for over a year, and this was the first time that a Mayor of Santos had ever set foot in the Santos Consulate. The Principal Officer hopes that his goodwill gesture will serve to offset some of the unfavorable local publicity which the American Government has been receiving in the wake of the abortive Cuban invasion attempt.
A despatch is being prepared on this topic.

2. City Council Resolves in Favor of Cuban Government (UNCLASSIFIED)

On April 20 the Santos City Council unanimously adopted a resolution, which was sent to the Cuban Embassy in Rio de Janeiro, expressing the Council's "solidarity with the sister republic in the events of recent days, when aircraft attacked three large Cuban cities".

Comment: (UNCLASSIFIED)

The resolution was introduced by Antônio Rodrigues, a port-worker, PTB alternate member of the Council who succeeded to a seat

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0969

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amconsgen, São Paulo — 402 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — May 2, 1961 DATE

REF :

Post/Dept. Use Only	ACTION	DEPT.
25	Ara-4	RMR-2 INR-7 E-7 ICA-11
	REC'D 5-8	INFO OTHER Cia-10 USIA-10 agr-8 com-10 army-4 Navy-4 Air-6 NSA-4 OSD-4 Lab-6

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated April 26, 1961.

For the Minister Consul General

Ralph Burton

Ralph J. Burton
Consul

Enclosure:

Santos Weekly Report
dated April 26, 1961

cc: Amembassy Rio

732.00/5-261 HBS

MAY 2 2 PM '61 FILED

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 10 1961

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REPORTER

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732.00/5-261

0967

INCOMING TELEGRAM *Department of State* ACTION COPY

PERMANENT RECORD COPY

46-48

UNCLASSIFIED

Control: 21471
Rec'd: October 1, 1961
1:28 a.m.

Action
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RMR

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 863, SEPTEMBER 30 (SECTION TWO OF TWO)

PRIORITY

ACTION DEPARTMENT 863, INFORMATION USUN 20

IN UN BRAZIL WILL MAINTAIN INDEPENDENCE IN RELATION THE VARIOUS BLOCS. ON SPECIFIC INTERNATIONAL ISSUES BRAZIL WILL SEEK "CONCILIATION AND SURMOUNTING OF ANTAGONISMS." RE GERMANY, WILL FAVOR ALL MEASURES ENVISAGING ATMOSPHERE PROPITIOUS TO NEGOTIATION AND MUTUAL ADJUSTMENT AND TENDING TOWARD BALANCED SOLUTION, CAPABLE BEING ACCEPTED BY INTERESTED PARTIES".

RE "CHINA AND ORGANIZATIONAL STRUCTURE OF SECRETARIAT, BRAZIL MUST SUPPORT WHAT BEST CONFORMS REALITY CONTEMPORARY INTERNATIONAL LIFE, OUT OF CONVICTION..... THAT WHATEVER DECIDES SUSTAINED BY FORCE OR INERTIA CANNOT CONTRIBUTE PERMANENTLY MAINTENANCE PEACE."

RE SOCIALIST BLOC NORMALIZATION COMMERCIAL AND DIPLOMATIC RELATIONS DESIRABLE BECAUSE IMPORTANT TO BRAZIL'S ECONOMIC DEVELOPMENT AND POSITION IN CONCERT NATIONS, ESPECIALLY UN. THIS NORMALIZATION HAS NO IDEOLOGICAL SIGNIFICANCE. BRAZIL CAPABLE TAKING ADEQUATE INTERNAL SECURITY MEASURES AGAINST ANY POLITICAL INFILTRATION OR PROPAGANDA UNDER COVER COMMERCIAL DIPLOMATIC MISSIONS.

RE US AND OTHER WESTERN COUNTRIES, NO ALTERATION OF TRADITIONAL BASES BRAZILIAN POLICY. BRAZIL APPRECIATES US ECONOMIC COOPERATION EFFORTS AS REPRESENTED ALLIANCE PROGRESS. MECHANISM MUST HAVE ADEQUATE SIMPLICITY AND CELERITY, HOWEVER, AND "INTERESTS OF PRIVATE ORGANIZATIONS COLLIDING WITH THOSE OF UNDERDEVELOPED COUNTRIES MUST NOT INTERFERE IN ECONOMIC COOPERATION POLICY....."

BOND

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ESTE CHARTER FAVORS FINANCING FOR SOCIAL PROGRAMS IN ADDITION TECHNICAL ECONOMIC PROJECTS. INTERNATIONAL COOPERATION PROJECTS IN WHICH BRAZIL PARTICIPATES SOUGHT CORRESPOND SOCIAL POLITICAL PRINCIPLES WHICH ORIENT GOVERNMENT. GOVERNMENT BELIEVES ECONOMIC DEVELOPMENT CANNOT BE REGARDED MERELY IN TERMS ELEVATION GLOBAL SOCIAL INCOME, THAT IT INDISPENSABLE COMPLEMENT THAT ELEVATION THROUGH SOCIAL REFORMS LEADING BETTER DISTRIBUTION WEALTH. HENCE GOVERNMENT WILL HAVE IN VIEW FINANCING NOT MERELY FOR TECHNICAL ECONOMIC PROJECTS BUT FOR PROGRAMS ECONOMIC SOCIAL CHARACTER.

IN RELATIONS OTHER AMERICAN STATE GOVERNMENT WILL MAINTAIN TRADITIONAL POLICY AGAINST BLOCS, DISCRIMINATIONS AND PREFERENCES, AND WILL ADOPT POLICY OPEN TO UNDERSTANDINGS WITH ALL HEMISPHERIC COUNTRIES ON BASIS ABSOLUTE EQUALITY. RELATIONS ARGENTINA WILL DESERVE SPECIAL ATTENTION.

TOWARD CUBA, BRAZIL WILL "MAINTAIN ATTITUDE INTRANSIGEANT DEFENSE PRINCIPLE NON-INTERVENTION, CONSIDERING IMPROPER INTERFERENCE ANY OTHER STATE, UNDER WHATEVER PRETEXT, IN ITS INTERNAL AFFAIRS. FAITHFUL DEMOCRATIC PRINCIPLES INSCRIBED BOGOTA CHARTER AND WHICH CONSTITUTE ESSENTIAL BASE INTER-AMERICAN SYSTEM, BRAZIL DESIRES SEE REVOLUTIONARY CUBAN GOVERNMENT EVOLVE AS SOON AS POSSIBLE TO FULLNESS DEMOCRATIC LIFE, INCLUDING HOLDING FREE ELECTIONS AND EFFECTIVE GUARANTEES INDIVIDUAL RIGHTS. THAT EVOLUTION DEPENDS, HOWEVER, EXCLUSIVELY ON SELF DETERMINATION CUBAN PEOPLE AND CANNOT BE SUBSTITUTED NOR ACCELERATED BY ANY FORM PRESSURE OR INTERFERENCE FROM ABROAD."

CUBAN REVOLUTION, BRAZIL UNABLE FORGET ITS BASES IN "ECONOMIC UNDERDEVELOPMENT, SOCIAL INEQUALITIES AND SELFISH INTEREST OF CERTAIN TYPE INTERNATIONAL ENTERPRISES WHICH PERTURB NORMAL FUNCTIONING OF REGIMES AND OFTEN FEED SEDITIONS".

BRAZIL WILL SEEK ELIMINATION COLONIALISM. EACH STATE ADMINISTERING NONAUTONOMOUS TERRITORIES DUTY-BOUND PREPARE THEM FOR INDEPENDENCE WITHOUT UNNECESSARY DELAYS AT SAME TIME AVOIDING THEIR LIBERATION BEFORE PREPARED ASSUME RESPONSIBILITIES INDEPENDENCE.

BOND

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Control: 21470
Rec'd: October 1, 1961
1:27 a.m.

RIO 863

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 863, SEPTEMBER 30 (SECTION ONE OF TWO)

file
ARA/ES:JBJones
8/12/62

PRIORITY

ACTION DEPARTMENT 863; INFORMATION USUN 20

FOLLOWING ARE MAIN POINTS FOREIGN POLICY STATEMENT CONTAINED PROGRAM PRESENTED AT COUNCIL MINISTERS SEPTEMBER 29.

BRAZILS POSITION HAS EVOLVED CONSTANTLY TOWARD INDEPENDENCE IN RELATION POLITICO-MILITARY BLOCS, WHICH INDEPENDENCE NOT TO BE CONFUSED WITH NEUTRALIST OR THIRD-POSITION ATTITUDES AND WHICH DOES NOT DISENGAGE US FROM DEMOCRATIVE CHRISTIAN PRINCIPLES. THIS POSITION INDEPENDENCE PERMITS BRAZIL SEEK FOR EACH SPECIFIC QUESTION POLICY MOST CONSISTENT WITH OBJECTIVES, WITHOUT PREVIOUS ENGAGEMENTS TO INTERNATIONAL BLOCS OR OBLIGATIONS FOR JOINT ACTION, "SAVE THE REGIONAL OBLIGATIONS CONTAINED IN OAS CHARTER AND TREATY RIO DE JANEIRO", AND ALSO WITHOUT SYSTEMATIC PREJUDICES IN RELATION ANY OTHER BLOCS OF DIFFERENT POLITICAL FORMATION OR IDEOLOGY.

732.00/9-3061 Para Janio

BRAZIL SEEKS FIRST WORLD PEACE AND SECOND ECONOMIC DEVELOPMENT OF UNDER PRIVILEGED NATIONS WHICH NECESSARY TO SURVIVAL POLITICAL LIBERTY. IN SEEKING THESE OBJECTIVES BRAZIL WILL BE LED TAKE ATTITUDES AND PARTICIPATE IN INITIATIVES WHICH NOW WILL BRING IT CLOSER TO CERTAIN STATES, AT OTHER TIMES WILL ALIGN IT WITH STATES OF DIFFERENT ORIENTATION.

NEW GOVERNMENT DESIRE REMAIN FAITHFUL TRADITION INTIMATE CORDIAL COOPERATION WITH ALL AMERICAN STATES AND SUPPORT OAS. PAN AMERICANISM MUST BECOME INSTRUMENT OF FIGHT FOR ECONOMIC SOCIAL EMANCIPATION FOR NATIONS HEMISPHERE. PRESENT PHASE OF PAN AMERICANISM, MATERIALIZED IN ALLIANCE FOR PROGRESS AND PUNTA DEL

(2)

732.00

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0964

international events indicates that there is growing leftist orientation at the working level of the Curitiba press.
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CULTURAL EVENTS

6. Far-leftist Patron of Medical School Students

Far-left AmilcarGIGANTE (Executive Committee, Paraná PSB) was selected "patron" (paraninfo) of the 1961 graduating class of the University of Paraná medical school. Gigante is young, and during his student days was a prominent leader in the Paraná Student Union. Other faculty patrons of the graduating ceremonies are mostly young and associated with the university on a contract and not a regular basis. SOURCE: Tribuna do Paraná, Aug.18,1961.
OFFICIAL USE ONLY

COMMENT: Selection of a paraninfo and other patrons who are not chaired professors of the university breaks a long standing tradition. There are121 graduating medical students. UNCLASSIFIED

MISCELLANEOUS

7. Presentation of USOM "Little Libraries" in Paraná and Santa Catarina; Coordination Success

On August 22 (Florianópolis, Santa Catarina) and August 23 (Curitiba) consulate and USOM personnel engaged in ceremonies giving technical libraries to the respective state Federations of Industry. This is part of USOM's Industrial Productivity Program. USIS assistance and guidance was used in the presentations, and excellent publicity was obtained as well as good response from the members of the federations themselves. SOURCE: Personal observations and conversations.
UNCLASSIFIED

COMMENT: This is one of the best coordinated programs (in terms of inter-agency relationships) in the consular district. The results have been significantly beneficial to all United States activities here: USOM, Consulate, and USIS (especially binational centers).
UNCLASSIFIED

Edward M. Rowell
American Consul

0963

prominence in the recent political crisis, Rio Grande do Sul Governor Leonel BRIZZOLA is being pressed again to be a candidate for federal deputy from Paraná. Under Brazilian election law (each party obtains seats in proportion to its total vote) the PTB figures it would get many more of its own men elected if the slate is headed by such a famous figure as Brizzola. SOURCES: Personal conversations and observations; Gazeta do Povo, Aug. 19, 20, 23, 24; Diário do Paraná, Sep. 8.
OFFICIAL USE ONLY

COMMENT: Paraná has often run out-of-staters for Congress in the past. ... The Paraná PDC is afraid of the personalism which dominates the UDN's candidates. ... If the problem of 1962 congressional candidates splits the UDN-PDC alliance, the PDC will probably be forced to ally itself with the PTB (the PSD is in intransigeant opposition). If Paulo de TARSO then actually becomes a candidate, there would probably be a marked leftward swing in the local political atmosphere, in spite of the moderate tendencies of PDC Governor Braga. ... Herbert LEVY may have had this in mind when he made his suggestion to Carneiro. OFFICIAL USE ONLY

PSYCHOLOGICAL EVENTS (Except National Political Crisis)

4. Inter-American Affairs: The Alliance for Progress

Except for the hiatus created by the national political crisis, the Alliance for Progress received increasing editorial notice, virtually all of it favorable. Diário do Paraná attacked Leonel BRIZZOLA's criticisms of the "Alliance" as unfounded barbs hurled by a notorious anti-American. Middle-of-the-road Gazeta do Povo emphasized that more information regarding the "Alliance" is needed so that its far-left critics (e.g., Francisco JULIÃO) will not have the public ear all to themselves. PSD editorial writer Aloysio BLASI says the "Alliance" is great, but he worried that it would accomplish too little too late. The Paraná Government's official representative at the Punta del Este conference, Ovídio GASPARETTO, gave long and very favorable press interviews on the conference and the "Alliance". SOURCES: Local press. UNCLASSIFIED

COMMENT: Gasparetto is Italian Honorary Vice Consul in Ponta Grossa, and very pro-U.S. ... USIS, USOM and this Consulate are coordinating their efforts and taking advantage of every contact available in the consular district to promote understanding of and appreciation for the "Alliance for Progress". Our main weapons are USIS materials. OFFICIAL USE ONLY

5. Berlin, Nuclear Bomb Tests

The public, the press and the politicians were so preoccupied with domestic problems, that as of the end of the reporting period most people were not even aware that the Soviet Union had reinitiated nuclear bomb tests. They were equally oblivious of increasing Berlin tensions . SOURCES: Local press, personal observations and conversations. UNCLASSIFIED

COMMENT: The placement and headlining of straight news coverage on

0962

SOURCES: Personal observations, including one round-trip transit by car of military lines between Second and Third Army areas. See also D-16, 9/1/61. OFFICIAL USE ONLY

COMMENTS: Attention is gradually returning to local problems. Both state and municipal executives are seriously concerned about their relations with the new government in view of their almost absolute dependence on federal assistance (See D-45, 4/7/61). Janio's resignation has thrown state planning back to where it was on February 1, 1961. ...

Initial appointments by GOULART and TANCREDO NEVES leave Paraná farther out of the federal executive than even QUADROS' disappointing nominations. One effect has been the launching of "Operação Paraná" -- a combined effort by all Paraná parties to gain more influence for the state at the federal level. It remains to be seen if the "Operação" will work in the face of UDN-PTB personalism and PSD obstructionism when heated by the 1962 election campaign. OFFICIAL USE ONLY

2. Paraná State Budget

The annual wrangle over the state budget is at fever intensity, because of the legislature's scheduled September 30 adjournment. Under Paraná law, if no new budget is approved, then the state must operate next year on the same budget used this year. The last time the Legislative Assembly voted appropriations was in November, 1959, which means that if the new government budget proposal fails, the PDC will have to conduct its second year in office with a budget which is hopelessly outmoded by two years of inflation and which was prepared by a corrupt opposition government. SOURCES: Local press, personal observations. OFFICIAL USE ONLY

COMMENT: As of September 28 it appeared that the governor's forces would succeed in extending the present legislative session to the end of November. ... Main obstruction for the new budget is coming from the PSD (ousted from the executive mansion last October) which holds a bare one-third plurality in the Legislative Assembly. ... A majority of the PTB legislators are inclined to vote a new budget with minor amendments so they won't have to go into next October's elections with the onus of being allied with the discredited PSD. The far-left PTB opposes this view, because it wants to make governing an almost impossible job for Ney Braga. ... The end result of the jockeying may be to force a PDC-PTB alliance in Paraná which would pull the present state government slightly farther to the left. OFFICIAL USE ONLY

3. Paulo de Tarso and BRIZZOLA for Paraná Congressmen

Ultranationalist (PDC) Paulo de TARSO's wide-swinging speech-making and publicity tours have caused him to be increasingly considered by the Paraná PDC as a senatorial candidate. His possibilities are improved by the fact that the PDC is not interested in supporting UDN Chairman Newton CARNEIRO for the senate (in fact UDN national President Herbert LEVY has tried to talk Carneiro into running for federal deputy instead of senator). ... As a result of his

0961

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HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

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FROM : American Consulate, CURITIBA

NO. 21

DATE SEP 29 1961 September 29, 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : File, Location EXT/13: Albuquerque - Luso 10-19-61

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 3 1961

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD AUGUST 16 - SEPTEMBER 15, 1961

CONTENTS

1. The Federal Crisis
2. Paraná State Budget: Political Implications
3. BRIZZOLA and Paulo de TARSO for Paraná Congressmen
4. The Alliance for Progress
5. Berlin, Nuclear Bomb Tests
6. Far-leftist Patron of Medical Students
7. Coordinated USOM-USIS-Consulate Activity

732.00/9-2961

I POLITICAL EVENTS IN CONSULAR DISTRICT

1. Janio's Resignation and the Federal Crisis

Local politics and governmental activity ceased during the crisis of August 25 - September 7. Though the commander of the 5th Military Region (Paraná and Santa Catarina) openly supported his Third Army chief and the Brizzola-Goulart "Legality" movement (he was egged on by leftist national student leaders and the PTB mayor of Curitiba), most other persons in the consular district remained discreetly quiet. The "people" in general (working class) were interested only in staying at work and avoiding trouble (there were no strikes, and one strike which had been planned before the crisis was canceled). The politicians picked positions which would enable them to accommodate themselves to whatever government might finally succeed. The army itself never really expected any shooting.

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cc: AmEmbassy, Rio de Janeiro (2)

EMRowell:bb — OFFICIAL USE ONLY

REPORTER

FORM 6-61 FS-439 GPO 912596

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-2- 866, September 30, 4 p.m. from Rio de Janeiro

BRASIL CORREIO MANHA approvingly note Government maintaining Quadros foreign policy, though CORREIO finds "retrograde" the "appearance ~~admist~~ amidst terms like self determination and independence ... of ideas of Pan Americanism OPA style." Conservative ESTADO SAO PAULO and JORNAL COMMERCIA both laud domestic aspects program and Estado also observes with satisfaction foreign policy statement does not "disassociate position 'complete independence' from fidelity Pan Americanism and obligations assumed other nations continent."

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Control: 21531
Rec'd: September 30, 1961
9:21 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 866, September 30, 4 p.m.

PRIORITY

Re Embassy telegram 863

Chamber Deputies September 29 passed by vote 178 to 11 following delicately worded resolution expressing confidence in Council Ministers and approval its program in principle: "Chamber Deputies, in reaffirming to Council Ministers confidence given initially and in exceptional conditions through National Congress, observes that program submitted for its study does not lend itself, because of extreme analytical nature, to global judgment of Government's policy, and therefore it accepts program in principle, reserving however ... right consider it, during course of its development."

Tenor resolution reflects widespread congressional dissatisfaction with Government's program. Leftist Deputies criticized especially financial policy (on which Embassy reporting separately). According press more than fifty such deputies signed statement determining this policy "reactionary and compromised with interests foreign spoliative groups." Foreign policy statement sharply criticized by Center and Right. Parliamentary Democratic action group noted "absence ... certain more precise definitions re norms of action to be adopted in executing policy self determination non-intervention" and "ambiguity or lack clarity in certain affirmations resulting ... attenuation responsibilities deriving from grave obligations assumed by nation."

Press comment thus far all favorable Government program. JORNAL

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São Paulo

Local Press Reaction
7. Attitude Toward National Government

O Estado de São Paulo is the only conservative São Paulo newspaper which has a consistent policy toward the new parliamentary Government and President João Goulart. That policy was from the beginning, and still is, one of outright and outspoken opposition. Other moderate local papers have little to say except to urge calm. Leftist Ultima Hora, on the other hand, is generally supporting the government, which is difficult journalistically, since its style is best adapted to sensational and destructive criticism. Ultima Hora has given Estado excellent free publicity by criticizing that paper's position openly and violently. These two papers may be slightly embarrassed, however, by finding themselves in agreement in boosting São Paulo Governor Carvalho Pinto and condemning ex-President Quadros.

8. Atomic Tests

The press, though still favorable to the U.S. position, continues to report on the test issue without heat. The action of a group of university students in delivering a protest to the Czech and Polish consulates (for transmission to Russia) received attention only from O Estado (see item 5).

9. Hammarskjold's Death

While Hammarskjold's death was amply headlined, very little editorial space was devoted to it, in spite of the fact that Brazil has an eye on the vacant Secretary Generalship. The leftist press chose to ignore the issue almost entirely. Of the others, only O Estado de São Paulo gave a full discussion of the repercussions of the tragedy on the United Nations.

Miscellaneous
10. List of Substantive Despatches

95. Santos Weekly Report
97. Trade Contact Survey - Midwest Agricultural Export Corp.
98. Bi-weekly Economic Review Sept. 8-21.
99. São Paulo Cost of Living Index Aug. 1961.
100. São Paulo Weekly Summary Number 13.

William P. Cochran, Jr.
Minister Consul General

Contributors: Proper, Pyle

Distribution: INS-RAR, Embassy Rio 3, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife, Salvador, Santos.

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COMMENT: The Soviet Union has suffered a psychological defeat in São Paulo because it was not only the first to renew the atomic tests but has continued to detonate bombs in unprecedented numbers. In the state Legislative Assembly it is interesting to note that not a single deputy took the floor in an attempt to answer Conceição da Costa Neves. On the other hand, few cared to support her.

6. Portuguese Revolutionaries (Official Use Only)

The two leading anti-Salazarist exiles in Brazil, General Humberto DELGADO and Captain Henrique GALVÃO, who gained notoriety as a result of the seizure of the S.S. Santa Maria earlier this year, traded "compliments" and publicly quarreled in an exchange of letters published in the leading O Estado de S.Paulo this past week. (O Estado, as this post has reported previously, has close connections with Delgado and Galvão, both of whom reside in São Paulo).

Delgado, speaking in the name of the National Independence Movement (composed of Portuguese exiles) asserted that a note, purportedly representing an "anti-totalitarian front of the free Portuguese in exile", had been presented to him for his signature by Galvão and that the note claimed that Portuguese residents in Brazil were divided into three groups: those who support Salazar, those who give their allegiance to Galvão, and Communists. Delgado claimed that he refused to sign the note; that none of the "old liberal republicans" living in Rio de Janeiro had signed it, nor had any of the political forces allied with Delgado through the National Independence Movement. Delgado asked the authors of the note to publish the names of those who had signed it.

Galvão immediately retorted, in a letter sent to and published by O Estado, that General Delgado's statement only confirmed his "political incapacity" and his "incurable egocentrism". Galvão added that Delgado's assertions gave the impression that the "Portuguese democratic opposition" is threatened with disintegration.

Galvão averred that the document was signed by 73 people in diverse walks of life; that the original statement was delivered to the Portuguese Embassy in Rio; that copies were sent to the diplomatic representatives of all of the "free countries in Brazil"; and that a copy had been sent to the Brazilian Minister of Foreign Affairs. Galvão stated that Delgado did not wish to read the statement, and refused to sign it without having read it. Galvão further stated that some of Delgado's supporters had told him that the General did not sign because the document asked the Portuguese Government to turn over the reins of government to the "democratic opposition" and not to General Delgado specifically.

COMMENT: This washing of dirty linen in public again indicates the seriousness of the quarrel among the Portuguese exiles.



Supply (Abastecimento) is intended to be filled by PDC Councilman Morais NETO, and a new city bank will be directed by PSP Councilman Helio MENDONÇA. The PDC Councilmen were apparently delighted to trade Sampaio for Neto, although the party's Secretariat in the new scheme of things seems to be a long step downward in importance (while the city certainly has supply problems, nothing is known which justifies a new cabinet post). The PSP - traditionally an opposition party - will now have a post at the cabinet level for the first time.

COMMENT: The principal reason for the changes was to please the City Council, and this seems to have been accomplished. The Mayor has probably succeeded in smoothing the path for his programs.

5. Atomic Explosion Protests (Official Use Only)

Conceição da Costa NEVES, São Paulo PSD state deputy, made a vitriolic attack on the Soviet Union in the state Legislative Assembly this past week. The outspoken lady declared that Russia does not "recognize the right of men and women to health and life;" and that the "pollution of the atmosphere from radioactive fallout impairs the survival of the human species by contaminating water, land and animal life." She asked the members of the Assembly to approve a manifesto condemning the USSR for its revival of atomic bomb tests (they did not).

Conceição da Costa Neves taunted the Communist and leftist members of the Legislative Assembly for their failure to object to the Soviet Union's explosion of twelve successive atomic bombs. She reminded the Communists and leftists that they had been quick to condemn the United States when it had been conducting atomic tests several years ago (Costa Neves emphasized that a smaller number of bombs was involved) because of the danger posed from radioactive fallout. Costa Neves declared that the "effects are the same," whether the bombs be those of the United States or the Soviet Union.

Five university students in São Paulo this past week called first on the Czeckoslovakian Consulate, under the erroneous impression that it officially represented the Soviet Union, and subsequently on the Polish Consulate, to deliver a manifesto signed by more than 500 local university students protesting the USSR's renewal of atomic tests. The student's declaration criticized the Soviet Union for its failure to abide by the Geneva agreement, asked for an immediate suspension of further atomic tests, and appealed to Soviet leaders to exercise good judgment so as not to disturb world peace and liberty. The five students declared that additional copies of the manifesto would be distributed to the various university faculties in São Paulo in order to obtain additional signatures.

The São Paulo city council finally approved a flaccid, belated motion, sponsored by Moraes Netto (PDC), criticizing both the Soviet Union and the United States for renewing atomic bomb tests.

0955

Oliveira stated that Janio would divulge the reasons for his renunciation of the presidency at an opportune time; that Janio intended to be a candidate for "some elective position". He said the ex-President is translating Brazilian books into English to earn a living. The disclosure by Aparecido de Oliveira that he intends to make his home in São Paulo from now on may indicate that he intends to devote himself to furthering the campaign for Janio's return to political life. A slogan "São Paulo wants what Brazil didn't want" is being circulated by Janio's supporters.

COMMENT: (Confidential) It is not possible to gauge accurately the extent and depth of the movement in São Paulo to return Janio to public life. However, there is no doubt now that the movement, which ten days ago seemed insignificant and nebulous, is actually in being in this state. The degree to which it will grow would appear to be greatly influenced by future events on the national scene, such as the success of the federal government in alleviating social unrest and in combating inflation. The demand for an immediate plebiscite on the parliamentary system could also cause stresses and strains capable of political exploitation by Janio and his supporters. While local Janistas at the present time are apparently thinking of Janio's return to political life in terms of a political come-back in São Paulo, it cannot be entirely ruled out that they are dreaming of his return to the national scene -- on Janio's own terms and via a popular mandate.

4. Municipal Cabinet Crisis (Official Use Only)

São Paulo Mayor Prestes MAIA seems to be sensitive to the reports from Brasilia. When Janio QUADROS was trying to run the country without recourse to its legislature, Mayor Maia tried the same thing in São Paulo. The results were equally unsatisfactory, though not so spectacular (see São Paulo Despatch 55 of August 16, 1961). Now that there is a national coalition government, the Mayor too has decided to broaden his bases. The method chosen is the same as that rumored to be under consideration for the state (see Item 2): "reform" of the cabinet to include officers more sympathetic to the interests of the legislators. The changes planned were apparently not really very sweeping, but they were blown into a major issue last week by the action of Plinio de ARRUDA SAMPAIO, municipal Secretary of Internal and Juridical Affairs, who apparently learned in advance that his was going to be the first head to roll. Sampaio, a member of the most radical wing of the PDC (Christian Democratic Party), had received his appointment by withdrawing from the 1961 mayoralty race in favor of Prestes Maia. When he heard the news, he immediately fired a peppery letter of resignation off to the Mayor, and the rest of the Cabinet submitted resignations with less commotion. Only two were accepted: Sampaio's and that of Fernando de AZEVEDO, the non-political Secretary of Education. Sampaio was replaced by Luis Domingues de CASTRO, a city Councilman of the PSD, and Azevedo by Carlos RIZZINI, another non-political "technician." In addition, it is known that two new cabinet-level municipal posts are to be created. A new Secretariat of

0954

Carvalho Pinto - 32.1%
Adhemar - 20.3%
Kubitschek - 15.5%
Quadros - 14.1%
Undecided - 18%

A small newspaper thereupon took a similar poll of 624 residents of Cambuci, a section of downtown São Paulo, with results still more favorable to Carvalho Pinto's candidate.

In an effort to stock up on ammunition for the electoral battle, Carvalho Pinto has been effecting a noticeable rapprochement with the State Deputies. He has had numerous and publicized meetings with them - including with members of the opposition - and there have been persistent rumors that he plans major changes in his cabinet to make it more sympathetic to the deputies' programs. Another, more basic "reform" undertaken recently in the state government has involved the carving up of the state into informal "zones of influence" for the deputies supporting the Governor. Contrary to usual practice in the United States, legislators are here elected by the state as a whole. When the "Plan of Action" was passed, all public works became the sole responsibility of the state executive, eliminating the vestigial pork barrel effect which had previously allowed Deputies to claim some credit for money spent in their home towns. Deputies supporting the governor will now be "consulted" in all matters concerning their "zone", hopefully increasing the electoral effect of their Viewing With Pride. It appears that the basic laws of politics are, after all, pretty much the same everywhere.

COMMENT: Since the persons taking the above-mentioned electoral polls are presumed to have been more than a little biased, the results must be taken with a grain of salt (they are not far from the Consulate General's guess, however). The important thing is that Governor Carvalho Pinto is showing himself willing, after all, to fight for his candidate like an old-line politician (which he is not). This, weighed together with his impressive record, will make his man hard to beat.

3. Retornista Movement (Official Use Only)

Paulistas this past week were increasingly occupied with the possible return of ex-President Janio Quadros to the political scene in his home state. Some São Paulo state deputies apparently feel that the reforms advocated by Janio Quadros during his electoral campaign and his short tenure as the nation's chief executive will hold him (Janio) in good stead with the populace of São Paulo, should he decide to run for the governorship in 1962. The Sebastianists (as the promoters of Janio's return to political life are frequently called) were seemingly encouraged this past week when the former private secretary of the ex-President, José Aparecido de OLIVEIRA, returned to São Paulo after talking to Janio in London, to hold conferences with Janio lieutenants Quintanilha RIBEIRO (former chief of the ex-President's Civil House), Pedroso HORTA, and Castro NEVES (former Ministers of Justice and Labor respectively).

0953

features: it wishes to become a vehicle for the aggregation of all "reform" parties, rather than a party itself; and contrary to general Brazilian practice, it claims to emphasize goals rather than personalities. Two other Governors came to São Paulo to talk to Carvalho Pinto about it: NEI BRAGA, of Paraná, and CID SAMPAIO, of Pernambuco.

COMMENT: Since the parties which supported Quadros in last October's elections (centered around the UDN) are now cooperating with the government at the national level, the most powerful forces left free to act are the ten Governors of São Paulo, Paraná, Pernambuco, Bahia, Rio Grande do Norte, Alagoas, Sergipe, Guanabara, Minas Gerais, and Mato Grosso. Two of these visited Carvalho Pinto last week and several more are undoubtedly on the way. There are, of course, other Governors who could polarize the new movement: notably Juracy MAHALHÃES, of Bahia, MAGALHÃES PINTO, of Minas Gerais, and Cid SAMPAIO, of Pernambuco. Carvalho Pinto might prefer to support one of them - probably Juracy Magalhães - for the Presidency in 1965, especially if the parliamentary system of government stays in effect. It will very likely be within his power to command the new movement if he wishes to do so, however. With him as chief, it might indeed manage to make issues more important than personalities, as it claims. Inter-party movements have often not been successful in Brazil, but this one starts under several good omens: (1) a need for it exists, (2) the new parliamentary government encourages aggregations of parties, (3) the personalities supporting the movement are too weighty to fly off into another "splinter" party, (4) the surplus of political parties in Brazil (and especially in São Paulo) has become so irritating to everyone that a new movement of this kind is under some pressure to become a centripetal, rather than a centrifugal, force.

2. Gubernatorial Race (Confidential)

Aspirants to the São Paulo Governorship were among the first to recover from the recent political crisis. They are now running as if convinced that the federal government will not force the states to adopt parliamentary rule soon enough to affect their chances. Governor Carvalho Pinto, whose national ambitions hinge on his ability to swing the election in favor of a candidate who will continue his "Plan of Action", has promised to campaign actively, and has all but named State Secretary of Agriculture José Bonifaçio COUTINHO NOGUEIRA as his chosen successor. Although the manufactured-by-Quadros crisis eliminated some of José Bonifaçio's opponents, it also created some new ones (see last week's summary) - perhaps even ex-President Quadros himself, though no one knows whether he will run. In an attempt to answer some of the questions, the São Paulo Governor last week asked his aides to take a poll of twelve cities. The following questions were put to an undisclosed number of Paulistas: "For Governor, would you vote for the candidate supported by Carvalho Pinto, Adhemar de BARROS, Juscelino KUBITSCHEK, or Janio Quadros?" The answers:



AIR POUCH PRIORITY | CONFIDENTIAL (Security Classification)

DO NOT TYPE IN THIS SPACE [redacted] 732.00/9-2661

FOREIGN SERVICE DESPATCH

FROM : Amcongen SAO PAULO — DESP. NO. 100

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE September 26, 1961

REF :

55 For Dept. Use Only	ACTION	DEPT.
	ARA-4	
	REC'D 9/30	INFO OTHER: RPM/R-2 INA-7 REP-1 S/AE-4 D-10 CIA-15 USIA-10 OSD-5 Army-4 Navy-4 Air-2 NSA-4 IAIS-8

SUBJECT: São Paulo Summary No. 13, Week Ending September 23, 1961

INDEX:

Political
1. São Paulo Governor Starts Christian Labor Movement
2. Gubernatorial Race
3. Retornista Movement
4. Municipal Cabinet Crisis
5. Atomic Explosion Protests
6. Portuguese Revolutionaries

Local Press Reaction
7. Attitude Toward National Government
8. Atomic Tests
9. Hammarskjold's Death

Miscellaneous
10. List of Substantive Despatches

732.00/9-2661

Political
1. São Paulo Governor Starts Christian Labor Movement (Confidential)

The Consulate General's recent reporting has emphasized the increasing importance of CARVALHO PINTO, São Paulo Governor, in national politics. His refusal of the Presidency of the Council of Ministers (i.e., Prime Ministry of the new parliamentary government) left him free to exploit his position as natural heir of the movement which swept Janio QUADROS to the Brazilian Presidency. While the parties which formerly supported Quadros are cooperating with the present coalition government, most important positions in it - from the Presidency on down - have gone to representatives of precisely those forces which Janio (and the voters) defeated roundly. The Governor has refrained from moves which would rock the wobbly ship of state, but it is clear that he is one of the many Paulistas who are dissatisified with this sudden reversal of fortunes. While some frenzied Janistas continue to focus their rather forlorn hopes on the ex-President (see Item 3 below and São Paulo Despatch 92 of September 19), the more sensible ones have come to cluster around Carvalho Pinto. Last week came the clearest signs yet that this trend is crossing state boundaries. The Governor's palace leaked the information that a new Movimento Trabalhista Cristão (Christian Labor Movement) was in formation. (There is also a chance that it may be entitled Christian Socialism.) The movement has two interesting technical

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1961 SEP 26 PM 7 06

INDICATE: ☐ COLLECT ☐ CHARGE TO

CONFIDENTIAL
Classification

13667

Origin

ACTION: Amembassy RIO DE JANEIRO 939

Info:

732.00/9-2561

LIMIT DISTRIBUTION.

Your 821.

Paragraph 14 of Article 3 of Chapter II of constitutional amendment providing for parliamentary regime [redacted] grants appointive authority to President. However Article 7 of Chapter III requiring counter signature of Prime Minister appears apply all acts of President. If so, this would indicate Prime Minister [redacted] shares responsibility for Goulart's appointments which, [redacted] increasing Communist influence in Government.

Request Embassy comment [redacted] how appointive authority being exercised in practice. Also names, positions [redacted] Communists and Commie sympathizers appointed.

ROWLES
ACTING

(2)

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Drafted: ARA/BR:AWEmbree:EST/BC[illegible]Wilson:lss 9/25/61

Telegraphic transmission and classification approved by: EST - R. Wellman

Clearances:
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FORM DS-322

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Pol 039

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W I T H D R A W A L N O T I C E

RG: 059

TAB #: 49

ENTRY: CDF60-63

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COPIES/PPS/CLASS/SPECMARK

BOX: 1576

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 732.00/9-2561

Document Date: 25/09/61

Document Ser.#:

TEL 821 FR RIO DE JANEIRO TO SECSTATE

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00049



LH BR- Miss Sommer

'U.S.-Latin Relations Need More Sentiment Than Money'

A Portrait Of Carlos Lacerda, The Man Who Bounced Quadros

By JOE MORRIS

CARLOS LACERDA, the man most responsible for forcing the resignation of Janio Quadros, ex-president of Brazil, is governor of Guanabara, Brazil's newest state.

I called on him recently in his gubernatorial palace in Rio. I had heard that he was the fiercest fighter against Communism in all South America and I wanted to meet such a man.

It was exactly 7 p.m. when I entered his private office.

The high ceiling made the long, narrow room seem spacious. There was a fireplace near the entrance door. The governor, seated at a massive mahogany table in the center of the room, with three empty straight back chairs on either side and one at the end opposite him, gave the impression he was dining alone.

The piles of paper before him, rather than plates, indicated he was hard at work.

He arose quickly, rounded the table with outstretched hands and a smile of friendly welcome. When I left an hour and a half later it was as if I had known him a lifetime.

* * *

LACERDA talks to strangers as if they were old friends. He speaks with the authority of a teacher on any subject. His eyes meet others head on—evading nothing. He is tough, decisive, hard working and a fighter.

The hectic life of political office would upset most people. But Lacerda survived his ulcers seven years ago and a nervous breakdown two years later.



Joe C. Morris, a Miamian whose airplane parts business takes him to many of the world's trouble spots, has a reporter's instinct for the key happenings as well as the ability to write them in professional style. Recently returned from Brazil, he wrote this account of his interview with Carlos Lacerda, governor of Guanabara State and a staunch friend of the United States.

Now, he watches his diet, undivided attention to the remarks I made about the need smokes little, avoids business luncheons, rests a half hour for North and South Americafter lunch and works a steady cans to work as partners seven-day week . . . 16 hours against Communism in the ina day. He lost 20 pounds the terests of the Western Hemifirst four months in office. sphere and the free world.

* * *

THE GOVERNOR can listen as well as speak. He gave his terial base to fight Con-

* * *

Then he said, "The United States has been using a ma-

munism. She needs to use more sentiment — more feeling. The democratic leaders in the Western Hemisphere are afraid to be called idealistic. I believe in idealistic realism. We are too cold in our discussions. We need more soul . . .

"Latin America and the United States have a big job just to know each other," he said and cited this example:

"I began my term as governor December 3, 1960. School was due to open in March. The biggest problem facing me was to find room in the schools, already overcrowded, for 100,000 children, age 7 to 13, who had never attended school before. And there was not one cent in the budget for such an expense.

"At that same time your American Point Four people came to see me. They wanted to discuss providence, under a Point Four action agreement, for giving technical assistance to our police. I had to politely refuse their help."

Then he asked, "Could I come to this office, knowing hunger and ignorance were my most important problems, then make my first act one that would have to do with training police?"

He laughed. "Think what the Communists would say. This is the reason we Americans must understand one another better."

* * *

OUR DISCUSSION took place just prior to the July meeting of the Organization of American States in Montevideo. When I asked him to evaluate the effectiveness of the OAS, he said, "If the members of the Organization of American States fail to cooperate as a collective unit in the defense of the Western Hemisphere, who can claim that the United States — or anyone else — should not go it alone?

"We have been trying to define 'aggression' and 'intervention' for more than 100 years. We have discussed and declared our policies countless times. And we have signed document after document in Bogota, Rio de Janeiro and Santiago to intervene collectively in an, 'all for one,' common defense.

"I'm for it," he thundered, "but when the time comes that something should be done and the only action taken is heel-dragging, tail-dragging and doing nothing, then I favor going it alone."



Gov. Lacerda
...'Raven' to friends

* * *

BORN IN 1915 in Rio de Janeiro, Lacerda is the grandson of Brazil's Supreme Court president, Sebastian Lacerda. He has always been an independent thinker, and he found a thriving satisfaction in the study of painting, poetry and playwriting. He delights in semi-classical music and loves flowers . . . especially red roses.

His opposition to tyranny and the suppression of freedom, dates back to his law student days in 1937. He and several college companions, traveling up the San Francisco river in northeastern Brazil, were telling everyone who would listen that the dictatorial government under Getulio Vargas was wrong. Near Bahia, Vargas had his secret police throw the young man in jail.

Soon after his release he married, Jobs were hard to find and harder to hold. First as a magazine writer, then a reporter for the newspaper, 'O Journal,' he later became a columnist for 'Correio da Manha.' He chose the title "Na Tribuna da Imprensa" which implied that the press had the right to speak with the same authority and immunity as did Roman senators when they spoke from the Tribune of Rome.

After Getulio Vargas was elected president of Brazil in 1950, Lacerda openly attacked him and exposed the graft and corruption practiced by Vargas' friends and family. Many believed Lacerda's expose was the motive forcing Vargas to kill himself.

* * *

LACERDA, elected to Brazil's Chamber of Deputies in 1954, lived a year in exile in Portugal, protesting strongman Henrique Lott's protege, Nereu Ramos, moving into the presidency of Brazil rather than Carlos Luz, the constitutional successor.

Returning from Lisbon in 1955 his plane arrived in Rio at 3 o'clock in the morning, more than 15,000 people were on hand to welcome him. Later the Portuguese friends he made in exile sent him a big, black bird — a token of their affection. Hence his nickname, "The Raven."

In 1958 he was reelected to the congress with a plurality greater than any other deputy in the country. He resigned in 1960 to run and win the first governorship of Guanabara.

Governor Lacerda, a Brazilian who knows the people of Brazil, also knows the people of the world and the troubles of their time. Two of his books, compilations of his newspaper writings — at the Peace Conference in Paris, and at the time of creation of the new state of Israel — are: "How the Peace was Lost" and "Three, all and the Arabian World."

0948

(39)

[redacted]

Memorandum

Reply drafted by ARA/EST/IB L.T Briggs 10-5-61

from

JOE MORRIS
Trans-Air Supply Co.
Box 156 • Miami 48, Florida

September 25, 1961

Department of State
Latin American Desk
Washington, D.C.

Gentlemen:

I submit an article which I wrote and which appeared in the Miami Herald, regarding Carlos Lacerda of Brazil, in the hope it may be useful information.

Very truly yours,

Joe G. Morris

Joe G. Morris

732.00/9-2561 XR 9-1161

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NOV 27 1961

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Joe C. Morris
TRANS-AIR SUPPLY COMPANY
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MIAMI 48, FLORIDA



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VIA AIR MAIL

Department of State
Latin American Desk
Washington, D.C.

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7ib RM/R

October 5,1961

Dear Mr. Morris

Thank you for sending the Department of State a copy of your interesting article about Governor Carlos Lacoste, which appeared in the September 18, 1961 "Miami Herald."

Sincerely yours,

S. M. Milam
Officer in Charge of Brazilian Affairs

732.00/9-2561

Mr. Joe G. Morris,
Trans-Air Supply Company,
Box 250,
Miami 48, Florida.

ARA/BST/BriTriggs/sb
10-5-61

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of the National Congress and Governor Cid Sampaio, and the demand for economic "emancipation" for Brazil.

Rio Grande do Sul's Governor Leonel Brizzola, the "Guardian of Legality," was lauded extensively and expansively as was President Goulart. Brizzola had been invited to attend, and although he did not do so it is understood that he planms to visit Recife and other cities in the future to agitate for an early plebiscite on the parliamentary amendment.

Albert A. Rabida
American Consul

2 cc - Amembassy, Rio de Janeiro

0944

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HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

For Department Use Only
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OCT 2 1961

FROM : Amconsul, RECIFE

NO. 69

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE: September 25, 1961

REF :

Tele, re action
E&T/B: jwalters - lmw
10-19-61

20 For Dept. Use Only	ACTION	ARA-4	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
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				OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB	DEPARTMENT OF STATE				
		REC'D 10-10-61			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA	BUREAU OF INTER-AMERICAN AFFAIRS				
					6	4	10	4	5		10	4	OCT 13 1961				

SUBJECT: Recife Leftists Celebrate End of Political Restraints

Leftist political leaders in Recife, the Pernambuco Students Union (UNE), and the Union Council of Laborers staged a mass meeting in downtown Recife on the night of September 18, 1961, ostensibly to mark the 15th anniversary of the Constitution of 1946, but really to sound off following recent restraints and to claim "victory" during the recent political crisis. The occasion may have been designed to test the reaction of security authorities, but the meeting was permitted to be conducted without any police or military discouragement. Newspapers reported an enthusiastic crowd of 10,000 attended; the reporting officer estimated the gathering at about 3,500 "interested" spectators. There was a four hour barrage of rabble-rousing speeches.

Speakers included Recife Mayor Miguel Arraes, Olinda Mayor Barreto Guimaraes, Palmares Mayor Luis Portela de Carvalho; State Deputies Carlos Luis de Andrade (PTN), Sergio Murilo (PRT), Almany Sampaio (PRT), Paulo Viana de Queiroz (PTB); the Director of the Communist newspaper A Hora, David Capistrano; labor leaders João Barbosa (COSINTRA), Cicero Targino Dantas (portworkers), Olimpia Lacerda (stevedores); and students Fernando Correia and Fernando Teixeira. Acting Governor Pelopidas Silveira sent a message of support and identification which was read by Deputy Carlos Luis de Andrade.

Mayor Arraes claimed that the political victory gained by President Goulart represented another stage in what he described as the continuing battle with "foreign pressures" allegedly "plotting against the Brazilian Government." He irresponsibly likened the Quadros resignation to the suicide of Getulio Vargas "since both were caused by foreign pressures." All speakers appealed emotionally to the Brazilian masses to continue "united in the defense of their public liberties and the Constitution."

Other leitmotiv played during the evening: the necessity of an immediate plebiscite, punishment of "golpista" military leaders, criticism

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NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

0943

W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 48

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BOX: 1576

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 732.00/9-2561 HAJ

Document Date: 25/09/61

Document Ser.#:

DESP 15 FR PORTO ALEGRE TO STATE

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NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00048



recent days but on other occasions, problems of the Constitution and of the electoral law. He pictured himself as a man whose responsibility was the revision of our substantive and adjudicative law. He said that Governor Lacerda agreed with his points of view, that the Constitution and the electoral law should be reformed.

He stressed that the meaning of reform, the method, and the person to do it could not be named because all this depended on study. He made allusion to the lottery racket in Guanabara, saying that Deputies were chosen by number--"vote for 409"--depending on luck.

He renewed his criticism of Governor Lacerda, who had decreed that radios and television of Guanabara could not carry interviews of certain persons including Pedroso Horta.

He said that Governor Lacerda is a man that studied eloquence, that studied the pitch of the voice. Gestures, pitch and accents were all taught by Dona Esther.

He made allusion to the death of Getulio Vargas in August 1954.

"I do not know of a more bitter, more overwhelming, more desperate destiny than that of this man of singular talent, of impeccable speech, of perfect gesture, of a voice admirably pitched who is called Governor Lacerda."

Following is the version of the last two paragraphs of Horta's speech as it appeared in Jornal do Brasil in Rio.

"I do not know of a destiny more grief striken than that of this man of the well pitched voice. Years ago died in Catete a man who despatched a shot into his heart; yesterday in the Palace of the Alvorada, another man wounded the heart of the majority of Brazilians. Renouncing because he no longer felt daring. This man is my President Janio Quadros, your President Janio Quadros, who is somewhere, but is no longer the President of our country.

The cannibalistic talent of the Governor of Guanabara threw him from Alvorada. The Brazilian people do not have, however, reasons to worry about their present or their future. Democracy is exactly this way: It must always perfect itself. The episode of today, as much as it pains me, is merely an episode in the history of Brazil. Brazil is eternal, and we will truly know how to find, in our failures, the perfection of Democracy."

Translated by: Thomas M. Tonkin

0941

not to disturb the normal functioning of the State of Guanabara. I manifested the hope that the episode could be forgotten. END QUOTE

On the following day, said Pedroso Horta, Janio Quadros, already in the State of Guanabara, called the Governor. Lacerda appeared, said the ex-Minister, and agreed that they would go together to Brasilia "to deal with bitter and hopeless affairs with someone who acted at times as his friend and father."

However, continued Pedroso Horta, on the following morning, at the hour appointed for embarcation, Lacerda sent to Janio Quadros a letter "in which he excused himself from going to the Federal District because his son Sebastião would return on that day from abroad. But at the same moment, the same hand that had written the letter to the President wrote in Tribuna da Imprensa the editoral which attacked and accused the policy of the President, his person, and the intentions of the man which the Brazilian people elected. Yesterday on television the Governor did not speak of the commercial drama of his business."

Continuing, Pedroso Horta commented on the statement of Lacerda that he did not possess proof of his accusation and it was merely a matter of one word against another. However, said the ex-Minister, he had "an unquestionable witness."

"In the farce which is taking place there is nothing that cannot be said. The witness that I invoke is a good man, I trust in his word, in his hands I deposit my own reputation, in spite of his connections with Carlos Lacerda. It is Clemente Mariani, father-in-law of the son of the Governor of Guanabara.

Clemente Mariani said to me that on being informed by Lacerda that he had taken to Janio Quadros and to me the news of the misfortune of his son Sergio, Mariani said to him /Lacerda/ that the affair ought to be handled only through the father and the boy responsible for the business."

Pedroso Horta later said that everything had taken place on Friday. "Saturday, Sunday, Monday, Tuesday, Wednesday, and Thursday passed. And on Thursday I am denounced by the Governor who came knocking on the door of my house and with me had discussed the things I am relating. I am accused of acting against fundamental principles of the institutions. What was I going to attempt? There is no reason which would justify it."

Pedroso Horta said then that actually he had discussed, not in

0940

Palace. He alleged to be in the condition of a shipwrecked person, invoked his condition as a father who had given to his son the direction of a business which was about to fail, a business which produced a two and a half million cruzeiros deficit monthly.

He alleged that he needed to renounce his mandate to take the place of his son, for he did not have the right to sacrifice him in the misfortunes of his commercial life. He also said that he could not administer Guanabara, repelled as he was by his party. And because, also, he had difference of opinion over the foreign policy of the government. A policy which, in four months, had made Brazil one of the most important powers of the world.

Janio Quadros, worried about the direction which the confidences had taken, interruped the conversation and asked me to invite Carlos Lacerda to my apartment. Lacerda wanted to go with him to Vitoria, and from there to Rio, the site of his government. I had as visitors Santiago Dantas and José Aparecido. Lacerda arrived, we exchanged general ideas and I took him to anther room and there also heard him say that he had come as a castaway, asked that he be helped in the commercial crisis which involved the very future of his child.

I always had a profound sentiment of admiration for the immense talent of the Governor of Guanabara, for his strange personality, formed from dramas which were inexplicable. I calmed him. We returned to the main room, we conversed, and Lacerda said that he had to leave for he had left his suitcase in the Palace of Alvorada.

He left, and I, in order to spare Carlos Lacerda the inconveniences of identifying himself to the guard, to avoid that he cross the extensive patio, telephoned the Major-Domo and asked him to carry the bag to the gate. To avoid inconveniencing Lacerda.

Fifteen minutes after his departure the very same Carlos Lacerda indicated to me, shouting, that he was going to renounce his mandate because he was the victim of disrespect. END QUOTE

Pedroso Horta said then that he went to the National Hotel where Carlos Lacerda was staying and explained that "there was a misunderstanding."

QUOTE: We did not discuss politics, we merely discussed small episodes on the criticism and the jibes which he was making to the Deputies of his party, excepting only the person of Raul Brunini. At 4:30 in the morning Lacerda insisted on renouncing. I appealed to him

0939

Communist Party or Luis Carlos Prestes to enter the Integralist Party? I am not an imbecile!

This movement, therefore, might have been sought by our government. But how can a tendency to the extreme left be imagined of a Ministry which has as Minister of Labor an authentic spiritualist as Castro Neves;which has as Minister of Finance Clemente Mariani; as Minister of Industry and Commerce Arthur Bernardes Filho; and as Military Ministers Marshal Odylio Denys, Brigidier Grum Moss and Admiral Silvio Heck? A strange, whimsical, incomprehensible team we would form if we were associated, through my intercession, with authorization of the President, to invite the present Governor of Guanabara to participate in a subversive movement. I didn't invite him. I would never invite him.

This Governor arrived in Brasilia Tuesday of last week in conditions which now I have the right, the duty, to reveal. As a member of the Government I would not do it. I do it now as a citizen.

Tuesday, still early, the Governor knocked at the door of the Palace of Laranjeiras in his state of Guanabara and asked for the intervention of the wife of the President of the Republic, Dona Eloá Quadros, to arrange, as a wife, for her husband to receive the Governor of the State of Guanabara. He was disturbed, emotional, saying that he was passing through an extreme crisis and desired to confide in someone who would understand him as a brother and as a father. As a father that he had not had, he said.

Dona Eloá telephoned the President and asked him to receive, not the Governor of Guanabara, but a disoriented man, for his son was running an imminent risk which he, as a father, wanted to prevent.

Around 12:00 on that Tuesday, the President telephoned the Governor of Guanabara, suggesting that a meeting be arranged for Saturday afternoon, for in the morning he would have to go to Vitória. The Governor begged the President to grant him an audience. And he alleged that the situation was terrible, urgent and could not be postponed.

In the Tribuna da Imprensa it said that the President had invited the Governor. The President did not call; the President allowed the meeting for reasons of human solidarity.

At 8:30 p.m., Carlos Lacerda arrived in Brasilia and went to the



TRANSLATION OF SUMMARY OF SPEECH
BY EX-JUSTICE MINISTER PEDROSO HORTA, SPEAKING ON SAO PAULO TV,
AUGUST 25, AS IT APPEARED IN O ESTADO DE SAO PAULO

QUOTE: I know that your home is at this moment a house disturbed by the uncertainties surrounding the future of our country. I would like to knock on your door to offer you tranquility, hope and confidence, to which I myself aspire. However, it is not this reason which brings me to knock on your door.

Yesterday afternoon, in terrible, boring and disastrous Brasilia, when I was still Minister of Justice, they asked me to give permission for the television stations of Guanabara to be given free to Governor Carlos Lacerda so that he could pronounce a terrible libel against my humble and incidently-known person.

Now, at this moment, I also know that the Governor of Guanabara, exceeding his powers, prohibited TV stations of his state to transmit my words. These words, therefore, the free press of Guanabara will have to carry to the Brazilians of that State. It is true that my image and my voice cannot reach Guanabara. However, the liberty of the press, safeguarded until today, will carry my words to the Cariocas.

I did not seek this debate, nor wanted it, nor would I want it. Yesterday friendly voices advised me by telephone that I had been accused by Governor Carlos Lacerda of having tried to induce him to enter a conspiracy, either of the extreme left or of the extreme right, against the Constitution, which, as Minister of Justice, I had the obligation of defending. I did not hear nor see the libel against this person which the Brazilian people elected. If the answer does not appear to you to be completely conclusive, it can be attributed to the insufficiency of him who furnishes it.

I might have--according to what I hear--invited His Excellency to participate in a movement which would revoke public liberties, and with the support of two military ministers, to topple in favor of dictatorship of the extreme left.

I would never invite the most well-known blabber mouth of this Republic for a conspiracy of the extreme left. He, who is well known as a man of the right.

How would I invite a man of the extreme right for a conspiracy of the extreme left? How would I invite Admiral Penna Botto to enter the

0937

Brazil entering the Russian orbit, under the cloak of neutralism. The award given to "Che" Guevara will, at least, serve to hide the blot of blood that he carried on his breast--the assassin of his brothers.

The purpose of our protest is based on the hope that the sound of so many voices will awaken the public conscience of the President of the Republic, asleep in the desert of Brasilia. I know that the time of Brazil's leftism will end in 30-45 days. I know it is a makeshift international leftism. I advise the great middle class that the tactics of President Janio Quadros are unable to succeed. Personal power, he knows, is a pendulum which swings and makes move the machine of inordinate ambition.

Everything I have said is the truth. I have never lied to my friends. I know that Horta called Deputies to converse with them. He wants to be vaccinated and afterwards say that it was nothing, that it was all a hallucination or a mistake.

I was certain that I had not the right to keep silent in view of the magnitude of the plot. I want to interpret this to the people of Rio de Janeiro, who are the sentinels who must alert everyone, even at their own sacrifice. I am confident in public officials and the various legislatures and their ability to find concrete solutions. It is not my intent to oppose Quadros but to help him against himself, for his moral authority is being drawn off. I will remain so that the President will not remain alone, and later, plotters cannot say that I deserted or faltered in my duty in the hour of danger.

Translated by: Harry Weiner

0936

It was thus in a bohemian and confused atmosphere--like everything else in Brasilia, lots of whisky, that Minister Horta asked me either to resign or to join the plot. I replied that it was not compatible with the Brazilian political scene and that he should leave it, or else fall into a mortal error. The meeting lasted until 4:00 Sunday morning. /August 20/

That night, in Rio de Janeiro, I met with President Quadros, who had also come there, I had a frank, clear, cordial talk with Mr. Quadros. I expressed the feeling that personal power was like a pendulum that swung from left to right but tended to result in a stripping of gears, as had occurred in 1935 when the machinations of the Communists culminated in the coup of November 10, 1937.

The soundings-out that Minister Horta told me had been made with the two military ministers had never taken place. Nobody sounded them out. The lie was faked to muddle the government of this state over the insufficiency of the administration to halt the march of the Communists. It didn't have that effect. I shall not remain silent any longer. I know that there already exist ten versions of my conversation with Minister Pedroso Horta. However, I declare it, and it is my word against his. I know that others were sounded out, but no state governors.

The crisis, to be brief, was a palace plot of mediocre men trying to resolve, by illegitimate means, the difficulties of the administration. We say now, that if the President has difficulties with Congress, let us all meet together, to give him help. We offer him everything, so that he can democratically govern the nation, because he is the hope of the Brazilian people.

To speak of the right and left, makes me laugh, if it were possible to do so at this time, since the right wants the rule of law, that things be done democratically, and the left allows tyranny to be introduced to our country. Personal power is leftist, is dictatorial. President Quadros, isolated in the confinement of Brasilia, surrounded by an inexperienced "palace guard" which has adulation as its raw material--this is the situation that really exists. However, the President has in his hands the greatest collection of powers that the people can confer on a man in a democracy, and we ask nothing except that he govern democratically, with the people.

We bear this cross, we want to work with him. But we will not admit into Brazil, in the name of the left, the cheapest kind of reaction. We will not allow to be seen from abroad the spectacle of

0935

"the color of a rose"; they are patriots above everything and above any personal power.

/Lacerda then told how Minister Pedroso Horta claimed that two military ministers had been sounded out and that he had been asked to sound out another./

After this meeting I resisted alone all solicitations and I remained alone. I dealt with administrative matters and did not confess to my most intimate colleague the drama of conscience that was weighing on my mind.

I decided to see President Janio Quadros again /and Mrs. Quadros arranged it/. I made the trip to Brasilia /August 19/ with the wish that I could put all this aside and return to my home, for I wanted to be neither party to nor a victim of the plot being woven. In Brasilia I was greeted by Pedroso Horta with the news that he would be able to discuss the matter only in 30-45 days. At 11:00 a.m., the President called Horta and told him he would receive me. I went to the Palace feeling uneasy. Arriving there I met /only/ Deputy Santiago Dantas and Quadros' secretary.

Minister Horta asked me whether I had sounded out the military minister as had been requested by Quadros during my last visit to Brasilia. I said no. He asked me whether I had sent the 1956 articles to the President, I said no, inasmuch as they were no longer useful, this being a different time.

Continuing the conversation, Minister Pedroso Horta requested me not to accompany President Quadros to Vitoria (Saturday, August 20). I replied that I had not accepted the invitation for the trip. Minister Horta said it would be inconvenient to appear in public with President Quadros; there might be speculation. I replied that there would be no speculation since I had told no one of our conversations regarding Institutional Reform. I asserted that there would be nothing untoward about the President and the Governor of Guanabara appearing together in public.

Later I went back /again/ to the Alvorado Palace, and found my suitcase with the doorman with the information that the President had already retired and that I should go to the hotel. I was no longer the guest of Mr. Janio Quadros. At the Brasilia Palace Hotel, Minister Pedroso Horta sought me out by every means, including banging on my door. I couldn't do anything but receive him.

0934

the trip the President told me it was not yet the time to talk of this matter and he cut the matter short.

On my visit-before-last to Brasilia, Friday, the President put the question overtly. He said that he was preparing a basic institutional reform for Brasil, to reform the regime. He commented that inasmuch as the Congress wanted a paid recess, it could stay in paid recess permanently.

He said that he would need the support of certain Governors for this reform. Referring to the state of São Paulo, he said that Governor Carvalho Pinto was not yet ripe for this matter. Later he would enter the discussions--this was a preliminary.

The reform that he had in mind, continued the President was almost identical to that expressed in my 1956 articles in the Tribuna da Imprensa. At that time, because of those articles, I was called an overthrower of the government ("golpista"). The articles envisioned a delay in elections and an acting government, for the reform of institutions, electoral law, political parties--in brief, of the functioning of government. The President asked that I send him the articles to study, that he liked the idea.

However, I declared that the solution I envisaged then was for the situation at that time and not for the Brazil of today. The article that he asked me for, whose ideas pleased him, is completely obsolete for use now.

When I asked President Janio Quadros what the Brazilian people would think of all this, he told me that he would hold a popular referendum asking support for a Basic Institutional Reform of Brazil, that it was a necessity. I told him that it was impossible to ask the Brazilian people for a blank check, giving full powers to the President of the Republic to do what he thought best about institutional reform, especially now, when the chief of the Nation was beckoning toward the side of Russia. How could one give full powers to a President who wanted to take Brazil down a road she did not want to tread?

There were two alternatives presented to me: Either the democratic groups of the country would support the Reform of Institutions, or the leftists would support a basic reform. I asked what the Armed Forces would think of this and the reply was that they would not oppose the movement. But I am certain that the Armed Forces will not be capable of supporting the movement of a government which has a foreign policy

0933

TRANSLATION OF TV-RADIO SPEECH
OF GOVERNOR CARLOS LACERDA, AUGUST 24,
AS IT APPEARED IN TRIBUNA DA IMPRENSA, AUGUST 25.

QUOTE: I will remain as Governor of Guanabara in order that President Quadros not be left on his own to go off the tracks. I will remain out of respect for those who have left and others who had not the courage to remain. I will remain to fight for the rights of those who have placed their confidence in me. And I will remain so that those who hate me, who have defamed and maligned me, will not say that in the hours of plotting intrigue I failed my duty.

I came before the public to fulfill my duty to bring to the knowledge of the people of my country, of Guanabara, to all my Brazilian brothers, the reasons for which I had decided to resign as Governor of Guanabara and from public life. However, faced with appeals from all walks of life, from my conscience and heart, I have decided to remain until the end.

I do not believe that Janio Quadros will give in to arguments; however, this crisis opens the opportunity for understandings, which are, in democracies, the right road to important solutions. I do not want to humiliate anyone with what I am going to relate, but I do not want it said that I do not have the authority to speak. I earned that authority by 16 years of battle as the Opposition; that is my base and it gives me the right to be heard, before this country is transformed into a dictatorship. What I am going to say is not a political fiction despite the denials it will bring forth.

I want to relate simply, without creating alarming effects, all that took place in the so-called crisis. Whoever wishes to, may accuse me. I know I will not lack accusations. However, they should not accuse me of untruth, because, if I kept quiet I would receive all possible and imaginable benefits. At the meeting of state governors, the President called me to say he was worried about the functioning of the administration, with Congress depleted, with the failure and fragmentation of parties and the failure of Brazilian public life. At another meeting, during the same period, Minister Pedroso Horta confided to me that the President was capable of resigning in view of the state of affairs. I asked to continue the conversation personally with the President on another occasion.

The following Sunday in São Paulo, I could not arrange to speak with Mr. Quadros, neither in the palace nor in the airplane. During

0932

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no action
ARA:ESTIO 732.00/9-2561
JW 10-11-61
XR 732.111

FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

226
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 25, 1961
DATE

REF :

DEPARTMENT OF STATE
OFFICE OF INTERNATIONAL AFFAIRS

For Dept. Use Only	ACTION	DEPT.
	REC'D	INFO OTHER
20	ARA-4	RM/R-2 INR-7 P.3
	9-30-61	CIA-10 USIA-10 NSA-4 OSD-5 Army-4 Navy-4 AIR-6

SUBJECT: Documents Pertaining to the August Crisis: (1) Governor Lacerda's Speech of August 24; (2) Pedroso Horta's Rebuttal

RM/R

One of the more important developments leading up to the resignation of Janio Quadros and the ensuing political crisis in Brazil was a TV and radio speech delivered by Guanabara Governor Carlos Lacerda on August 24, in which he alleged that Quadros, acting in person as well as through his Minister of Justice, Pedroso Horta, had sought his support for a scheme which would in effect have resulted in the establishment of a dictatorial or semi-dictatorial regime. Lacerda's allegation had serious political repercussions in Congress and other political sectors and almost certainly was an important factor in Quadros' resignation less than 24 hours later.

The translated text of Lacerda's speech is enclosed. Also enclosed is a translation of the rebuttal made by Pedroso Horta on São Paulo TV next day, after Quadros' resignation, in which Quadros' ex-Minister of Justice attempted to refute Lacerda's story. His effort was unconvincing, being marked by evasions, irrelevancies and calumnies of obvious political motivation, and containing, buried amidst these, the admission that he and Lacerda had indeed discussed the possibility of reform of the constitution and the electoral law.

732.00/9-2561

For the Chargé d'Affaires a.i.:

APPROVED:

Niles W. Bond
Chargé d'Affaires a.i.

Robert H. Shields
Second Secretary of Embassy

CS

Enclosures:
1. Governor Lacerda's Speech of August 24
2. Pedroso Horta's Rebuttal

DISTRIBUTION: All Consulates in Brazil, Service Attachés, USIS, Econ (2) Brasilia, CF (3), POL (5), Labor.

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ACTION COPY — DEPARTMENT OF STATE

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0931

B) Na solução a longo prazo:

Sugestão adicional VIII
Prepara projeto de lei passando a Comissão Coordenadora da Criação do Cavalo Nacional para o Ministério da Agricultura.

Sugestão adicional IX
Preparar projeto de lei transferindo, para o Ministério do Trabalho e Previdência Social, os Conselhos Federal e Regionais de Medicina.

0930

S.O.M.

SEÇÃO DE MÉTODOS

ADENDO

Em adiantamento às sug-estões apresentadas ontem, 13/9/61, para conformar as medidas a serem tomadas a curto e a longo prazo com a distribuição constante da CONCLUSÃO (Pág. 2) daquele trabalho, torna-se necessário introduzir:

A) Na solução a curto prazo:

Sugestão adicional I
Passar para o Ministério da Agricultura, mediante decreto, os seguintes órgãos:

a) Parque Nacional do Xingú
b) Comissão de Amparo à Produção Agropecuária
c) Conselho do Desenvolvimento da Pesca
d) Comissão Consultiva de Armazéns e Silos
e) Comissão Nacional de Política Agrária
f) Conselho Nacional de Administração dos Empréstimos Rurais

Sugestão adicional II
Passar para o Ministério da Indústria e Comércio, mediante decreto, a Comissão Brasileira de Turismo.

Sugestão adicional III
Passar para o Ministério da Educação e Cultura, mediante decreto, os seguintes órgãos:

a) Instituto Brasileiro de Estudos Afro-Asiáticos
b) Comissão de Planejamento da Universidade de Brasília
c) Comissão da Campanha Nacional de Aperfeiçoamento do Pessoal de Nível Superior

Sugestão adicional IV
Passar para o Ministério da Viação e Obras públicas, mediante decreto, o Conselho Nacinal de Telecomunicações.

Sugestão adicional V
Passar para o Ministério do Trabalho e Previdência Social, mediante decreto, o Conselho Nacional de Planejamento da Habitação Popular.

Sugestão adicional VI
Passar para o Ministério das Relações Exteriores, mediante decreto, a Comissão Brasileira da O.P.A.

Sugestão adicional VII
Passar para o Ministério da Aeronáutica, mediante decreto, o Grupo Executivo da Indústria do Material Aeronáutico.

0929

D) Passar para o MINISTÉRIO DA INDÚSTRIA E COMÉRCIO:

Comissão Brasileira de Turismo

E) Passar para o MINISTÉRIO DA EDUCAÇÃO E CULTURA:

a) Instituto Brasileiro de Estudos Afro-Asiáticos
b) Comissão de Planejamento da Universidade de Brasília
c) Comissão da Campanha Nacional de Aperfeiçoamento do Pessoal de Nível Superior

F) Passar para o MINISTÉRIO DA VIAÇÃO E OBRAS PÚBLICAS:

Conselho Nacional de Telecomunicações

G) Passar para o MINISTÉRIO DO TRABALHO E PREVIDÊNCIA SOCIAL:

a) Conselho Nacional de Planejamento da Habitação Popular
b) Conselhos Federal e Regionais de Medicina

H) Passar para o MINISTÉRIO DAS RELAÇÕES EXTERIORES:

Comissão Brasileira da O.P.A.

I) Passar para o MINISTÉRIO DA AERONÁUTICA:

Grupo Executivo da Indústria do Material Aeronáutico

0928

B) CONSELHO DE MINISTROS

I - Secretaria Geral
II - Assessoria Técnica
III - Assessoria de Planejamento Nacional
IV - Comissão de Tarifas
V - Comissão de Reparações de Guerra
VI - Conselho do Desenvolvimento

a) a curto prazo:

VI.1 - Comissão de Coordenação e Desenvolvimento dos Transportes
2 - Grupo Executivo da Indústria Cinematográfica
3 - Grupo Executivo da Indústria Metalúrgica
4 - Grupo Executivo da Indústria Naval
5 - Grupo Executivo da Indústria Metalúrgica
6 - Grupo Executivo da Indústria Mecânica Pesada
7 - Grupo Executivo da Indústria de Máquinas Agrícolas e Rodoviárias

b) a Longo prazo:

VI8 - Comissão do Vale do São Francisco
9 - Comissão de Desenvolvimento do Centro Oeste
10 - Superintendência do Desenvolvimento do Nordeste
11 - Comissão de Desenvolvimento do Planaldo do Ibiapeba
12 - Superintendência do Plano de Valorização Econômica da Amazônia
13 - Superintendência do Plano de Valorização da Fronteira Sudoeste do País.

VII - Instituto Brasileiro de Geografia e Estatística
VIII - Conselho Nacional de Pesquisas
IX - Departamento Administrativo do Serviço Público
X - Comissão de Classificação de Cargos
XI - Comissão de Readaptação dos Incapazes das Fôrças Armadas
XII - Conselho Coordenador do Abastecimento

C) Passar para o MINISTÉRIO DA AGRICULTURA

b) Comissão de Amparo à Produção Agropecuária
c) Conselho do Desenvolvimento da Pesca
d) Comissão Consultiva de Armazéns e Silos
e) Comissão Nacional de Política Agrária
f) Conselho Nacional de Administração dos Empréstimos Rurais
g) Comissão Coordenadora da Criação do Cavalo Nacional

-4-

0927

SOLUÇÃO A LONGO PRAZO

Efetivar, mediante remessa de Mensagem ao Poder Legislativo, as seguintes sugestões:

7ª Sugestão:

Quanto ao Gabinete Civil e ao Gabinete Militar:

Preparar ato legislativo alterando o Decreto-lei Nº 920, de 1/12/1938, que organizou os serviços auxiliares da Presidência da República. Verificar que atribuições devem ficar com o Gabinete do Presidente da República e quais os que devem ser transferidos para a Secretaria Geral do Conselho de Ministros.

8ª Sugestão:

Projeto de lei consolidando a criação da Secretaria Geral, da Assessoria Técnica e da Assessoria de Planejamento Nacional, como órgãos subordinados ao Presidente do Conselho de Ministros, órgãos êsses que, por motivo de emergência, deveriam ter sido criados por decreto (Vide 1ª Sugestão)

9ª Sugestão:

Projeto de lei transformando a C.R.I.F.A. em Fundação dos Veteranos do Brasil. Só assim os ex-combatentes do Brasil poderão ter a real assistência médica e social de que necessitam.

Enquanto a Lei não fôr sancionada, a C.R.I.F.A. ficará subordinada ao Presidente do Conselho de Ministros.

10ª Sugestão:

Projeto de lei criando o Conselho do Desenvolvimento e atribuindo-lhe a coordenação dos órgãos de desenvolvimento econômico regional e dos grupos de trabalho ligados às atividades industriais (Vide 5ª sugestão)

11ª Sugestão:

Projeto de lei extinguindo a Comissão Permanente do Livro do Mérito e passando suas atribuições para o Conselho da Ordem Nacional do Mérito.

CONCLUSÃO

Como conclusão, resultará a distribuição dos órgãos que eram diretamente subordinados ao Presidente da República, conforme discriminação abaixo, após a implantação das medidas a curto e a longo prazo, inclusive as mencionadas nos itens C a I, seguintes:

A) PRESIDÊNCIA DA REPÚBLICA

I - Gabinete Civil
II - Gabinete Militar
III - Conselho de Segurança Nacional
IV - Estado Maior das Fôrças Armadas
V - Conselho da Ordem Nacional do Mérito



A redistribuição dos órgãos ora diretamente subordinados à Presidência da República, para atender aos dispositivos da emenda constitucional que instituiu o regime parlamentarista, comporta duas soluções, sendo:

1ª) Solução a curto prazo, a qual se caracteriza pela implementação por meio de decretos, de medidas imediatas;

2ª) Solução a longo prazo, a qual compreenderá as medidas que não podem ser implantadas imediatamente por dependerem de atos legislativos.

SOLUÇÃO A CURTO PRAZO

Efetivas as seguintes sugestões:

1ª Sugestão:
a) Criar, mediante decreto, no Conselho de Ministros, uma Secretaria Geral, à qual deverão ser cometidas as tarefas ligadas ao expediente geral e à administração doméstica do Conselho.
b) Subordinar a Assessoria Técnica ao Presidente do Conselho de Ministros.
c) Criar, diretamente subordinada ao Presidente do Conselho de Ministros a Assessoria de Planejamento Nacional resultante da transformação da atual Comissão Nacional de Planejamento.

2ª Sugestão:
Extinguir, mediante decreto, o Conselho Nacional de Cultura, da Presidência da República, uma vez que êsse Conselho já existe, criado por Lei, na estrutura do M.E.C. (Decreto-leis Nº 526, de 1/7/1938 e 802, de 21/10/1938). Sugere-se instalar e por em funcionamento êste Conselho do M.E.C.

3ª Sugestão:
Extinguir, mediante decreto, o Conselho Coordenador da Indústria da Construção Naval (M.V.O.B) passando as suas atribuições para o Grupo Executivo da Indústria Naval.

4ª Sugestão:
Extinguir, mediante decreto, a Comissão de Estudos e Projetos Administrativos, por colidir com o Serviço de Organização e Métodos do D.A.S.P.

5ª Sugestão:
Atribuir, por decreto, ao Conselho de Desenvolvimento, a coordinação dos Grupos de Trabalho (Vide 10ª Sugestão)

6ª Sugestão:
Alterar, por decreto, o Conselho Nacional de Administração dos Empréstimos Rurais, para que seja presidido pelo Ministro da Agricultura, que deverá trabalhar em íntima colaboração com o Ministro da Fazenda.

0925

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

230
DESP. NO.

FROM : Amembassy RIO DE JANEIRO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 25, 1961

REF :

File, Houston 787/10; Johnson 10-4-61

OCT 5 DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS

For Dept. Use Only	ACTION	REC'D	DEPT. / OTHER
55	ARA-4	10/7	INFO RMIA-2 EMA-10 REP-1 OCT 6 1961 CIA-10 USIA-10 OSD-5 army-4 navy-4 aus-6

SUBJECT: DASP Proposal for Governmental Reorganization NSA-4 UAB-8

Enclosed is a copy of a proposal by the Departmento Administrativo do Serviço Público (DASP) for redistribution of the agencies directly subordinate to the Presidency of the Republic in order to adjust the federal administration to the requirements of the new parliamentary system. The proposal would leave under the Presidency of the Republic only the Civil and Military Households, the National Security Council, the Armed Forces Chief of Staff, and the Council of the National Order of Merit. All other agencies--except certain agencies recommended for extinction--would be transferred to the jurisdiction of the various Ministries.

Since the President's patronage would be substantially reduced under the proposal--and congressional patronage (direct or indirect) in virtually the same degree increased--a serious clash of presidential and congressional interest is involved, the outcome of which not only will be a significant index to the nature of the present power complex in the federal government but also will affect importantly the future of Brazilian domestic politics.

732.00/9-2561

For the Chargé d'Affaires a.i.:

Robert H. Shields

Robert H. Shields
Second Secretary of Embassy

APPROVED:

Niles W. Bond
Chargé d'Affaires ai.

Enclosures: As stated

DISTRIBUTION: All consulates in Brasil, Service Attachés, USIS, Econ (2), POL II, Labor, Brasilia, CF (3), Pol (5)

HAJ

RHShields:jw
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ARA (13)
Info
PM/R-2
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S/P-1
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CIA 15
USIA 15
OSD-20
army-MI
navy-4
air-2
NSA-4

UNCLASSIFIED
Classification

PAGE 1 OF 1 PAGES

Date Sent: Sept 23 1961
Rec'd:

XR 732.03

SEP 1961

FROM: Amembassy RIO DE JANEIRO

TO: Secretary of State

NO: A-161

file, no action.
EST/B: Jerusalem - Lusc.
10-9-61.

Official version constitutional amendment as published Diario Oficial of September 2 is identical to our A-101 except Article 14, paragraph 2 which reads as follows:

QUOTE The Chamber of Deputies [which was dissolved] shall be able to meet with full powers if elections are not held within the period stipulated. END QUOTE

BOND

732.00/9-2361

POL:TMTonkin:gw
September 20, 1961

RShields:

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NOV 1 10 46 AM '61

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0923

The reporting officer understands that Andrés G. Sanchez, now assigned to the Consulate General in Sao Paulo as Communications Supervisor, will be assigned to this post as Chancell r of Consulate, with a vice-consular commission. Mr. Sanchez will probably not be transferred to this post until after the reporting officer's departure.

Comment: (UNCLASSIFIED)

For years a second officer has been desperately needed at this post in order to relieve the Principal Officer of a great burden of routine and not-so-routine work. With a second officer in Santos the Consulate will be able to realize its full potential with regard to substantive, as opposed to administrative, output.

VI PSYCHOLOGICAL

1. U.S. Professor Continues Lecture Series at Local BNC (UNCLASSIFIED)

On September 19 Dr. Albert Van Nostrand (see Weekly Comment of September 15, Psychological item 1) delievred the second in a series of lectures on "The Formation of Ideas in the United States".

Comment: (UNCLASSIFIED)

Dr. Van Nostrand's second audience at the Santos Binational Center was 50% greater than his first, and his talk was extremely well received, as anticipated by the reporting officer.

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0922

he was supposed to have acquired on the free market in speculation. The manager would then draw on the bank's current dollar account in the U.S. to finance the withdrawals by the accomplice, apparently juggling the books to show non-existent dollars received from the accomplice and giving his own guarantee the cover the bank's indebtedness. A routine audit seems to have discovered the crime.

The manager had been living it up in a fancy apartment in Guaruja and owned three automobiles, all late models.

Comment: (OFFICIAL USE ONLY)

The Royal Bank of Canada here is a small operation, has never made much of a success, and from time to time it has been rumored that it would be closed.

4. Apartment House Collapses (UNCLASSIFIED)

On September 19 a large three-story apartment house still under construction collapsed without warning, completely ruining the structure and damaging a neighboring residence. Miraculously, no one was hurt.

Comment: (UNCLASSIFIED)

The building belongs to Dr. Agostinho Ferramenta da Silva, a Santos City Councillor (PTN), and was being built by the "Modal" Construction Company. The firm constructing an apartment next door as well as other building promoters have rushed into print loudly disclaiming any connection with the misfortune, which has cause quite a local stir (and shudder).

The building boom for apartments in Santos has not clackened for the past several years. But Santos stands on swampy ground and large apartments are constantly rising on what seems to the reporting officer's untrained eye to be inadequate foundations and unreinforced supports.

IV CONSULAR

1. General (UNCLASSIFIED)

The post's consular operations have continued normally during the past week, but shipping and seamen work is still at a higher-than normal level.

V ADMINISTRATIVE

1. Santos to be a Two-Man Post (UNCLASSIFIED)

/The reporting

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0921

III ECONOMIC

1. Cut-Rate Coffee for Holland -- And the U.S. (LIMITED OFFICIAL USE)

The reporting officer is informed by the Santos representative of the U.S.-Brazil-Canada Freight Conference that he has reason to believe that the Simonson interests in Brazil are currently shipping from Santos considerable quantities of coffee to Holland aboard ships of the Hamburg Sud and Rotterdam-Zuid Amerika lines at low prices, with the coffee to be re-exported from the Netherlands to the United States and there marketed through a Simonson front in New York.

The source gave as his opinion that the spread in prices between the sale price of the coffee in the Netherlands and the sale price in New York was being used to pay off part of Brazil's debt for modernization of the aircraft carrier Minas Gerais. The source indicated that all this went on with the active connivance of the Brazilian Government.

No other details are available to the reporting officer at this time.

2. Status of Port Congestion (UNCLASSIFIED)

On September 21 there were seven ships anchored in the roads awaiting berthing space alongside, and ten at anchor inside the estuary proper.

Comment: (UNCLASSIFIED)

The reporting officer understands that five of the ships at anchor outside the port are grain ships, and that the American-flag vessel Village, also with grain, is most unhappy at the prospect of waiting a month or so before she will be able to come alongside and commence discharging, in view of the several ships in line ahead of her.

3. Big Embezzlement at Royal Bank of Canada (UNCLASSIFIED)

On September 15 (but made public only yesterday) it was discovered that the local manager of the Royal Bank of Canada, an Englishman, together with a French accomplice outside the bank, had since January managed to embezzle $1,194,010.08. The manager has made a full confession and assumed entire responsibility, but the accomplice has escaped.

Reportedly the technique employed was for the manager to issue cruzeiro checks on the Bank of Brazil, payable to the bearer, or even cash, ostensibly in return for the accomplice's dollars, which

/he

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It would appear that Goulart may be having some trouble in finding the right man as Mayor of Brasilia.

3. Brizzola Thanks Santos (UNCLASSIFIED)

A special commission sent out from the Santos City Council to Porto Alegre to congratulate Governor Leonel Brizzola has returned with a message of thanks reading in part: "I receive it not as applause for my personal attitude which was inspired by doing my constitutional duty and by the insistent demand of my democratic conscience, but as a valuable stimulus for the struggle of the Brazilian people for the defense of public liberties.... The people and government of Rio Grande do Sul.... rely on the enthusiastic and necessary solidarity of the people of Sao Paulo...."

4. Air Base Commander Transferred (UNCLASSIFIED)

Lt. Colonel Paulo Salema Gançao Ribeiro on September 17 was transferred from command of the Santos airbase and ordered to Rio de Janeiro. (See Weekly Comment of March 2, Political item 3.)

Comment: (OFFICIAL USE ONLY)

Salema was a strong janista and popular local figure. The Chief Inspector of Customs, the Guarda-Mor of Santos, the Captain of the Port and other federally-appointed officials are all awaiting the axe's fall.

II LABOR

1. Coffee Loaders and Sackers Union's President Still Under Communist Fire (UNCLASSIFIED)

President Jose Silvano de Andrade of the Coffee Loaders and Sackers Union is still under fire from union communists seeking to discredit him over his alleged failure to call a meeting of the union to examine its accounts (see Weekly Comment of September 15, Labor item 3). Groups of communists and their sympathizers have been calling on local newspapers, getting themselves photographed and keeping the issue alive.

Comment: (OFFICIAL USE ONLY)

The communist tactic seems to be to try to denigrate, one by one, the local anti-communist union leaders as part of their struggle to gain backing for their control of the Santos City Central (see Weekly Comment of September 15, Labor item 1).

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0919

six Councilmen of promoting Covas' departure reiterated their accusation and listed their names in the newspaper, while the Councilmen hired a lawyer "to proceed criminally" against their accusers.

Covas' letter of resignation had left the door open for his to agree to accept some other administrative post in the Gomes regime, but it is not now likely that he can return to public life in the immediate future, in view of the rumpus his quitting has provoked.

Comment: (OFFICIAL USE ONLY)

O Diario castigated Covas' resignation as "infantile, theatrical and completely inopportune". No doubt Covas intended his timing to surprise the politicians and win popular sympathy as a put-upon victim of political rancors. But it is likely that Covas' principal reason for resigning was his distaste for having his secretaryship emasculated by creation out of it the Public Services Secretaryship, with a resultant loss of authority.

Covas' departure was the source of great satisfaction to the local PTB, PSP, PSD, PL and other political constellations clustered about the Mayor's orbit (until Covas' friends raised their protests), as they have long regarded Covas' as an interloper and deprecated Gomes' reliance upon him. Covas' quitting was naturally a disappointment to the janista-carvalhista forces in the city. Although genuinely sorry to lose a valued subordinate, Gomes is doubtless relieved to have had him go of his own accord - and now he can fill the void with a politician acceptable to his supporters.

The prime significance of the whole episode is that Gomes' has more or less yielded to the ouster of the most obvious of janista influence around him, in view of the current political realities. Nevertheless, it is still likely that Covas will attempt to reappear somewhere in public life, as he needs a public forum from which to keep his name politically alive.

2. Local Politician Leery of Brasilia Mayoralty (UNCLASSIFIED)

PSD Federal Deputy from Santos Dr. Antonio Feliciano da Silva on September 19 travelled to Brasilia to confer with President Goulart, reportedly over the latter's offer to Feliciano of the job as Mayor of Brasilia.

Comment: (OFFICIAL USE ONLY)

Probably Goulart offered Feliciano the post because (1) he is a PSD stalwart and (2) he made a good record as Mayor of Santos from 1953 to 1957. Feliciano's brother Lincoln (an ex-PSD State Deputy) was quoted in the press as saying that Antonio will refuse the offer because "he considers the head of the capital city's government as a political cemetery".

/It would

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FORM DS-582
8-1-50

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Encl DPS from Sao Paulo 9-22-61

OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo Date: September 21, 1961

FROM: American Consulate SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Mario Covas Quits Municipal Secretaryship (OFFICIAL USE ONLY)

In a surprise move, on September 15 Mario Covas, Jr. handed Mayor Jose Gomes his resignation as Municipal Secretary of Public Works, immediately after delivering the Mayor the finished draft of the Mayor's cherished "Plan of Action" for Santos, of which Covas has been the chief architect.

It had generally been taken for granted that the City Council's decision to create a new Municipal Secretaryship for Public Services had just about ended the crisis provoked last week by insistent demands from Gomes' own supporters that Covas, darling of the janista-carvalhista forces here, resign (see Weekly Comment of September 15, Political item 2).

Covas immediately published his letter of resignation, in which he ascribed his decision to the "vehement" insistence upon his removal on the part of unnamed politicians and, as well, to the probability that Mayor Gomes' programs would suffer if he remained in the city administration. Covas later amplified his actions over the radio.

On September 17 a group of Covas' supporters, possibly without their hero's knowledge, in print accused Remo Petrarchi, Gomes' chefe de gabinete, and City Councilmen Fernando Oliva (PSP), Oswaldo Justo (PSP), Paulo Ferreira Lima (PL), Nelson Antunes Mattos (PL), Wanderlan Lopes de Morais (PL) and Orlando de Almeida Mattos (PSD) of engineering Covas' ouster. Outraged at being so singled out in public, the Councilmen reacted vigorously by denouncing Covas and all his works, but denying the allegation that they were responsible for Covas' resignation. Despite these protestations of "Who, me?", the City Council went into agitated permanent session to debate the matter, which ended only when a letter signed by Mayor Gomes was produced in which Gomes denied that he had ever been under councilmanic pressure to dismiss Covas.

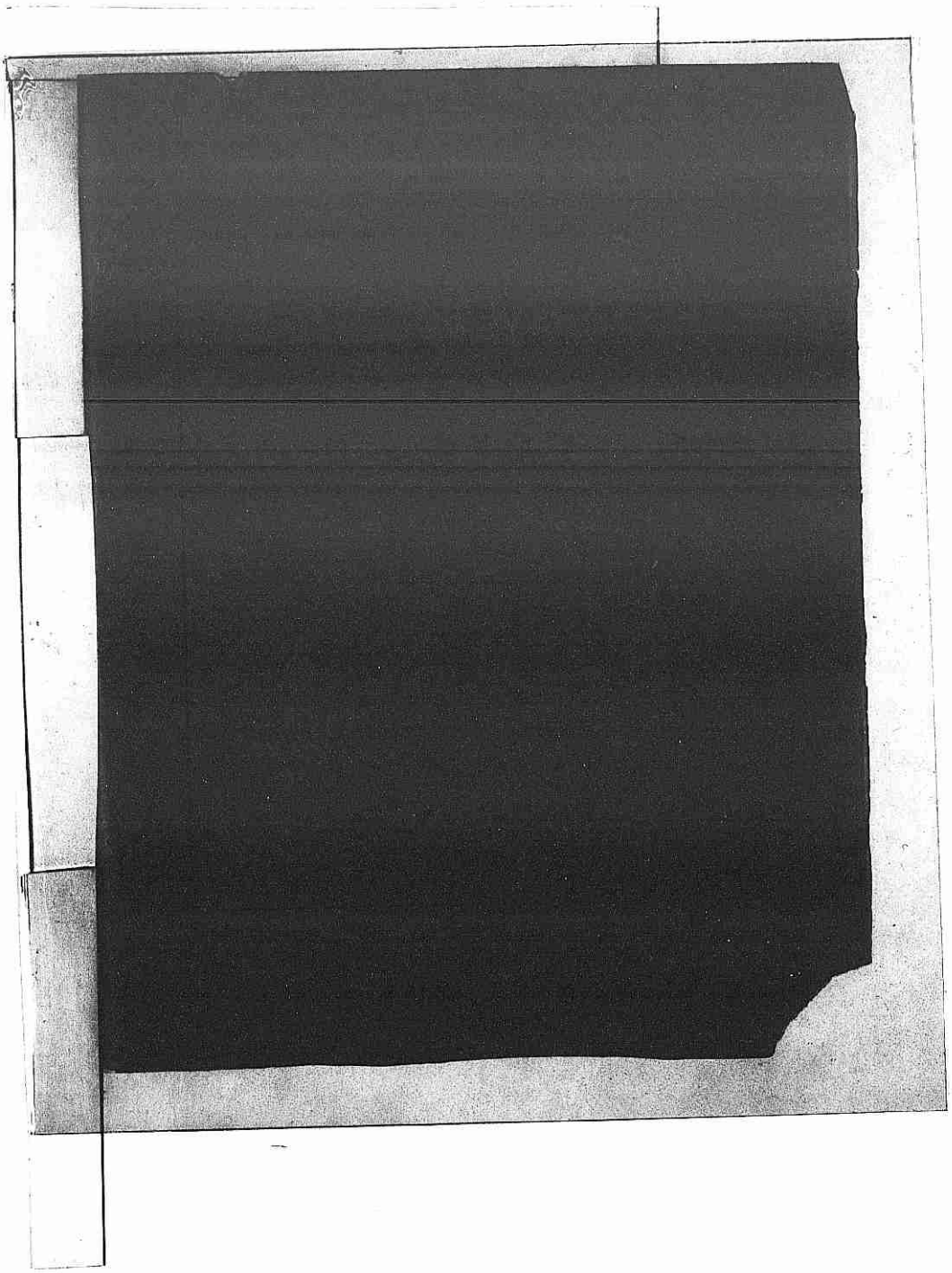
Meantime, on September 20 the persons who had accused the

/six

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(Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SAO PAULO

95
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 22, 1961
DATE

REF :

File / Hoaten
FEST/B: JWWilson-ltr
10-6-61.

For Dept. Use Only	ACTION	DEPT.
19	AKO-4	INFO: RMIR-7 S/S-2 S/P-1B-7 E-7 INR-7
	REC'D 9-27	OTHER: CIA-10 OSD-5 Army-4 Navy-4 ~~Air Force~~

DEPARTMENT OF STATE
~~BUREAU OF~~
INTER-AMERICAN AFFAIRS
SEP 29 1961

SUBJECT: Santos Weekly Report.

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated September 21, 1961.

William P. Cochran, Jr.

William P. Cochran, Jr.
Minister Consul General

732.00/9-2261 BW

CLASSIFIED FILE
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Oct 13 4 13 PM '61

Enclosure: Santos Weekly Report
dated September 21, 1961

cc: Amembassy, RIO

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ACTION COPY — DEPARTMENT OF STATE

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0915

DEPARTMENT OF STATE

Memorandum of Conversation

RM/R files

DATE: September 20, 1961

SUBJECT: Silence of United States at time of Brazilian Crisis

PARTICIPANTS: Dr. João Gonçalves de Sousa, Director, Department of Technical Cooperation, Pan American Union
RPA - John M. Cates, Jr.

COPIES TO: ARA/P - Mr. Gorrell
P

732.00/9-2061

During a conversation at my home on September 20, Dr. Gonçalves talked briefly of recent events in Brazil. He mentioned, in particular, that the United States silence during the height of the crisis had been commented on favorably (actually with pleased surprise) by Brazilians in various walks of life.

COMMENT: It is interesting to know from this and other sources the general relief felt when the United States refrains from making uncalled-for statements about the internal situation in various countries. This U.S. restraint under various circumstances is looked upon abroad as a result of growing maturity and political sophistication.

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Page 6 end 1
Sao Paulo 0-93

higher-than-normal level.

V ADMINISTRATIVE

1. Consulate's Local Employees Granted Salary Increase (UNCLASSIFIED)

The post's local employees are rejoicing at receipt of a revised local compensation plan effective September 3, which provides for a 10% wage increase.

Comment: (UNCLASSIFIED)

The Consulate was not expecting a local wage boost at this juncture. However, the Department's action was most timely in view of steeply rising local costs, and the increase has been worth its weight in gold as a shot-in-the-arm for local employee morale.

VI PSYCHOLOGICAL

1. American Professor Begins Lecture Series at Santos BNC (UNCLASSIFIED)

On September 12 Dr. Albert Van Nostrand, Associate Professor of Literature at Brown University and guest lecturer at the Faculty of Philosophy, Science and Letters of the University of Sao Paulo, commenced a series of 4 lectures to be presented at the local Binational Center on "The Formation of Ideas in the United States".

Comment: (UNCLASSIFIED)

Dr. Van Nostrand, whose appearance had been postponed for two weeks because of the political crisis, spoke before about 50 persons and his lecture was very well received. Good prior and subsequent press publicity (including photographs) was obtained by the Consulate, and the reporting officer expects an increased audience at his forthcoming lectures.

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Page 5 end 1
Sao Paulo D-93

charges, averring that Santana and da Silva are in fact "agitators" spreading "lies and calumny" and that they have failed to present the results of their investigation of the union's accounts so that the union could consider the affair with the facts in hand. Andrade also charged that Santana and da Silva, appointed to a committee to examine the union's books over two years ago, have taken union money in payment of their services to make an accounting without ever having demonstrated to the union the fruit of their labors.

4. Wage Increase Agitation to be Expected (UNCLASSIFIED)

The reporting officer has every reason to believe that a concerted drive by the Santos labor unions is about to begin for substantial wage increases, to be justified by the rapidly climbing cost of living. The portworkers, construction, glass, drycleaning, typographic and refinery workers, bank employees and bakers all show signs of preparing demands for substantial salary boosts.

III ECONOMIC

1. Local Banks Re-open (UNCLASSIFIED)

On September 11 the Santos banks re-opened after a two-week holiday. Although crowded on the first day, the banks did not experience any run on deposits and reported less withdrawals than deposits.

2. Brazilian Oranges for Russia (UNCLASSIFIED)

On September 13 the French ship Banora left Santos with a cargo of 47,000 boxes of Brazilian oranges for Leningrad.

3. Port Congestion Moderate (UNCLASSIFIED)

The expected congestion of the port of Santos as a result of the arrival of a flood of ships from Rio de Janeiro (see Weekly Comment of September 8, Economic item 1) has failed to materialize, and on September 15 there were only four ships in the roads awaiting berthing space alongside, with 8 at anchor inside the estuary proper.

IV CONSULAR

1. General (UNCLASSIFIED)

The post's consular operations have continued normally this week, although shipping and seamen work is still running at a

/higher-than-

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Page 4 encl
Sao Paulo D-93

2. Local Stevedores Criticised for not Joining National Strike (UNCLASSIFIED)

Oscar Antônio da Silva, non-communist member of the Council of the National Council of Stevedores, has been quoted in the local press as explaining that last week's national stevedore strike was called as a protest against police brutality in Rio de Janeiro, Recife and other ports, and that "only" in Santos, to general surprise, was the strike resolution not applied. We believe that this fact, which broke the unity which has always existed between the various stevedore groups, was brought on by a failure to understand on the part of the local leaders, since the strike movement was the only way we had to assure the survival of union liberties and the guarantees of freedom provided by the Constitution.... We regret that the directorate of the Santos Stevedores Union did not comply with the order /of the National Federation/".

Comment: (UNCLASSIFIED)

Apparently the anti-communist directorate of the Santos Stevedores Union simply felt that tying up the port of Santos as the political crisis evolved was playing the communist game of throwing the country into confusion.

3. Anti-Communist Directorate of Coffee Loaders and Sackers Union Attacked (UNCLASSIFIED)

A deputation of members of the Coffee Loaders and Sackers Union, including a number of communists, have called on the local newspapers to complain of the "dictatorship" of the union's present anti-communist directorate in refusing to convene an assembly to discuss the union's accounts. The deputation also charged that the union's directorate was persecuting Agenor Firmino Santana, Jose Alfredo da Silva and Ulisses Otavio Santana for agitating for such an assembly.

Comment: (OFFICIAL USE ONLY)

The latter three individuals are communists. The reporting officer is inclined to believe that this attack on union president Jose Silvano de Andrade, a protege of the anti-communist boss of the union Expedito Guedes Rodrigues, is the opening gun in a communist campaign to oust the union's anti-communist leadership. The communists are furious with Expedito Guedes Rodrigues, ex-President of the Santos City Central (see Weekly Comment of September 1, Labor item 1) for having successfully opposed the general strike called here by the reds for August 29, and the communists have vowed to purge the union of Rodrigues' influence. Union President Andrade has vigorously replied to the communists'

/charges

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page 3 encl 1
Sao Paulo D-93

It is now rumored that Lt. Colonel da Costa will be promoted and given a more responsible command by the new War Minister.

4. Communists at Work in Santos Law Faculty (OFFICIAL USE ONLY)

The reporting officer is informed by Dr. Arquimedes Bava, a prominent local jurist and professor on the Santos Law Faculty, that a small group of communists both in the faculty and the student body (which numbers about 595 students) are active in promoting their propaganda in the Law School. Dr. Bava mentioned especially Luis Rodrigues Corvo, a well-known student red, but added that the less-blatant and crypto communists were proving most dangerous of all, in his opinion. Dr. Bava also stated that he and his fellow anti-communist professors must phrase their lectures carefully and be constantly prepared to refute all sorts of subtle communist propaganda.

II LABOR

1. Communists Fail to Unite Santos City Central (OFFICIAL USE ONLY)

Although the communists in effect took over the Santos Forum Sindical de Debates (City Central) at the end of August upon the resignation of its anti-communist directorate (see Weekly Comment of September 1, Labor item 1) and have since been striving to create the impression that the Forum still represents all the Santos workers, this "united front" façade fell apart September 14 when the city's anti-communist labor leaders refused to participate in a Forum meeting attended by 22 communists and their sympathizers.

Instead, the Santos anti-communists have refused to turn over to the new communist Forum directorate their accounts and records and have declared the old directorate's alternates the new legal officers of the organization, with Antonio Viter dos Santos, President of the Public Transportation Workers Union, being proclaimed President of the Forum.

Comment: (OFFICIAL USE ONLY)

Thus there are now two rival Forum directorates, the red slate being headed by Waldemar Neves Guerra, President of the Port Services Administration Employees Union. On September 14 the communist Antonio Guarnieri declared that the reds would rather dissolve the Forum Sindical than cooperate with the anti-communist "traitors". Plainly, the communists can no longer boast that the Forum can speak for Santos labor, and so their victory in siezing control of the Forum has become somewhat hollow.

The anti-communists' spirited opposition to the reds ever control of the organization is an encouraging sign. A despatch on this topic is being prepared by the reporting officer.

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page 2 and 1
Sao Paulo 0-93

2. Municipal Secretaryship Crisis (UNCLASSIFIED)

Local politics this week have been agitated over the continuance of Mario Covas, Jr. as Municipal Secretary for Transport and Public Works. A number of City Councillors have asked Mayor Gomes to replace him as a quid pro quo for their votes, and Covas tendered his resignation, which the Mayor did not accept. On September 14 the crisis seemed to have been solved when the Council and the Mayor agreed to create an additional Secretaryship of Public Services, which would have cognizance over certain matters now controlled by Covas.

Comment: (OFFICIAL USE ONLY)

Covas, an ardent janista, made a strong race for Mayor of Santos last March against Luiz La Scala, Jr. of the PSP, whom Gomes (PTB) succeeded upon La Scala's tragic death from an automobile collision. Wishing to broaden the base of his administration and gain janista support, Gomes took Covas into his government, but only over the angry protests of the PTB, PSP and PSD. In fact, Covas' presence in Gomes' cabinet has been a constant irritation to Gomes' backers and was one of the causes of the local PTB's dissolution (see Weekly Comment of August 18, Political item 2). With janismo now a thing of the past, Gomes' opposition (and many of his own supporters) see no reason why Covas should remain at Gomes' side, and are agitating for his removal. The ruined local PTB, taking heart from the change of government, has even indicated that Covas' departure is a sine quae non for intra-party reconciliation. Although Gomes respects Covas' administrative ability and is reluctant to lose his services, he may eventually be forced to sacrifice him in the interests of pushing through the City Council his ambitious legislative program, although creation of a new Municipal Secretaryship (a juicy patronage plum) for a yet unnamed deserving Gomes ally will do much to mollify the Covas' detractors.

3. Sao Vicente City Council Asks for Return of Insubordinate Colonel

Sao Vicente City Council President Oswaldo Toschi has presented a formal request (signed by twelve other vereadores) to Brigadier General Amanga Liberato de Castro Menezes, local military chief, asking for the reinstatement of Lt. Colonel Creso Moutinho da Costa as Commanding Officer of the 2nd Battalion of Cacadores (infantry) stationed in Sao Vicente. (See Weekly Comment of September 8, Political item 2.)

Comment: (UNCLASSIFIED)

Toschi's request praised Colonel da Costa as a brave soldier and described his refusal to order part of his command to take station on the Parana border as "animated by democratic and sincerest motivations". Toschi said also that da Costa's return would be a source of "satisfaction and pride".

/It is

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OFFICIAL USE ONLY

page 1 encl 1 Sao Paulo D-93 ARA

OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo Date: September 15, 1961

FROM: Amconsul SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Local Politics and the New National Government (UNCLASSIFIED)

It is reported that Mayor Jose Gomes' meeting with President Joao Goulart in Brasilia over the weekend was reasonably successful for the former: Goulart told Gomes to submit a summary of his requests for Santos and that he would give them every consideration. Gomes will probably return to Brasilia to discuss his program for Santos directly with the President.

The new Navy Minister, Rear Admiral Angelo Nolasco de Almeida, told Mayor Gomes in Brasilia that he could be considered a sort of "Consul from Santos" in the capital. Admiral Almeida served here as Captain of the Port less than five years ago.

On September 11 City Council President Fernando Oliva enigmatically remarked before the Council, "There is no use fighting the re-establishment of relations with the Soviet Union or the establishment of relations with Communist China. That would not improve the living conditions of the people, because the Brazilian problem is fundamental". Oliva also criticized the non-communists of having surrendered the nationalistic initiative to the reds, pointing out that in the beginning the communists had urged the formation of PETROBRAS, and that only belatedly did the Brazilian non-communists climb onto the nationalist bandwagon.

This week Oliva was criticised by the leftist O Diario for being a mouthpiece for the "sterile views of the Roman Catholic Church towards Brazil's economic problems".

Comment: (OFFICIAL USE ONLY)

The reporting officer understands from Gomes' chefe de gabinete that the Mayor has high hopes of receiving substantial federal aid from Goulart, a fellow member of the PTB, and that the Mayor hopes that the Tribunal Superior Electoral will pronounce on the legality of his status as Acting Mayor of Santos within a month's time.

25 Municipal

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
SEP 16 1961
SAO PAULO, BRAZIL

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AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

93
DESP. NO.

FROM : Amconsul SAO PAULO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 20, 1961
DATE

REF :

File. RMR. No action. EST/B: [illegible] 10-2-61

End Refused in RD

55 For Dept. Use Only	ACTION	DEPT.
	RPA-4	
	REC'D 9/28	INFO RMR-2 INR-7 REP-1 E-3 ICA-4 SY-2 CIA 10 USIA-10 OSD-5 army-4 navy-4 air-2 NSA-4 FBI-1 Com-10 TAR-2 AGR-10 LAB-8 TR-3 FRB-3 OTHER

SUBJECT: Santos Weekly Report.

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated September 15, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/9-2061 CS FILED
OCT 11 1961

Enclosure: Santos Weekly Report dated September 15, 1961

cc: Amembassy, RIO

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 2 - 1961

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REPORTER

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FOREIGN SERVICE DESPATCH

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732.00/9-2061
SEP 23 1961

FROM : Amcon Recife

NO. 65

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE: September 20, 1961

REF :

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	S/RF	SO	NEA	CU	INR	E	P	IO	ICA
19	ARA-4			2			3	1	2		5	1	3	3		
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
REC'D 9-30				AIR 4	ARMY 4	CIA 10	NAVY 4	OSD 5	OCB	USIA 10	NSA 4					

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 5 - 1961

SUBJECT: Celso Furtado Aims at Retaining SUDENE Control

During the recent political crisis in Brazil, Celso Furtado, the SUDENE director who enjoys ministerial rank, tried to assume a detached position and took pains to go through the motions of business as usual and to convey an impression, for public benefit, that he and SUDENE are above the turmoil of politics. Subsequently, he has intensified these efforts, holding a number of well publicized meetings to indicate that SUDENE is forging relentlessly ahead in the prosecution of its programs.

In addition, however, Furtado has taken steps to provoke a spate of political support designed to insure his retention of the SUDENE directorship. University students, labor groups, and other organized agencies ranging from commercial federations to state governments are exercising themselves in his behalf, sending telegrams and petitions to the President of Brazil and other high officials and otherwise exerting pressure to keep Furtado in his position. All of these have the superficial aspect of spontaneity, but nearly all almost certainly have been inspired, if not directed, by Furtado and his chief lieutenants. One of these, Jader Andrade, received a telephone call from a PTB spokesman at Brasilia on September 12 indicating that the PTB proposed to back Renato Rengal of Rio de Janeiro for the job of SUDENE director. Andrade apparently succeeded in torpedoing this plan and in winning PTB support for Furtado. The leftist Mayor of Recife, Miguel Arraes, and the leftist Lt. Governor, Pelopidas Silveira, also reportedly are taking measures to back Furtado. Furtado himself now is visiting Rio and Brasilia in behalf of his interests in staying on the job. A press item on September 10 indicated that consideration also was being given to the appointment of Apolonio Sales in his place. However, the pressure that since has been generated by Furtado to retain his position would make it difficult to replace him now unless he should be given an equally important position.

Albert A. Rabida
American Consul

cc: Amemb Rio de Janeiro (2)

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REPORTER

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FORM 6-61 FS-439 GPO 912596

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ACTION ASSIGNED TO-	ACTION TAKEN	
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

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readily available apparatus offered by ANCAR that a practical attempt could be launched promptly to bring to bear at the grass roots level a program of action that in essence would provide a legitimate and effective contact with the agrarian population as one means to diminish the impact - and especially the future impact - of the Ligas Camponesas in the Northeast. At minimum, this would be a positive step in a direction to strengthen the positions of those state authorities interested in doing whatever they can to attack the causes giving rise to, as indicated by Mr. Menezes Coli, the conditions upon which the Ligas breed.

In Pernambuco, the key Northeast state, the ANCAR supervisor is Dr. Joaquim Moreira de Mello, a dedicated and perceptive official, keenly aware of the political threat posed by the Ligas, and seriously interested in developing the extension service as an effective instrument needed to improve rural conditions. He would be delighted to receive any assistance, financial or technical, to help him in his work. ANCAR supervisors in other Northeast states probably also would be most receptive to assistance.

At present, the only USOM extension advisors working directly with ANCAR itself in this consular district are Mr. Hoecker whose area embraces the states of Ceara and Rio Grande do Norte, and Mr. Langley (formerly Mr. Reed) whose area embraces Paraiba, Pernambuco, and Alagoas (the other advisors mentioned above work essentially with other programs). As the area of these five states is 383,392 square kilometers (about three times the size of Cuba) and their 1960 population was 12.4 million (19 percent of Brazil's total population), it is clear that additional extension advisors are needed in terms of broad political implications to visit with effective regularity the numerous and increasing extension offices in the area and to come into closer contacts with people at the grass roots level.

At minimum, it would appear that there should be (a) two advisors at Recife to permit one (the senior) to deal mainly with state headquarters here and at Maceio and one to spend most of his time visiting offices throughout Pernambuco and Alagoas; (b) two advisors at Fortaleza to permit one (the senior) to deal mainly with state headquarters there and at Natal and one to spend most of his time visiting offices throughout Ceara and Rio Grande do Norte; and (c) one advisor at Joao Pessoa to advise the state headquarters there and also to travel throughout Paraiba where Ligas activities now are accelerating.

In addition, the assignment of two or three more capable home economics advisors to work with the significant distaff elements in these states would appear to be well justified on the basis of political stakes.

Albert A. Rabida
American Consul

Concurrence:
Maurice J. Gremillion, Pol-A
Robert R. Peterson, USOM Recife

cc: Amemb and USOM Rio de Janeiro (1 each)

0905

themselves. This is believed to be pregnantly true.

Extension services in the Northeast are conducted through the agency known as the Associacao Nordestina de Credito e Assistencia Rural - ANCAR - which is affiliated with the Associacao Brasileira de Credito e Assistencia Rural - ABCAR. ANCAR, financed both by the federal and state governments, plans to expand as follows according to ABCAR's 1961 publication entitled "Plano Diretor Quinquenal":

State	1960 Offices	1965 Offices	Budget - Million Cr$ 1961	1963	1965
Pernambuco	9	84	74	261	565
Alagoas	1	24	2	59	176
Ceara	12	72	70	202	494
Paraiba	12	42	47	122	283
Rio Grande Norte	9	45	47	130	311

These figures are tentative and probably subject to alteration based on problems in each state as well as general considerations. Offices in Pernambuco are understood already to have reached the 1961 target and now number 23. In Rio Grande do Norte, however, budgetary problems reportedly have prevented the creation of new offices planned for 1961 (7) and instead to have required the reduction of the 1960 level of 9 offices to only 4 in 1961. A general limitation on expansion plans in all states is the inadequate number of university graduates in agronomy. Rural universities in Pernambuco and Paraiba together reportedly turn out at present only about 40 trained agronomists annually, and many of these will be unavailable to ANCAR owing to its low salary scale and the demand for qualified personnel by SUDENE and other agencies. However, despite problems and limitations, it is almost certain that the extension activities of ANCAR will expand considerably during the next several years, and that its influence among rural people will be a matter of increasing political significance. At the same time, it may be expected that the organizational utility of extension offices located at the grass roots level will come to attract the attention of political leaders, including the peasant league leader, Francisco Julião, and that efforts will be made to infiltrate and to influence and utilize the extension apparatus.

In addition to Mr. Dale Hoecker who is stationed at Fortaleza, USOM extension advisors in the Northeast include Mr. Edgar Langley who recently replaced Mr. Lowell Reed in this particular function; Mr. James Haynes whose duties are related more to SUDENE than to ANCAR; and Mr. Henry Morrison who is a livestock advisor and Miss Eugenia Donahue who is a home economics advisor. Each of these has performed in a most commendable manner and has contributed valuably to U.S. interests in the area. However, the growing importance of the extension function in terms of broad political developments including the mushrooming of the Ligas Camponesas, suggests the cogency of action to increase the number of extension advisors in the area at the earliest possible opportunity. It is through this

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FROM : Amcon Recife

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 20, 1961
DATE

REF :

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				10	10					3					
	REC'D			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	W3B				
(1)	9-30				4	10	2			10	4				

SUBJECT: Political Aspects of Brazilian Agricultural Extension Service

USOM Extension Advisor, Mr. Dale Hoecker, stationed at Fortaleza, Ceara, made the following summary of comments by the Ceara State Supervisor of extension, Pedro Menezes Coli, at the inauguration of an in-service training course at Fortaleza on August 28, 1961:

"The Ligas Camponesas movement is the result of a cause - a real and human cause. The Ligas are not active in Ceara as yet, but the conditions on which they breed are. Primarily they have not here found a leader as in Pernambuco and Rio Grande do Norte. Equitable political, social, economic, and Christian philosophies and ways of life must dominate. This is the basis of the Ceara extension program and it is our objective to bring these to the rural people. The area needs extension urgently to bring acceptable and human values to the peasants in order to lessen the effect of the Ligas Camponesas movements. Extension does not and will not combat the Ligas openly. We do it indirectly. We must work to improve the causes that create the favorable climate for extremists and leftists. We are not going to have a campaign against the Ligas Camponesas, but we have to work harder and faster to cure the cause. This is basic to the future of our country and to our progress in a free world where human life has value. The situation in the Northeast is unjust and this is why the Ligas movement is progressing. We do not want you to teach openly or to talk openly about the Ligas, but we want each of you to realize that the institution that you represent, the Extension Service of the State of Ceara, is based on the democratic way of life and dignity of the human being, and that this is the enemy of the Ligas Camponesas."

In a discussion that followed, one extensionist worker said that he had heard that the Ligas Camponesas are concerned about the planned expansion of the extension program, especially in Pernambuco, because it serves to neutralize the effect of and receptivity of the peasants to the Ligas

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NO.

September 20, 1961
DATE

FROM : Amcon Recife

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : D-62 of September 11, 1961

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SUBJECT: Fidel Castro Declared Persona Non Grata at Jaboatao

File

A press item of this date reported that the Municipal Council of Jaboatao, a small town a few miles southwest of Recife and once termed a "little Moscow", had passed on September 18 a motion made by Evanildo Melo and Nelio de Almeida Cruz, to note in its record

> "a vehement protest of the members of the council against the improper, unjust, and meddlesome orientation of Fidel Castro in the internal politics of our country, the council having considered at the same meeting this citizen of Cuba to be 'persona non grata' at Jaboatao."

This refers especially to the Cuban dictator's call for armed uprisings during the recent political events in Brazil.

Albert A. Rabida
American Consul

cc: Amemb Rio de Janeiro (2)

732.00/9-2061 CS

DEPARTMENT OF STATE
BUREAU OF
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OCT 2 - 1961

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ACTION ASSIGNED TO:	ACTION TAKEN	DIRECTIONS TO RM/R
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	

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appeared to want to avoid leaving Brasil sinking into illegality. They, according to the Governor, had nothing personal against João Goulart but simply wished to avoid the drift to the left, to the East, headed by Russia. Those involved in the delicate negotiations were, however, according to the Governor, convinced that João Goulart was not, nor is today, a communist. To the contrary, it was felt that he had the ability to govern moderately and in accord with Brasil's Christian and political traditions.

The result, concluded the Governor, was a compromise solution -- parliamentarism -- worked out by all parties concerned, in order that Constitutional order might be preserved and that a fratricidal war might be avoided.

Richard Reynolds Martin
Richard Reynolds Martin
American Vice Consul

0901

talk with Jânio himself. Jânio was unreceptive to the collective plea of his visitors telling them that he could not turn back from his action, and that he had deliberated and meditated over his decision before its announcement. According to Magalhães Pinto the ex-President told him that a campaign was being launched to discredit him and to name him as a conspirater against the Constitution, and that in the face of this campaign he preferred to be free. An attempt was made to have Jânio return to Brasilia with the Governors, but Jânio "obstinately" declared that he was not in agreement with any such action and that he had no desire that any movement be started whose object was to cancel or achieve the withdrawal of his resignation. During the conversation the ex-President also told the Governors that when he had informed his military ministers of his decision he had received an appeal from them, with "tears in their eyes" not to leave the office of President. For the above reasons, the Governor stated, he did not believe the stories which have been circulating that Jânio had hoped to be called back to annul his resignation.

Another reporter asked about Jânio's last statement before leaving Brasil concerning the fact that he had been forced out but like Getulio VARGAS he would return. In answer to this the Governor merely stated that he could only reaffirm his own convictions: The ex-President had left Brasil of his own free will, honored by the Armed Forces and by public opinion. He added that he had no doubt that Jânio had the support of the people.

The Governor was also asked whether, in view of the rather rapid approval by the Congress of the Constitutional amendment, he felt that the Congress had been coerced by the military. To this the Governor responded that he had taken part in all of the negotiations, acting as mediater, hoping to avoid a major clash. He stated that from the very beginning he had avoided the extremes and held to his fundamental position which was: respect for the Constitution and legality, avoiding by all means and methods the shedding of blood. The Governor claims that he even suggested to the military ministers the indirect election of the President of the Republic by the Congress. This suggestion, the Governor declared, was at first supported by both the military ministers and provisional President Ranieri MAZZILLI as well as several prominent, but unnamed leaders of the PSD. However, when João GOULART was contacted by phone, he indicated that he would not willingly accept the impeachment then being considered, and was inclined to resist such a move and to "assert" his rights. This message was relayed to the military chiefs by Magalhães Pinto and thereafter they no longer were interested in the solution proposed by the Governor. Shortly thereafter, the substance of their feeling was made known to Congress via the message written over the name of provisional President Mazzili in which they said that they considered the return of João Goulart to Brasil inconvenient on the grounds of his endangering national security.

The Governor stated further that as a group, the Governors of the various states which met with the military leaders represented a strong force battling against the threat of civil war. At the same time the Governor stated, in defense of the military chiefs, that they themselves

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FROM : AMCONSUL, Belo Horizonte, Brasil

NO. 8

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE September 19, 1961

REF : --

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9-28-61

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REC'D 9-26				AIR 6	ARMY 4	CIA 10	NAVY 4	OSD 5	OCR	USIA 10	NSA 4					

SUBJECT: GOVERNOR MAGALHÃES PINTO DISCUSSES HIS PART IN RECENT POLITICAL CRISIS

732.00/9-1961 CS

In a televised press interview from the Governor's palace on September 14th, Governor MAGALHÃES PINTO was questioned by local newsmen concerning his part in the recent political crisis in Brazil. The Governor answered questions on various aspects of the situation, a summation of which follows.

Asked what he knew about the alleged plot against Constitutional government as report first by Governor Carlos LACERDA of Guanabara and later by Governor Cid SAMPAIO of Pernambuco, Magalhaes Pinto stated, in effect, that "all he knew about it, he had read in the papers." He added that while in São Paulo at the beginning of the crisis no one had spoken to him either about a coup d'etat or any other extra-legal actions against the Constitution. He was, he said, never invited to take part in any "conspiracy against legality".

One reporter asked the Governor to give his opinion of what had caused Jânio to resign, and what had happened at Cumbica airbase in the first few hours after the resignation. Reviewing the episode involved, the Governor stated that in a telephone conversation with Minister Pedro HORTA he had asked that the letter of resignation not be delivered to the Congress until he and other Governors in São Paulo had a chance to try to dissuade Jânio from his action. Pedro Horta, however, stated that he could not do this and that he would deliver the letter, "as his last official act for the President". Asked again merely to postpone delivery of the letter, Horta answered that there was nothing more that he could do. This tack having failed, the Governor and the chief executives of several other States, who were at the time in São Paulo, went to Cumbica to

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SEP 26 1961

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W I T H D R A W A L N O T I C E

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ENTRY: CDF60-63

TAB #: 47

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The item identified below has been withdrawn from this file:

Folder Title: 732.00/9-1961 CS

Document Date: 19/09/61

Document Ser.#:

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CONFIDENTIAL S/S

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SEP 14 1961

RM/R

FILE

TO : The Secretary

THROUGH: S/S

FROM : ARA - Mr. Woodward

SUBJECT: New Brazilian Government

Attached is a Memorandum for the President giving our preliminary appraisal of the new Brazilian Government.

Recommendation

That, if you approve, you sign the attached Memorandum for the President.

Attachment:

Memorandum for the President.

DEPARTMENT OF STATE
SECRET SECURITY INFORMATION
1961 SEP 14 PM 2:31

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that countries Western indicated his support of the Quadros foreign policy.

The Finance Minister, Walther Moreira Salles, a banker, businessman and senior grower, is one of Brazil's wealthiest men. He served as Ambassador to the United States in 1952-53 under Vargas and in 1959-60 under Kubitschek. Early this year he headed the Special Financial Mission which Quadros sent to Washington. The Conservative Moreira Salles, if given a free hand, may be expected to conduct the country's financial policy along generally sound lines, consistent with the protection of his vast fortune and that of the wealthy class. He is generally friendly to the United States.

In view of the uncertainties with regard to the exercise of authority under the new system and of the relative strength of the political forces represented in the new Government, particularly the role of President Goulart, it is too early to predict that policy lines will be followed by the new Government or how vigorously it will pursue these policies. However, we believe the new Government will be as favorably disposed toward the Alliance for Progress as was President Quadros.

/s/ Dean Rusk

Dean Rusk

RM/R

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SEP 15 1964

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FILE

MEMORANDUM FOR THE PRESIDENT

Subject: Preliminary Appraisal of the New Brazilian Government

From the information now available it appears that the Council of Ministers, under Brazil's new parliamentary government, tends to the conservative side. The generally conservative PSD (Social Democratic Party--of which Senator President Auricheck is a principal leader) is predominant, with the generally conservative UDN (National Democratic Union--the principal party backing Quadros in 1960) in a lesser role, and the left-of-center PTB (the Brazilian Labor Party of which President Goulart is the dominant leader) represented, though excluded from the Labor Ministry. Both the Prime Minister (and also Minister of Justice) Mr. Tancredo Neves (PSD), and the Foreign Minister, Deputy San Tiago Dantas (PTB), have been close personal friends of President Goulart in the past but do not necessarily share his attitudes toward Communism. The holders of two of the minor portfolios (Health and Mines and Energy) are said to be extreme nationalists. The three service ministries are headed by career officers.

The Prime Minister, Mr. Tancredo Neves, a 54-year-old lawyer and businessman, has not attained national prominence but has long been an influential member of the PSD. He was closely associated with former Presidents Vargas and Kubitschek and was instrumental in constructing the political coalition between the PSD and the PTB. He is reported to be conservative, anti-Communist, and basically friendly to the United States. It is expected he will be disposed toward cooperation with us.

The Foreign Minister, San Tiago Dantas, is a prominent lawyer, and apparently the [redacted] conservative wing of the PTB. He has been described as an intellectual and a patriotic nationalist rather than a dedicated leftist. He was once a member of the ultra-conservative Popular Representation Party. President Quadros, just prior to his resignation, nominated Dantas to be Brazil's Permanent Representative to the United Nations, and on that occasion

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AO POVO

Situação:

A situação no país é de especulativa. Não se sabe o que vai acontecer dentro dos próximos horas. No momento em que êste jornal está sendo escrito, só há de positivo uma tomada geral de posição da classe operária brasileira que se unia maciçamente em defesa dos interêsses nacionais e das liberdades democráticas, apesar da ação geral que vem sofrendo por parte daqueles que comandam os que aderiram indignamente ao golpe.

Divulga-se que o presidente Constitucional do Brasil, Sr. João Goulart, aceitou a emenda Denys, Heck, Mena, imposta às pressas ao pusilânime Congresso Nacional, instituindo o sistema parlamentar no Brasil. No entanto, não há nenhuma declaração expressa do Sr. João Goulart no sentido de aceitar o regime Parlamentar. O que há por agora são invencionices dos golpistas e suposições apressadas.

Os trabalhadores do Brasil se uniram para derrubar, com a greve geral nacional, a emenda que querem obrigar o povo a engolir. Afinal de contas, ninguém, ao votar em João Goulart, votou num vice presidente que depois assumiu o govêrno quando necessário substituir o presidente, num regime parlamentarista. A distorção é dos golpistas, que tudo fazem para impor seus sujeitos e interêsses contra a vontade soberana do povo.

Jango ainda não aceitou expressamente a idéia de governar num regime parlamentarista. O povo brasileiro também não aceitou e não aceitará nunca. Para isso entraram em greve, caíram, os trabalhadores bancários. Aquêles que não se conformaram em perder a oportunidade que o novo regime lhes oferece usam de todos os recursos, da violência à difamação, para desprestigiar o movimento que fazem os brasileiros em sua própria defesa, em defesa da dignidade e da moralidade de sua terra.

É preciso que o povo não se precipite, não se deixe levar pelos bastos e pelas invencionices dos que trazem acima de tudo os seus próprios interêsses. Esperem, todos, o momento de agir. Por enquanto, que se limite o povo a deixar claro que não quer um presidente num regime parlamentarista, pois votou dentro do outro regime. Mas, se se tornar evidente que se mantenha a emenda parlamentarista a qualquer custo, então o povo saberá o que fazer. O povo é a alma do país. Ninguém tem mais direito sôbre a terra e as coisas do Brasil do que o seu povo. Os falsos líderes que se arrogam a progressistas das idéias, das instituições e da vontade do povo só poderão dispôr das rádios e TVs para catequeses diárias, terminarão destruídos por suas próprias manipulações. O povo saberá o que fazer. O Brasil não é composto de palhaços com quem se faça o que bem entender. Êle se defenderá.

A Ultima Hora

A situação acaba de sofrer uma reviravolta. Em Brasília, um grupo de oficiais da Aeronáutica decidiu não permitir a descida de João Goulart em Brasília, mesmo que seja para tomar posse no regime imposto pelos golpistas.

Portanto, tudo está claro: êles não querem a posse do Presidente Constitucional do Brasil. Essa é a sua intenção, evidente desde os primeiros momentos depois da renúncia de Jânio Quadros.

O Congresso Nacional, resolvendo tomar uma atitude, decidiu reunir-se para TENTAR EMPURRAR A EMENDA PARLAMENTARISTA, desde às duas horas da manhã de hoje.

Diante disso, é necessário que o povo se mantenha vigilante. É necessário que conserve os olhos fixos em Brasília, a fim de ver e entender o que está acontecendo e — o que é mais importante — quem são os responsáveis pelo que está acontecendo.

Enquanto isso, firmeza nas atitudes é o que se recomenda. Firmeza inquebrantável de atitudes, para mostrar a todo o mundo o que é que o povo brasileiro quer. A reação pacífica da greve é a única arma de que dispõe o povo. UNIDOS-VENCEREMOS.

Greve Nacional

A imprensa golpista certamente tentará acobertar o movimento grevista que se estende por todo o país, em prol do amplo cumprimento da Constituição Brasileira, rasgada pelos golpistas que obrigaram Jânio Quadros a "renunciar" ao govêrno. Todavia, aqui estão as informações seguras a respeito do movimento operário, que visa demonstrar aos ministros golpistas e aos políticos aproveitadores a saída de pensamento do povo em fôrma da defesa da Constituição que foi rasgada: Os trabalhadores no PETRÓLEO estouram em greve a zero hora de hoje, paralisando tôda a extração e refinação de óleo no País. Os FERROVIÁRIOS entraram em movimento com o de setor de petróleo. Anunciou-se crise no abastecimento de carne da cidade, em vista da resolução dos EMPREGADOS EM AÇOUGUES E FRIGORÍFICOS de aderirem plenamente ao movimento paredista pro cumprimento da Constituição. Cêrca de mil PORTUÁRIOS estão em greve desde ontem, paralizando todo o setor de cabotagem no país. A Federação Nacional de ESTIVADORES encaminhou às diversas frentes de resistência democrática contra o golpismo fascista memorando comunicando sua resolução de PARALIZAR O PAÍS.

Agitadores da Ordem

Numa mensagem ao POVO BAIANO o Governador Juracy Magalhães ameaçou os que êle chama de AGITADORES, com a prisão, com cães, com a chibata.

Isto para nós não é de estranhar, pois já conhecemos o General Juracy Magalhães, homem sempre voltado para as medidas de fôrça e de coação. Todavia, o que nos cumpre neste momento é mostrar ao POVO BAIANO quem são êstes agitadores e que tipo de AGITAÇÃO estão fazendo.

Uma camarilha golpista voltada contra os interêsses do POVO BRASILEIRO pretende impingir-nos uma EMENDA PARLAMENTARISTA totalmente caricatural à opinião pública. Recearam a CONSTITUIÇÃO DE 1946 conseguida pelo POVO após a derrubada do fascismo e desprezando a decisão dos brasileiros, expressa numa consulta verdadeiramente democrática. Mais ainda: forçaram o presidente JÂNIO QUADROS a renunciar, porque a sua política de moralização interna prejudicava os interêsses de comuns contrabandistas e de refinados exploradores e porque a sua política de independência externa contrariava às transações do Departamento de Estado. Pretenderam prender o presidente JOÃO GOULART simplesmente porque êle se declara continuador da política de independência iniciada pelo JÂNIO QUADROS — política esta que representa a maioria esmagadora da opinião pública brasileira.

Depois desta explicação, surge claramente diante do POVO as RAZÕES de sermos AGITADORES.

Sr. Governador:

Somos agitadores porque não concordamos que as decisões que os golpistas impuseram a um CONGRESSO COVARDE. Somos agoladores porque queremos que se respeite a CONSTITUIÇÃO DE 1946, as suas liberdades. Somos agitadores porque não concordamos que se CENSURE A IMPRENSA, que QUEBREM ESTAÇÕES DE RADIOS como fizeram com a Rádio da Campanha de Educação Popular, em Sergipe, dirigida pelo Bispo Dom Joaquim Távora. Somos agitadores porque temos a coragem de expressar a nossa opinião contra tôda esta anarquia e êste caos a que reis militares despudorados levaram o BRASIL. Ainda mais, Sr. Governador: Somos agitadores porque acreditamos que o povo brasileiro já adquiriu maturidade política suficiente para decidir por si próprio e para não aceitar decisões de cúpulas.

Estas, Sr. Governador, são as RAZÕES DA NOSSA AGITAÇÃO.

Quanto aos agitadores, o Senhor bem sabe que são operários, estudantes, advogados, médicos, jornalistas, deputados — enfim, representantes de tôdas as classes sociais que PROTESTAM e que nêste momento SE TORNAM AGITADORES: AGITADORES DE ESPERANÇAS, AGITADORES DA ORDEM, AGITADORES DA LIBERDADE.

Sr. Governador:

O momento não comporta omissões. A luta que travamos nesta hora é decisiva para o nosso País. Não queremos ser mais patriotas do que os outros. Queremos, apenas, que a posteridade, quando julgar as decisões do presente, saiba que o POVO SE REVOLTOU, SE OS LÍDERES POLÍTICOS SE ACOVARDARAM A CULPA NÃO É NOSSA. O POVO NÃO SE ACOVARDOU.

Preso o Arcebispo de Aracajú

Os golpistas dizem que quem defende a Constituição e a legalidade é comunista. E com o velho chavão estão cometendo tôda espécie de arbitrariedade, prendendo líderes sindicais, jornalistas, estudantes, oficiais e simples homens do povo.

Agora, desmascarou-se a chantagem dêles. O que êles não querem é que se defenda a Constituição e a legalidade, porque no clima do golpe e da ditadura é que melhor viverão sua vida de exploradores do Povo e da Pátria, melhor camuflarão suas baterias de testas de ferro do Imperialismo. Ontem, foi preso em Aracajú, em sua residência, o Arcebispo D. José Távora.

Qual foi o seu crime? Também êle é comunista? Também êle é agitador perigoso?

O povo já leu nos jornais a notícia. O Arcebispo de Aracajú cometeu o crime de ir à Rádio Cultura de Sergipe, de propriedade da Arquidiocese, defender a legalidade e a Constituição. Protestar contra os militares golpistas que querem implantar a baderna e a ditadura neste País. Exigir a posse de Jango.

Lá está êle, em Aracajú, com o Paládio do Arcebispado cercado pelo batalhão do Exército, sua emissora invadida e dominada pelas fôrças golpistas e os radialistas na prisão.

A isso os inimigos da liberdade chamam manter a ordem. Não respeitam sequer os sentimentos católicos do povo brasileiro.

Está na hora de todos os verdadeiros católicos da Bahia se levantarem como um só homem para exigir a liberdade de D. José Távora, para exigir ao arcebispado de Aracajú a solidariedade da consciência cristã da Bahia.

Hoje êles prendem os ministros de Deus. Amanhã Lacerda, Denys, Mena, Heck, Juracy e os demais golpistas tentarão prender todos aqueles que protestarem contra a prisão dos ministros de Deus. Antes que venha a ditadura, que o povo se levante.

Censura & Notícia

1. Balanço trágico de acontecimentos no Rio, por culpa dos golpistas Lacerda: dois estudantes mortos e inúmeros feridos pelos metralhadores do fascismo. Na Guanabara, têm sido constantes os choques entre populares, operários e estudantes contra as tropas que, segundo ordens expressas de Massacrar qualquer resistência.

2. Mas nem só na Guanabara multiplicam-se as ameaças a todos os que levantam a voz contra os traidores de nossa Pátria Brasileira. Na Bahia, as fôrças golpistas querem ser as proprietárias exclusivas do direito de ocupar as rádios, os jornais e a televisão. Ontem os estudantes e operários foram ameaçados com granadas e metralhadoras, além dos já conhecidos Chaco-na-Dente-Alisios prontos para entrar em ação caso fossem para a Praça Municipal fazer um comício de protesto. Tôda a polícia foi mobilizada para esmagar qualquer manifestação. E mais: profundamente incomodados com um único alto-falante que os estudantes instalaram na Faculdade de Medicina, no Terreiro de Jesús, os prepotentes Generais do Golpe mandaram avisar que iriam arrancá-lo a Bala. Como são sensíveis os ouvidos dêsses senhores! Amigo: vá ao Terreiro de Jesús ouvir o que está dizendo esse alto-falante. Um crime: palavras em defesa da legalidade.

3. Para que as coisas fiquem mais claras, e possa o povo compreender que razões sinistras movem os donos do golpe, basta ler a notícia que divulgamos ao lado sôbre a prisão do Arcebispo de Aracajú. Seu crime: defender a legalidade.

4. Compareça ao Terreiro de Jesús. Divulgue êste jornal entre seus amigos. Ajude-nos a mantê-lo, o que está sendo imensamente difícil.

Aos Militares Golpistas

GENERAL, VOSSO TANQUE É UM CASCO FORTE

Derruba uma floresta, esmaga com homens.
Mas tem um defeito:
— Precisa de um motorista.

O vosso bombardeiro, general, é poderoso:
Vôa mais depressa do que a tempestade
E transporta mais carga do que um Elefante.
Mas tem um defeito:
— Precisa de um piloto.

O homem, meu general, é muito útil:
Sabe voar e sabe matar,
Mas tem um defeito:
— Sabe pensar.

(BERTOLT BRECHT)



A factor that may divide and weaken the PSI in Bahia is the Petrobras issue. The announcement from Brasilia last Wednesday, September 13, that meetings would be held to act on the action to stop ("muster") the transfer of Petrobras headquarters from Rio to Salvador has aroused strong feelings in this capital. The Jornal da Bahia has pro ised a major publicity campaign if the order to transfer is rescinded and there are rumblings of a general strike of oil field and dock workers. Generally, Bahianos expect only thin gruel out of the new national government. Bahia, they say, will again be forgotten; the country has been returned to the Vargas family and Balbino and Goulart will act, as they have done before, on the advice given them by Getulio Vargas when they were both member of his cabinet -- to work together and thus get the most out of their careers. Opinion here, at this time, dismisses the new Prime Minister as merely an extended arm of "Jango".

James W. Flanagan

James W. Flanagan
American Consul

cc: Embassy, Rio de Janeiro

0893

...y be a casualty of the crisis. The [illegible] Sub-Chiefs of the President's Casa Civil, which exercised a surprising corrective influence, now stands vacant. Dr. Milton Campos, the Chief, has resigned without replacement. According to reports, Major Francisco Boaz 1 de Andrade, Chief of the Sub-Chiefs of the Casa Militar, is just going through the motions.

Open to anyone's guess is the effect the new alignments will have on next year's race for governor. Before the crisis the leading contenders, in order of strength, were:

1) Vice-Governor Orlando Moscoso (PR). Moscoso has had the support of PSD and PTB and also, in a quiet way, that of Ex-Governor Calmino by reason of the latter's opposition to Vieira de Mello. He has been the most logical candidate to represent the old line PSD.

2) Vieira de Mello (PSD-Dissident). Vieira de Mello is Secretary of Transportation and a [illegible] strong man. He has the dissident element of PSD [illegible] in last year's presidential election and effected an [illegible] tense with Juscelino and the PSD. He is working hard to secure the approval of the total PSD for his candidacy for the governorship. His strength is in the interior, especially in northern Bahia. He and Calmino both will [illegible] the PSD's vote.

3) Roy Gaston (UDN). Gaston is head of Bahia's UDN and Secretary of the State Government (Chief of the Civil Household). He has the [illegible] and probably will have Juscelino's support.

4) Mello Lacerda (PTB). Head of the Federal Deputy and former Mayor of Salvador. He has little influence outside the city [illegible] likely to get the support of any major party.

5) Walter Pinto (UDN). Pinto is the present Prefeito of Salvador. He is a [illegible], tough-minded politician, but lacking in the political background necessary to a candidate for the governorship. He has no known top-level support.

6) Aristoteles Cosse (No party). During Regis Pacheco's governorship Cosse was appointed Prefeito of Salvador and held the position for somewhat less than a year; the first elected Prefeito was Mello Machado (see above) who won the office in 1954. Cosse ran unsuccessfully for Prefeito in 1958 under the PDC label. That party, if any, will lend him a "legend" for the gubernatorial race is a question.

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0892

students met with firm police action. The demonstrators were thrown into jail and five of the student leaders landed in a military prison where they are still being held incommunicado. The only effective program carried out by the students was the printing and distribution of inflammatory handbills (sample attached) and on this program they most likely had professional help. (See Despatch No. 17, September 12, 1961).

The journalists and broadcasters also experienced a new discipline. Although formal censorship was not invoked, there was no mistaking the iron hand behind the request that the newspapers and radio stations voluntarily restrict their releases. It will be a long time before they will forgive Governor Juracy Magalhães for his blunt and forceful statement of their responsibilities. At the Journalists' Day meeting on September 12th the Governor was pointedly not invited, though every other dignitary in the state received a bid to attend. It was stated clearly (but not published) that this was in protest of the role Juracy had played in the Rio meetings and a reprimand for his "blatant" attempt to be named Prime Minister. Pique, of course, but it is a curious fact that the following excerpt from the joint statement issued by the ten governors on September 2 received very little attention here in Salvador:

> "We thought on this occasion that the name of the Governor of Bahia, General Juracy Magalhães, would be capable, because of its authority and political weight, of meriting the confidence of the President of the Republic, promoting agreement of the forces in dispute, and conducting the country, with security and success, on the path of the new institutional system."
>
> Embassy Despatch No. 175
> September 6, 1961

Current local opinion, to which this writer does not subscribe, seems to be that Juracy has lost stature by his actions during the crisis. Some of this may have its source, as noted above, in the resentment of the journalists, but equally likely is that the Governor is being identified personally with the downswing of UDN influence. Certainly the clean sweep of the PSD in Brasilia and the appointment of Ex-Governor Balbino as Consultor Jurídico da Presidência da República came as a shock to the capital. It was shocked again today by the reported resignation of Celso Furtado from SUDENE. Other changes are coming. With the new confidence flooding the state PSD (still the major party in Bahia) new political alignments are in the offing. Already there is a relaxation into the easy, immoral ways of the Kubitschek regime. For example, contraband cigarettes, which had all but disappeared under Janio, being hawked on the downtown streets without fear of a lurking "fiscal", and bootlegged foreign whisky is again obtainable. Again, one of the most interesting of Janio's political experiments

0891

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732.00/9-1561

FOREIGN SERVICE DESPATCH

FROM : Embassy, RIO DE JANEIRO, Brazil — A-10 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE: September 15, 1961

REF : ---

Tele Agation - Lima E87/8 Wilkinson - Lima 9-26-61

For Dept. Use Only	ACTION	INFO	DEPT	RMR	REP	AF	ARA	EUR	FE	NEA	CU	DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS	ICA
	ARA-4*										5	2	
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB	SEP 22 1961	
	REC'D 9-22			AIR 6	ARMY 6	CIA 15	NAVY 4	OSD 5	OCB	USIA 10	NSA 6	NSC 1	FBI 1

SUBJECT: FIELD REPORT ON THE RESIGNATION CRISIS: THE POLITICAL AFTERMATH.

Things have returned to normal in Pahia, and also, according to county reports out of Arachin, in the tiny state of Purgipe. The multiple strikes have been eased. The armed military are off the streets. Censorship has been relaxed. The banks have reopened and travel is back to the normal frustrations. The people seem bent upon forgetting what has happened to them, and already the public spokesmen have relapsed into complacent generalities about "bloodless revolutions" and the basic sanity of the "povo". Not much sober thought appears to have been given to the terrible dangers barely averted, nor, on the other hand has there been a display of pride or even interest in the miraculous flexibility that permitted an overnight change in the form of the national government. Actually the crisis has left behind a number of scars and a rash of new precedents. The fine latin fervor with which Pahienses express their political opinions has been somewhat dampened. There is an uncertainty in the air, a vague, unfocussed irritation.

The university students are dissatisfied -- and more than a bit bewildered. Along with the "secundarios" they had mounted their strike, the third in little more than a year, with the usual dramatic frenzy, and found it fizzling out almost as soon as it got started. This time their parades and their public meetings were broken up by solid soldiers who meant business. The [illegible] were no long, sympathetic stories in the daily press. Their loud speakers were not permitted to blare out over the heads of the downtown crowds and no kird-hearted state deputy moved to have the Assembleia turned over to them as a forum. The crisis was too severe to allow room for the playacting of schoolboys. For the first time the arrogant politicking of this generation of

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LWS

FORM 6-61 FS-439 GPO 912896

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ACTION ASSIGNED TO:	ACTION TAKEN	
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

0890

that occasion Dantas indicated his support of the Quadros foreign policy.

The Finance Minister, Walther Moreira Salles, a banker, businessman and coffee grower, is one of Brazil's wealthiest men. He served as Ambassador to the United States in 1952-53 under Vargas and in 1959-60 under Kubitschek. Early this year he headed the Special Financial Mission which Quadros sent to Washington. The conservative Moreira Salles, if given a free hand, may be expected to conduct the country's financial policy along generally sound lines, consistent with the protection of his vast fortune and that of the wealthy class. He is generally friendly to the United States.

In view of the uncertainties with regard to the exercise of authority under the new system and of the relative strength of the political forces represented in the new Government, particularly the role of President Goulart, it is too early to predict what policy lines will be followed by the new Government or how vigorously it will pursue these policies. However, we believe the new Government will be as favorably disposed toward the Alliance for Progress as was President Quadros.

/s/ Dean Rusk

Dean Rusk

FILE

EST:AWHemba:
ARA:EST/B:JWWilson:lms 9/13/61

0889

27

SEP 15 1961

FILE

MEMORANDUM FOR THE PRESIDENT

Subject: Preliminary Appraisal of the New Brazilian Government

From the information now available it appears that the Council of Ministers, under Brazil's new parliamentary Government, tends to the conservative side. The generally conservative PSD (Social Democratic Party--of which former President Kubitschek is a principal leader) is predominant, with the generally conservative UDN (National Democratic Union--the principal party backing Quadros in 1960) in a lesser role, and the left-of-center PTB (the Brazilian Labor Party of which President Goulart is the dominant leader) represented, though excluded from the Labor Ministry. Both the Prime Minister (and also Minister of Justice) Dr. Tancredo Neves (PSD), and the Foreign Minister, Deputy San Tiago Dantas (PTB), have been close personal friends of President Goulart in the past but do not necessarily share his attitudes toward Communism. The holders of two of the minor portfolios (Health and Mines and Energy) are said to be extreme nationalists. The three service ministries are headed by career officers.

The Prime Minister, Dr. Tancredo Neves, a 51-year-old lawyer and businessman, has not hitherto been known internationally but has long been an influential member of the PSD. He was closely associated with former Presidents Vargas and Kubitschek and was instrumental in constructing the political coalition between the PSD and the PTB. He is reported to be conservative, anti-Communist, and basically friendly to the United States. It is expected he will be disposed toward cooperation with us.

The Foreign Minister, San Tiago Dantas, is a prominent lawyer, and supposedly the "brains" behind Goulart's conservative wing of the PTB. He has been described as an intellectual and a patriotic nationalist rather than a dedicated leftist. He was once a member of the ultra-conservative Popular Representation Party. President Quadros, just prior to his resignation, nominated Dantas to be Brazil's Permanent Representative to the United Nations, and on

2

that occasion

Declassified by NARS

ARA:ESTJ Wilson

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Both supporters and opponents of Goulart believed they had gained as a result of the compromise. On the one hand, his supporters, consisting largely of trade unionists and intellectuals, believe that Goulart will soon regain the lost presidential powers. The present formula has been accepted as a temporary expedient for the purpose of installing Goulart in the presidency. His opponents, on the other hand, consisting in the main of the armed forces and the business community consider Goulart as more tractable than the unbending and incorruptible Quadros. They take comfort in the fact that Goulart is a wealthy man and that he would have much to lose in the establishment of a government on the Soviet or Cuban models. He is considered a leftist more by reasons of opportunism than of conviction and thus more susceptible to be led away from this path. The French ambassador himself shares this opinion, qualifying Goulart as an unprincipled "gangster".

As concerns the duration of the new form of government only time can tell. The last emperor of Brazil tried a parliamentary form of government. Neither he nor his government lasted too long. END SUMMARY

For the Ambassador:

John A. Bovey, Jr.

John A. Bovey, Jr.
First Secretary of Embassy

cc: AmEmbassy, Rio de Janeiro

CONFIDENTIAL

0887

AIR POUCH
PRIORITY

CONFIDENTIAL
(Security Classification)

DO NOT TYPE IN THIS SPACE
732.00/9-1561

FOREIGN SERVICE DESPATCH

FROM : American Embassy, Paris

301
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 15, 1961
DATE

REF : Tels Legation Brussels to EUR/B: 9-26-61 - Lux SEP 19 1961

For Dept. Use Only	ACTION	DEPT.	
	ARA-4	INFO	RM/R-2 EUR-5 INR-7 S/S-3 P-3
	REC'D 9-22	OTHER	CIA-10 Army-4 Navy-4 AID-2 OSD

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
INR-6 SEP 2[illegible] 1961

SUBJECT: Views of the Foreign Ministry and French Ambassador to Brazil on the Recent Brazilian Crisis

From the time he took office until his surprising and unexpected resignation, Janos Quadros was looked on by the French Foreign Ministry with growing scepticism and suspicion. His increasingly "non-aligned" foreign policy and his erratic and unconventional ways of governing more than offset in French eyes his efforts to rid the government of corruption, and to combat absenteeism and other widespread abuses of the bureaucracy. Therefore, although his resignation threatened for a time to bring about civil war in Brazil, there was no sorrow in Paris at his departure. While under no illusions that his successor, Goulart, would be any more friendly toward the West, Foreign Ministry opinion seems to be that he might be more tractable and not embark on such radical and uncharted courses as did Quadros.

During the course of a conversation with the officer in charge of Latin American affairs at the Foreign Ministry, an Embassy officer was shown a despatch written recently by the French ambassador to Brazil, which appeared to summarize French official thinking on the crisis in Brazil. A summary of the despatch follows:

BEGIN SUMMARY. Quadros is pictured as a harassed and mentally unbalanced man, whose underlying motive was to establish Brazil as a people's democracy. To accomplish this end, it was necessary for him to gain the support of powerful figures such as Lacerda, who would then have supported him against the armed forces, which would never have tolerated popular democracy in any form. Failing in this objective, Quadros submitted his resignation to the parliament, believing it would be refused and thus his power in the country would not only be confirmed but enhanced. To his utter astonishment, the resignation was accepted and he left Brasilia on the verge of a complete nervous breakdown.

Goulart's inauguration as president came as the result of a compromise and the real desire of all sides to avoid civil strife. The armed forces played a significant role in the maintenance of order and were instrumental in bringing about the constitutional changes which stripped the president of much of his power. However, stories of a deep split in the armed forces appear to be exaggerated. It cannot be denied that both the air force and the Navy displayed both discipline and loyalty to Marshal Denys -- while the 3rd army rallied to the cause of Goulart, which undoubtedly caused the old marshal some pain. Nevertheless, the Marshal himself, after having repeatedly stated that Goulart would be unacceptable under any conditions whatsoever, did finally accept him as president, thus espousing the cause of the army albeit in somewhat modified form.

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REPORTER

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0886

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The Finance Minister, Walther Moreira Salles, a banker, businessman and coffee grower, is one of Brazil's wealthiest men. He served as Ambassador to the United States in 1952-53 under Vargas and in 1959-60 under Kubitschek. Early this year he headed the Special Financial Mission which Quadros sent to Washington. The conservative Moreira Salles, if given a free hand, may be expected to conduct the country's financial policy along generally sound lines, consistent with the protection of his vast fortune and that of the wealthy class. He is generally friendly to the United States.

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/s/ Dean Rusk

Dean Rusk

S/S - RO

EST:AWHemba CONFIDENTIAL
ARA:EST/B:JMSullivan:lms 9/13/61

0885

ESI/B - subject

PLEASE RETURN TO ROOM 6256 NS

14860

SEP 15 1961

MEMORANDUM FOR THE PRESIDENT

Subject: Preliminary Appraisal of the New Brazilian Government

From the information now available it appears that the Council of Ministers, under Brazil's new parliamentary Government, tends to the conservative side. The generally conservative PSD (Social Democratic Party--of which former President Kubitschek is a principal leader) is predominant, with the generally conservative UDN (National Democratic Union--the principal party backing Quadros in 1960) in a lesser role, and the left-of-center PTB (the Brazilian Labor Party of which President Goulart is the dominant leader) represented, though excluded from the Labor Ministry. Both the Prime Minister (and also Minister of Justice) Dr. Tancredo Neves (PSD), and the Foreign Minister, Deputy San Tiago Dantas (PTB), have been close personal friends of President Goulart in the past but do not necessarily share his attitudes toward Communism. The holders of two of the minor portfolios (Health and Mines and Energy) are said to be extreme nationalists. The three service ministries are headed by career officers.

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that occasion

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DEPARTMENT OF STATE
ASSISTANT SECRETARY

September 14, 1961

TO : The Secretary

THROUGH: S/S

FROM : ARA - Mr. Woodward

SUBJECT: New Brazilian Government

Attached is a Memorandum for the President giving our preliminary appraisal of the new Brazilian Government.

Recommendation

That, if you approve, you sign the attached Memorandum for the President.

Attachment:

Memorandum for the President (Tab A).

ARA:EST:AWiemba:ed:lms 9/13/61

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W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 46

1 / 1 / C /

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AGRAM A-126 FR RIO DE JANEIRO TO SECSTATE

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W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 45

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Document Date: 14/09/61

Document Ser.#:

AGRAM A-125 FR RIO DE JANEIRO TO SECSTATE

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WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00045



SECRET

-2- 758, September 14, 5 p.m. from Mexico City

3. Brazil is now headed into a "class struggle" which will make it necessary for liberal and center elements to regroup and brace themselves for attack by extremists including Communists. These liberal civilian groups represent Brazil's best hope for future since armed forces lost face and for immediate future must be discounted as strong political force as result refusal congress agree to military demands.

4. Appointment Campos as Ambassador to Washington and Moreira Salles as Finance M inister is proof intention new government follow sound fiscal and monetary policies.

5. Lafer was offered Foreign Ministry but refused on advice his doctors. New Foreign Minister okay and great improvment on Arinos who was complete opportunist with no principles of his own.

Foregoing transmitted without comment as I am not up-to-date on Brazilian political currents.

MANN

DT

SECRET

32

INCOMING TELEGRAM — Department of State — ACTION COPY

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Control: 10641
Rec'd: SEPTEMBER 15, 1961
3:00 PM

FROM: Mexico City

TO: Secretary of State

INFO: FMA-Comm/M
RM/R FILES

NO: 758, September 14, 5 p.m.

ACTION DEPARTMENT 758, INFORMATION RIO DE JANEIRO 6

LIMIT DISTRIBUTION NO DISTRIBUTION OUTSIDE DEPARTMENT

PIO Correa has returned from Brazil where he witnessed change in government and consulted Kubitschek, military chiefs, new Prime Minister, Lafer and others. Quadros plans to transfer him were cancelled and he is to remain here as Ambassador. As Department knows PIO Correa is able career diplomat and good political observer with long record friendship for US. He made strong plea for prompt US moral support new government at what he regards as critical time in Brazil's history. Principal points his summary situation are:

1. Quadros is petulant, irresponsible individual with record association Communists in his early years who planned gradually carry Brazil (information) neutralist camp. He has chip on shoulder against Brazilian upper class and will never take advice. He resigned in belief Congress would refuse accept resignation and call him back "save" country. Of the six and half million people who voted for him none known to raise his hand in Quadros support after resignation thus proving Quadros and elements he represented are "paper tigers" who can control Brazil only if they can move without opposition into a political vacuum.

2. Goulart is quiet type who prefers work behind scene and is opportunist with upper class background. Unlike Quadros he "knows he isnt the Christ" and will listen to good advice.

3. Brazil

SECRET

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32

INCOMING TELEGRAM — *Department of State*

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39
Action
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Control: 8562
Rec'd: September 13, 1961
10:00 a.m.

FROM: Rio de Janeiro

Draft tel transmitting this message to Albrook Air Force Base, Canal Zone, prepared by EST/B:ETBriggs: lms 9/15/61.

TO: Secretary of State

NO: 738, September 12, 6 p.m.

Following message from American Consulate Recife referred Department for appropriate action:

(Begin Text). If agreeable Embassy please pass following to Captain Martin Alexander, Det. 102, Albrook AFB, CZ:

"Re your telegram seventh.

Perceive no reason basis local situation delay proposed Det. 10 line modifications here if already approved State-Defense Departments Washington and Embassy Rio".

Rabida (End Text).

Embassy has no further information this subject.

BOND

DT

732.00/9-1261

Mr. Spreen 182-2846 D/State

Col TED Brown - D/AF 79065 Pentagon

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RG: 059

ENTRY: CDF60-63

TAB #: 44

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Document Date: 12/09/61

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DESP NO. 17 FR SALVADOR TO STATE

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and formulate appeal that they not deny us any moment their support solidarity, in name most sacred interests common Fatherland.

To judiciary power I wish pay special homage, seeing it, Mr. President, ever more prestigious due popular reaffirmation respect veneration laws.

Under my government, all public liberties will be immediately assured with suspension, Messrs. Congressmen, any administrative measures imposed against guarantees established Constitution Republic.

Messrs. Congressmen:

Destiny, in significant warning, brought me to Presidency Republic on date political independence Brazil.

I see, in this coincidence, symbolism which will have to inspire orient me in highest office Nation.

I ask God sustain me that I may serve our country with all my efforts, with energy without fear, so that I may defend, as ancestors knew how defend, independence Brazil, national grandeur, and happiness Brazilian people. END TEXT

BOND

POL:TTonkin:ss
September 8, 1961

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basic precept that from people themselves all power emanates, return word and decision to popular will which orders/judges us, so that it can give supreme 'referendum' to political decisions which in its name we are solemnly taking this moment.

Surprised, when on mission my country abroad, with emergence politico-military crisis, I did not vacillate instant as to responsibility which felt me fulfill.

I soon was able evaluate extent and exact sense mobilization consciences and wills in which Brazilians were fraternally joined together for defense public liberties. Joined /as I was/ in solidarity with lively manifestations our democratic consciences, I did not for single instant cease think avoiding, while could be done with dignity, struggle between brothers. I did everything not mark with generous blood Brazilian people road which brought me to new capital, road which brought me to Brasilia.

Political parties, parliamentarians, everyone know that, even by temperament, I inclined more unite than divide /that/ I prefer pacify rather provoke hatreds, /that/ I prefer harmonize rather stimulate resentments.

We will promote internal peace, peace with dignity, peace which results security new institutions, in guarantee democratic rights, permanent respect for will people inviolability national sovereignty.

We demand union Brazilian people and for it we will fight with all energy, under inspiration law democratic rights, to mobilize whole country for united internal fight which we must undertake, which is fight for our economic emancipation, fight against pauperism, fight against underdevelopment.

I direct myself especially to President Pascoal Ranieri Mazzilli, whose civic virtues I desire proclaim; to National Congress, over which I had honor preside these last six years and which acted, in emergency, in intransigent defense democratic regime; to Catholic church, which is my faith and which from beginning manifested itself for legality through authorized voice its most illustrious prelates; to other churches which also defended Constitution; to students who fought intrepidly for preservation democratic order; to forces production which placed themselves our side because they knew we factor for equilibrium, harmony, conciliation in play social tensions; to press, radio, television which with indomitable bravery resisted violences threats against liberty manifestation thought; to Armed Forces which remained faithful spirit democracy devoted themselves to protection juridical order; to governors states who resisted in defense legality, to workers Brazil who gave impressive demonstration their unity, in peaceful orderly manner, in stirring solidarity in maintenance democratic order; to all, as President Republic, I direct thanks of country and



INCOMING AIRGRAM *Department of State* ACTION COPY PERMANENT RECORD COPY

Amembassy RIO DE JANEIRO

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UNCLASSIFIED PAGE 1 OF 3 PAGES
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9-18-61.

Action: ARA (13)
Info: RUM-2, INR-10, P-5, CIA-15, USIA-15, OSD-20, ARMY-M+I, NAVY 4, AIR-2, NSA-4

FROM: Amembassy RIO DE JANEIRO
TO: Secretary of State
NO: A-116

Goulart delivered following speech after swearing uphold Constitution September 7:

BEGIN TEXT Brazilians: I assume Presidency Republic conscious grave responsibilities which fall to me before nation.

My investiture, although under aegis new system, consecrates respectful veneration constitutional order.

I came to power approved by popular will, which twice elected me Vice President Republic and which now in impressive manifestation respect legality and defense public liberties is united in all its force to prevent sovereign decision from being disrespected.

I consider myself guardian national unity, and duty preserving it falls to me, with patriotic objective orienting it for realization lofty glorious destinies Brazilian nation.

There is no reason be pessimistic before people which knew how impose its will, conquering all resistances so that democratic legality not be discredited. Our great task is not deluding people and to this end we must promote, with all means our power, solution their problems, with same dedication and enthusiasm with which they knew how defend law, order and democracy.

In this magnificent movement public opinion, national union was formed in heat crisis, which we must keep alive, for purpose dissipating hatreds personal resentments, benefit high interests Nation, inviolability its sovereignty, acceleration, development.

Messrs. Congressmen, permit me, on other hand, this moment, reflection which I confidently suppose as much yours as mine.

Your Excellencies knew how safeguard with firmness, honor wisdom, exercise and defense mandate which nation confided you. It is up to us now, who are representatives people, faithful

732.00/9-1261

LWS

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São Paulo

10. Cuba

Not even the leftist press has wished to approve of Cuban attempts to exploit the Brazilian crisis. Cuban action against Brazil's observers in the Belgrade Conference also caused unfavorable publicity. In general, the Cuban government seems to have bungled sufficiently to emerge with a worsened position from a situation that gave it several potential advantages.

11. Position of U.S. on Brazilian Crisis.

By way of contrast, the refusal of President Kennedy to "intervene" (through comment) in Brazil attracted favorable attention, pulling the rug out from under anti-Yankee leftists. American newspaper comments on the Brazilian scene were quoted in full with touchy comments, however, and it seemed clear that any official U.S. advice to Brazil would have been disastrous.

Miscellaneous

12. List of Substantive Despatches

01. Political Situation Causes Postponement of Foreign Investment
02. São Paulo Cost of Living: July 1961
03. Soviet Bloc Trade Discussed at Commercial Assoc.
04. Bi-weekly Economic Review August 25 - September 7, 1961
05. Santos Weekly Report
06. São Paulo Weekly Summary No. 11

William P. Cochran, Jr.
Minister Consul General

Contributors: Pyle, Proper, Shea

Distribution: INS-RAR, Embassy Rio 3, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife Salvador, Santos.

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0873

his first public appearance since his appointment at a trade union meeting. The occasion was a meeting convoked by José Chediak, regional delegate of the National Confederation of Industrial Workers (C.N.T.I.) to kick off a campaign for higher wages. The meeting was held at the local union of metal workers, which is controlled by the Communists. Sr. Montoro, according to the left-wing daily Ultima Hora, told the workers and trade union leaders in attendance that he was in complete accord with their demands for sizeable wage increases. However, he added, measures must be taken to halt the rapid increase in the cost of living. He also made several derogatory references to Gov. Carlos Lacerda and other "golpistas" for their attempts to install "a military dictatorship" in Brazil during the recent crisis. He announced that one of his first acts as Minister of Labor in response to a request by President Goulart was to revoke the recent government intervention in the São Paulo State Federation of Food Workers (controlled by the Communists) for alleged irregularities in the biennial elections held in April of 1961.

COMMENT: A number of well known non-Communist and Communist trade union leaders attended this meeting. The meeting was chaired by the aforementioned Chediak, who has a long and well known record of collaboration with the Communists. The State Federation of Food Workers is headed by Luiz Tenorio da Lima (elected in April 1961) who is generally regarded as the top Communist trade union leader in São Paulo. It is unfortunate that Sr. Montoro chose this occasion to make his first public appearance as Labor Minister. However it is still too early to pass judgement as to what his labor policy will be. It appears that the left wingers capitalized on the situation and made the first overture to the new Minister. The democratic groups who are still not operating cohesively have been slow in extending an invitation to Sr. Montoro and expressing their support.

Local Press Review (Official Use Only)

It was only near the end of the week under review that Brazil's own political crisis appeared sufficiently calmed to let international news back into the editorial columns. The following items received brief attention.

9. Soviet Rupture of T st Ban

The moderate São Paulo press, predictably, condemned the Russian move. More interesting was the fact that the leading leftist paper, Ultima Hora, criticized Big Brother in highly unusual terms. Example: a picture of an atomic cloud with the caption "Krushchev's peace pipe makes this kind of smoke."

9. Berlin

Coverage of the Berlin crisis continued little altered from that reported in past weeks, with Russian intransigence making a continually worsening impression. Leftist papers have hardly ventured to print news on the subject.



5. State Deputies Debate Gubernatorial Succession(Official Use Only)

São Paulo state deputies, toward the end of this past week, with a seeming solution in sight for the political crisis, began to discuss the effect of article 24 of the constitutional amendment just passed by the Federal Congress, particularly as it would affect the choice of a governor to succeed the incumbent Carvalho Pinto. (Article 24 provides that the Constitutions of the states will be adapted to the parliamentary system of government within a term to be established by law and which may not be prior to the end of the terms of the present governors. Federal, state and municipal mandates will likewise be respected.) Two theses have been advanced. Some deputies think that the next governor of the state should be elected directly by the people; others feel that the successor to the present governor must be elected by the state Legislative Assembly. Those deputies who support the latter point of view disagree as to whether the incumbent deputies (whose tenure expires on March 12, 1963) would elect a governor after Carvalho Pinto's mandate ends on January 31, 1963, or whether the gubernatorial position should remain vacant until the newly elected deputies have the opportunity to indicate their own choice for the governorship. While the latter seems logical, it would leave the state without a governor for a month and one-half.

COMMENT: (Confidential) A considerable number of state deputies have privately indicated in the past few days that, if the choice is left up to state Legislative Assembly, Abreu Sodré, current Assembly President, would be a favorite for the governorship.

Labor

6. WFTU Expresses Solidarity With Communist Trade Union Leaders (Confidential)

Additional proof of a police crackdown on known Communist Party trade union leaders and agitators appeared during the recent political crisis last week when the Communist dominated World Federation of Trade Unions (WFTU) sent a telegram to the São Paulo State Trade Union Council (CST) signed by Louis Saillant, Secretary-general of the WFTU, expressing solidarity with Brazil's trade union leaders, protesting the closing up of many trade union headquarters, and demanding the immediate release of imprisoned union leaders.

COMMENT: Non-Communist trade union leaders are gleefully telling stories of the police crackdown against the Communists, which went a long ways toward breaking a proposed general strike to insure Vice-President Goulart's installation as President.

7. New Minister of Labor Appears at Left-Wing Trade Union Meeting. (Confidential)

Franco Montoro, Federal Deputy and new Minister of Labor, who is regarded as "a middle of the road" PDC politician (see Item 1), made

0871

São Paulo was that the crash amendment providing for parliamentary government would do less violence to the constitution than would strict refusal to allow Goulart to take office.

Against this background, it is interesting to glance at São Paulo's first assessment of the new government. As has been reported, the news that Jango had finally been allowed to take office brought a wave of relief. The crisis was costing this state more than any other in Brazil, and local circles were prepared to indulge in a celebration when it ended. The question is whether the celebration was premature. Most of the moderate press does not think so. (The leftist press, predictably, is exuberant.) With one conspicuous exception, moderate São Paulo papers are allowing João Goulart a honeymoon. The exception is O Estado, which was not willing to appear to accept him, even for a moment. O Estado believes that the crisis is just beginning. It has no use for Goulart, for the parliamentary system of government, or for the new cabinet. While this opinion is far from being typical, it can hardly be ignored, coming as it does from one of the country's most important opinion-formers. It will not be surprising if the limb currently occupied by O Estado begins to creak under additional weight.

3. Carvalho Pinto Likes It Here (Confidential)

This post's Despatch 72 of August 29 mentioned that São Paulo Governor Carvalho Pinto could be a strong runner in an election by either the people or the congress of Brazil. As it turned out, he was (by his admission) offered the Presidency of the Council of Ministers in the new parliamentary government of Brazil. He turned it down because, reportedly, he thought that he should not vacate his Governorship. He backed Bahia Minister Juracy Magalhães for the Presidency of the Council but denied that he had vetoed an offer of the position to Paulista Auro Moura Andrade (PSD), acting President of the Federal Senate.

COMMENT: It is worth speculating further as to Carvalho Pinto's reasons for turning down the job which will be, in theory, the most important in the country. His real stature and his skillful treadmill work during the crisis brought on by Quadros' resignation made him a candidate acceptable to very disparate elements of the national political scene. His stated reason for refusing the designation of Council President is undoubtedly true insofar as it goes: all Paulistas feel that they are the engine pulling twenty cars made up by the other states of Brazil. In this case, Carvalho Pinto is driving the engine and has every reason to consider his work important. In addition, however, he may have solid reason to question how much freedom of action he would have in working with President João Goulart, who shows few signs of being a shrinking violet. Political actions currently speak very much louder than words in Brazil, and Carvalho Pinto's action in turning down the Presidency of the Council does not predict a healthy future for the new regime.



installation of Goulart" was frustrated by members of the DOPS and the Guarda Civil.

Business activity was hampered by the week long bank holiday. Banks were open to permit business firms to secure funds for payroll purposes, deposit checks, and perform certain other restricted activities. Industrial workers tended to remain on the job; absenteeism was reported to be low. Some Paulista businessmen quietly advocated a ten to thirty day moratorium on business debts; others, who appeared to be in the majority, felt that the business situation would readily stabilize itself once normal banking facilities were available.

The State Legislative Assembly, which has been meeting in continuous session since the beginning of the current political crisis, planned to resume its normal schedule and activities with the assumption of office by João Goulart. During the past week a number of state deputies formed a Democratic Popular Front to advocate the choice of Bahia Governor Juraci Magalhães for the Prime-Ministership. It would appear that the several statements made in favor of Juraci Magalhães by São Paulo Governor Carvalho Pinto greatly influenced the deputies' course of action. Thirty-seven state deputies were reported to have gone to Brasilia to witness Goulart's inauguration.

Secondary schools and the universities in São Paulo opened this past week. Some of the university students, however, expressed their disapproval of the recently enacted constitutional amendment (creating a parliamentary system of government) by remaining away from class. The State Student's Union, which had adopted a similar position, unsuccessfully tried to exploit a general student's strike, but on September 8 the studerts agreed to resume their studies.

COMMENT: (Confidential) Paulistas generally continue to be chary of João Goulart. Some are of the opinion, based on Goulart's predilection for political machination, that the present crisis has only subsided temporarily (see following item).

3. Paulistas Assess New Government (Confidential)

In spite of the fact that São Paulo is the largest industrial center in Brazil, the Consulate General has often reported that few Paulistas admire João ("Jango") Goulart, new national President and a leader of the Brazilian Labor Party (PTB). During the recent crisis, nevertheless, there was an unmistakable surge of opinion in favor of allowing Goulart to assume the presidency (See São Paulo Despatch 30, September 5). Analysis of this surge is not simple even with the advantage of hindsight, but in part it was clearly derived from respect for the Constitution rather than for Jango himself. Odd as it seemed to many observers (including some Paulistas), general opinion in

0869

State Deputy (and President of State Legislative Assembly), and Federal Deputy. Has attended European Christian Democratic Congresses and has visited Communist China (twice) and Russia. Has not so far visited United States. Would like to do so but has not found time to accept a Leader Grant which has been offered.

COMMENT: Montoro is believed to be a sincere Christian Democrat of convictions similar to those held by members of his party in Europe. Though he has on occasion made leftist overtures, he is not thought to share the fuzzy, impressionistic attitudes towards Cuba and (capital C) Capitalism of some of his Brazilian colleagues. He is known as a very able person. One comment which has been overheard: "In any case, he is bound to be an improvement over Castro Neves (his predecessor)."

Ulysses Silveira GUIMARAES - Minister of Industry and Commerce
Born in Rio Claro, state of São Paulo, October 6, 1916. Attended Law School of University of São Paulo, graduating with a distinguished record. Author of several works on law and the arts. Married; two children. Long-time member and currently Secretary-General of the Social Democratic Party (PSD). Formerly State Deputy. Has been Federal Deputy since 1947 and twice President of Federal Chamber of Deputies. Author of several important laws in the social and educational fields. Has traveled widely, including to the United States.

COMMENT: Guimarães is an old line PSD politician of the kind which has been somewhat out of style in São Paulo since Quadros became Governor. He is a scholarly, quiet person of pronounced nationalist xxxxxxxxxx leanings who appears to arouse more enthusiasm among politicians than among voters. Because of an impressive legislative record, he has been able to buck the counter- "estado novo" trend in his home state. Though intelligent and able, his specific qualifications for the ministry of Industry and Commerce are not clear; but, politically, he was a logical candidate for one of the ministries reserved for the (PDC) in the new government. PSD ?

2. Recuperation from Crisis (Official Use Only)

Paulistas this past week greeted the return and investiture of João Goulart as President with almost audible sighs of relief. São Paulo was calm, but activities were restricted by the bank holidays and student strikes. Troops of the Brazilian II Army, headquartered in São Paulo, as well as the Guarda Civil (uniformed civil guards), the Força Publica (state police), and the Political and Social Police (DOPS) continued on the alert throughout the state. The number of people traveling was greatly reduced. Those who wished to journey to the south were still required to secure a pass from II Army authorities at week's end. An attempt early in the week by thirty-two gauchos, who were temporarily stranded in São Paulo by Army authorities, to hold a public meeting in a downtown city square "in defense of constitutional liberties and the



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732.00/9-1261

FOREIGN SERVICE DESPATCH

FROM : Amconsul, SAO PAULO

DESP. NO. 86

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE September 12, 1961

REF :

P. 3 SEP 13 1961

For Dept. Use Only — ACTION REC'D 9-15 — DEPT. INFO OTHER: RM/R-2 INR-7 D-10 S/AE-4 IO-4 CIA-10 USIA-10 ARMY-4 NAVY-4

SUBJECT: São Paulo Summary No. 11, Week Ending September 9, 1961.

Lot-8 NSA-4 050-5

INDEX:

Political
1. New Ministers from São Paulo
2. Recuperation from Crisis
3. Paulistas Assess New Government
4. Carvalho Pinto Likes It Here
5. State Deputies Debate Gubernatorial Succession

Labor
6. WFTU Expresses Solidarity with Communist Trade Union Leaders
7. New Minister of Labor appears at Left-Wing Trade Union Meeting

Local Press Review
8. Soviet Rupture of Test Ban
9. Berlin
10. Cuba
11. Position of U.S. on Brazilian Crisis

Miscellaneous
12. List of Substantive Despatches

DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS SEP 19 1961

732.00/9-1261 CS

Political

1. New Ministers from São Paulo (Confidential)

As expected, São Paulo will continue to be well represented in the national government. There are two Paulista national Ministers, as there were under the previous regime. Other appointments may be in the making: São Paulo Federal Deputy Nicolai Tuma (UDN), for example, has been considered for appointment as Mayor of Brasilia. Detailed biographic reports on the new men are under preparation and will be forwarded within a few days. In the meantime, the following summaries are offered.

André Franco MONTORO - Minister of Labor

Born city of São Paulo July 14, 1916. Primary and secondary education in São Paulo and Santos. Attended University of São Paulo (Law School) and Catholic University of São Paulo. Holds title of Professor in both universities. Author of works on law. Married; seven children. Member of Christian Democratic Party (PDC) since 1950 and Secretary-General of party 1954-1956. Has been successively Municipal Councilman, currently São Paulo PDC President.

see last page/mec — REPORTER

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-2- J51, 11610Z, SEPTEMBER (ATTACHE MESSAGE) FROM EMBASSY BRAZIL

PART 4:

RIO PRESS ATTACKS GOVERNOR LACERDA FOR PRESS CENSORSHIP.

PART 5:

PRESS REPORTS NORTH AND NORTHEAST STATES RELATIVELY CALM. THE STAGE FOR POWER STRUGGLE RESTRICTED MAINLY TO BRASILIA, RIO, SAO PAULO AND PORTO ALEGRE.

PART 6:

COMMENT: DOUBTFUL SECOND ARMY COMMANDER STATEMENT HAD APPROVAL MILITARY MINISTERS. SO ASSUME HE DOES NOT FULLY SUPPORT DENYS. REAL POSSIBILITY GOULART STRENGTH SUCH THAT HE CAN REFUSE ACCEPT COMPROMISE AND EVENTUALLY ASSUME OFFICE AS PRESIDENT WITH FULL POWER. THIS TOTAL DEFEAT FOR MILITARY MINISTERS CONCEIVABLY COULD PERSUADE THEM TO START CIVIL WAR WITH WHATEVER FORCES THEY COMMAND. MORE REASONABLE PREDICT DENYS AND CONGRESS WILL ACT QUICKLY, CHANGE CONSTITUTION, AND INSTALL GOULART LIMITED POWERS. IF GOULART ARRIVES RIO GRANDE DO SUL BEFORE CONGRESS PASSES AMMENDMENT CONCEIVABLE RESULT IS CONGRESS WILL UNITE BEHIND GOULART LEAVING MILITARY WITH A POSITION THAT CANNOT SUSTAIN. CANNOT RULE OUT POSSIBILITY THAT GOULART SUPPORTERS IN CONGRESS MAY BLOCK AMMENDMENT.

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INCOMING TELEGRAM *Department of State*

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TO: Secretary of State

NO: J-51, 11610Z SEPTEMBER (ATTACHE MESSAGE)

PRIORITY

ACTION CNO HQ USAF FOR AFCIN ACSI DA INFORMATION 127 FAG CINCLANT CINCLANTFLT COMFIFTEEN COMTEN COMSOLANT CHNAVMIS BRAZIL CINCLARIV CGUSARCARIB CAIRC WHITE HOUSE AND DEPARTMENT STATE.

THIS MESSAGE IN 6 PARTS.

FOLLOWING IS SUMMARY OF MAJOR DEVELOPMENTS NOT PREVIOUSLY REPORTED 31 AUGUST.

PART 1:

CONGRESS VOTED ALMOST UNANIMOUSLY A RESOLUTION RECOGNIZING GOULART RIGHT TO PRESIDENCY AND FOR ADOPTION OF PARLIMENTARY SYSTEM OF GOVERNMENT WHICH WOULD LIMIT PRESIDENTS POWER. CONGRESS IS MEETING TODAY TO WORK OUT DETAILS OF A CONSTITUTIONAL AMENDMENT FOR THIS PURPOSE.

PART 2:

SECOND ARMY COMMANDER ISSUED A COMMUNIQUE STATING MILITARY MINISTERS WILL ACCEPT WHATEVER SOLUTION CONGRESS COMES UP WITH.

PART 3:

(2)

GOVERNOR BRIZOLA, RIO GRANDE DO SUL, ASKED BRAZILIANS TO JOIN RANKS IN DEFENSE OF LEGALITY AND DEMOCRATIC REGIME. STATED ATTITUDE IS NOT OF REVOLUTION BUT OF RESISTANCE FOR PRESERVATION OF LEGAL ORDER. COMMANDER THIRD ARMY RECONFIRMED HE WILL NOT ACCEPT SOLUTION WHICH KEEPS GOULART OUT OF OFFICE.

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administration would be toward the social and economic program in the Northeast of Brazil. To this Mr. Bernardes replied that Brazil is committed by Congress, which had approved the SUDENE program. This would go ahead.



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(Drafting Office and Officer)

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: September 11, 1961

SUBJECT: New Brazilian Administration

PARTICIPANTS: Minister Carlos A. Bernardes, Chargé d'Affaires, a.i., Brazilian Embassy
Mr. Carlos L. Lobo, First Secretary, Brazilian Embassy

ARA - Mr. Woodward
EST/B - Mr. Wilson

COPIES TO: ARA - Mr. Woodward - 2
EST - Mr. Wellman
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E -
REA -
RPA -
Embassy Rio de Janeiro

Mr. Bernardes informed Mr. Woodward that he was being called back to Brazil for consultation and that First Secretary Carlos L. Lobo would be in charge in his absence. Mr. Woodward said we were at Mr. Lobo's service.

Mr. Bernardes commented that the Brazilian career service was very pleased at the appointment of San Tiago Dantas to head the Brazilian Foreign Ministry. He described Dantas, whom he referred to as a personal friend, as a brilliant man, of conservative temperament, who would make Brazil a fine Foreign Minister.

In response to Mr. Bernardes' inquiry whether Mr. Woodward had any comments with regard to the new Government, the latter stated that we were pleased that the Brazilian people had worked out their recent political problems without strife and that a military division of the country had been avoided. He said we expected to continue our historical cooperation with Brazil, a country of key importance representing half a continent. He went on to point out that our commitments with regard to financial cooperation with Brazil are based on our understanding that Brazil is committed to follow policies designed to promote economic stabilization.

Mr. Bernardes mentioned, as evidence of the new Government's intentions, that Moreira Salles, who had negotiated the recent financial arrangements with the U.S., is to be the Finance Minister. He said Moreira Salles had previously turned down an offer of the post from Quadros, but now feels constrained to take the position.

Mr. Woodward asked Mr. Bernardes what he thought the attitude of the new administration

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ACTION
is assigned to

To: Department of State

United States Senate

September 11 1961
(date)

File
Ripley drafted
by EST/B-L, TU ext
9-22-61

Re: Mrs. J. Canals
12 West 76th Street
New York, New York

Sir:

The attached is respectfully referred to you for consideration and for a report thereon, in duplicate, together with the return of enclosure.*

Thank you for your courtesy in this matter.

Very sincerely yours,

KENNETH B. KEATING
U. S. S.

K:pt
*P. S. It will be appreciated if no mention is made in your report of the fact that the constituent's correspondence has been sent to you.

9-11-61
Mrs. J. CANALS
932.00

Letter and enclosures, if any, transmitted by RMR

(4) 9/18/61 434102

0862

September 27, 1961

Dear Senator Keating:

I refer to your communication of September 11, 1961, informing the Department of State of the suggestion of one of your constituents concerning our relations with Brazil.

As you know, the philosophy behind the Alliance for Progress is that the United States must be willing to assist the nations of Latin America in their own efforts toward economic and social betterment, if democratic forms of government are to be preserved in the Western Hemisphere in the face of determined Communist efforts to destroy them. Brazil, in signing the charter of the Alliance for Progress in August 1961, agreed among other things to work toward improving and strengthening its democratic institutions, and to stimulate private enterprise in order to encourage the development of its economy. The political crisis which recently took place in Brazil following the unexpected resignation of President Quadros was settled peacefully when the Brazilian Chamber of Deputies adopted a constitutional amendment to provide for a parliamentary system of government. The new President, Joao Goulart, who was elected Vice President in free and orderly elections held in October 1960, has indicated his intention of continuing Brazil's traditionally friendly relations with the United States.

If I may be of any further assistance, please do not hesitate to let me know.

Sincerely yours,

Bracken Hays
Assistant Secretary

732.00/9-1161

RM/R
Anal 32
Dev.
Coord.
(2)

Enclosure:

✓ Letter from Mrs. J. Canale.

The Honorable
Kenneth B. Keating,
United States Senate.

ARA:EST/B:LTBriggs/mlp
9-22-61

442773

To ARA/P
SEP 26 1961 AM
SEP 27 1961 PM
SEP 27 1961

ARA/P -
Clearances: RPA -
REA -

0861

OFFICIAL USE ONLY

On September 6 the reporting officer recorded an introduction to a radio program to be broadcast by the small Radio Guarujá Paulista (1550 kilocycles, call letters ZYT7).

On the same day he visited the studios of the brand-new Radio A Tribuna (see Weekly Comment of August 4, Psychological item 1). This station, which operates on a frequency of 1160 kilocycles with a power of 250 watts (probably to be increased shortly) and call letters ZYR252, has 35 employees and excellent, untra-modern studios and equipment. On September 7 the reporting officer's photograph appeared in A Tribuna together with Roberto Santini, the station's manager and son of Guisfredo Santini, editor-owner of A Tribuna.

Comment: (UNCLASSIFIED)

Radio A Tribuna is a good-music station à la Radio El Dorado in São Paulo.

OFFICIAL USE ONLY

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-493476

0860

Congestion can be expected to increase when the many ships held up in Rio de Janeiro by the port shutdown there all arrive in Santos at once. Some Rio cargoes have been off-loaded here, owing to cargo stowage arrangements. The schedules of many freighters have been badly delayed by the Rio port strike.

2. Russian Ships Visit Santos (UNCLASSIFIED)

On August 27 and 28 respectively the Russian M/V Ustjushna and Alapaevsk arrived in Santos from Odessa and Abidjan respectively. They are loading IBC coffee for Russia. The former ship will carry 88,333 sacks; the latter 130,000. They are scheduled to sail from Santos September 8 or 9.

Comment: (OFFICIAL USE ONLY)

Further details on these ships have been sent by the reporting officer to ALUSNA in Rio de Janeiro.

3. Santos Banks Remain Closed (UNCLASSIFIED)

All this week the local banks were closed to the public, although their internal operations continued as usual. Local businesses were mainly unaffected, and the Bank of Brazil arranged with shipping firms to supply their banks with enough ready cash to pay their stevedores. But the banks' official closing made it troublesome to procure documentation for outward shipments of cargo, but signing officials could usually be located.

Comment: (UNCLASSIFIED)

The Santos banks, along with those in the rest of Brazil, are now scheduled to re-open September 11. Local schools re-opened on September 4.

IV CONSULAR

1. General (UNCLASSIFIED)

The post's consular operations have continued normally this week, although shipping and seamen work still continues at a higher-than-normal level.

V ADMINISTRATIVE - Negative.

VI PSYCHOLOGICAL

1. Principal Officer Visits Local Radio Stations (UNCLASSIFIED)

/On September 6

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0859

According to an eye-witness, the rain kept many persons away from the rally. The communist speakers denounced President Raimundo Soares Vasconcelos of the Stevedores Union as a "traitor" for not having supported the abortive general strike of August 29 (see Weekly Comment of September 1, Labor item 1). The longest speaker was Alberto Amorim, and the burden of his remarks was that a national plebescite ought to be held to enable the Brazilian people pass on the parliamentary system of government, The communist union leaders announced that the "golpistas in the service of the international trusts" had been defmated anyway, since they had been frustrated in their design to force a "ferocious dictatorship" upon Brazil.

Workers carried banners reading "Sailors Demand Compliance With the Constitution Without Amendments", "Petroleum Workers Demand Democratic Liberty", "Long Live Marshal Lott and Leonel Brizzola", etc. etc.

This rally demonstrates the potential effectiveness of the communist-dominated Santos City Central in putting on labor rallies to serve communist ends.

2. Santos Labor Quiet During Crisis (UNCLASSIFIED)

Daunted by the arrest of several of the prime instigators of the ill-fated general strike on August 29, Santos labor has been quiet for the past week, and no strikes or slow-downs have occured here. In contrast to Rio de Janeiro, Recife and Bahia, the port of Santos has been functioning without interruption.

Comment: (OFFICIAL USE ONLY)

The communists have been directing their energies not toward instigating strikes, but whipping up enthusiasm for Joao Goulart's taking power and against the parliamentary government amendment. In this effort they have been successful.

III ECONOMIC

1. Surcharge on Freight from U. S. to Continue (UNCLASSIFIED)

The shipping companies belonging to the Brazil-Canada-U.S. Freight Conference which serve this port have voted to extend the 16% surcharge on all goods imported from U.S. East and Gulf Coast ports through Santos for one more month (see Weekly Comment of July 21, Economic item 1) although port congestion here is only moderate at present. On September 8, three ships were anchored in the roads outside the estuary awaiting berthing space alongside, while 8 vessels were at anchor in the estuary itself.

Comment: (UNCLASSIFIED)

/Congestion

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0858

2. Mutiny of Local Army Detachment (OFFICIAL USE ONLY)

On September 1 the commanding officer of the 2nd Battalion of Caçadores, an infantry outfit stationed in São Vicente, refused to obey orders to detach a rifle platoon for deployment around the town of Registro on highway BR-2 toward the Paraná border, in company with other local Army units (see Weekly Comment of September 1, Political item 3). The 2nd Battalion's CO, Lt. Colonel Creso Moutinho da Costa, supported by his officers and noncoms, publicly refused "to take up arms against our brothers defending the Constitution" and was summarily relieved of his command. He was replaced by Colonel Raimundo Netto Correa, who until six weeks ago had been in command of the 2nd Battalion. No disciplinary action against the other insubordinate officers and men has been reported.

Comment: (OFFICIAL USE ONLY)

This incident illustrates the low state of morale and discipline among the local units of the II Brazilian Army.

A despatch has been sent to the Department by the reporting officer on this subject.

II LABOR

1. Communist-Dominated City Central Stages Demonstration (UNCLASSIFIED)

On September 4 the new communist directorate of the Santos Forum Sindical de Debates (City Central) met for its first meeting since the reds took over that organization (see Weekly Comment of September 1, Labor item 1) and called a demonstration for September 6 "in defense of the re-establishment of democratic freedoms and union liberties". At 6 p.m. that day about 100 communists (mostly dock-workers, since the Santos Dock Company had dismissed its employees at 5 p.m. to allow them attend the rally) and curiosity-seekers gathered in front of the City Hall in a cold rain to cheer Jango Goulart and denounce the new parliamentary system of government in no uncertain terms as a golpe in itself. Speakers were Geraldo Silvino de Oliveira of the Cubatão Refinery Workers Union, Manoel de Almeida of the Port Services Workers Union, Orlando Sposito of the Typographic Workers Union, Oswaldo Lourenço of the Port Services Administration Employees Union, Alberto Alves de Amorim Filho of the Santos Union (i.e., association) of Improvements Societies and Júlio Ricardo, a law student - all communists.

The only non-communist speaker was Flavio Conceição Paiva, Municipal Secretary of Government (i.e., Administration), a lawyer and confidant of Mayor Gomes, who was also among the witnesses of the rally. Paiva's theme was the "economic emancipation" of Brazil.

Comment: (OFFICIAL USE ONLY)

/According to

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0857

FORM DS-662
8-1-50

OFFICIAL USE ONLY

OPERATIONS MEMORANDUM

TO: American Consulate General, São Paulo

FROM: American Consulate SANTOS, Brazil VPR

SUBJECT: Weekly Comment on Events in Santos

REF:

Date CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
SEP 8 - 1961
SÃO PAULO, BRAZIL

I POLITICAL

1. Santos Quiet as Goulart Becomes President (UNCLASSIFIED)

Politics in Santos have been virtually suspended this week while the local politicians waited to see what would happen. The City Councils of Santos, São Vicente and Guarujá have been in permanent session since last week, and the Santos City Council has sent two congratulatory telegrams to Governor Carvalho Pinto for his calmness and maintenance of law and order. This consular district itself has remained quiet all week.

A committee from the Santos City Council composed of Esmeraldo Tarquinio (Ação Socialista and Mayor José Gomes' leader on the City Council), João Inácio de Souza (dissident PTB) and Antônio de Carlis (PRT) travelled to Brasília in mid-week to watch developments in the capital and report back to Santos. Mayor Gomes himself plans to go to Brasília on September 8 to confer with President Goulart.

Comment: (OFFICIAL USE ONLY)

The Mayor of Santos and most of the City Councilmen have come out in favor of Goulart's accession in the belief that any other course of action could only lead to civil strife. But outside the PTB and the PSD and a number of labor unions, Goulart is not popular at all in Santos.

Mayor José Gomes, in particular, is pleased with the turn of events. Long a PTB stalwart, he stands well with both Joao Goulart and Ivete Vargas, and he is now practically assured of becoming the Santos PTB boss (see Weekly Comment of August 18, Political item 2). No doubt Gomes will try to capitalize on all this when he sees Goulart September 8. In particular Gomes can be expected to ask Goulart to honor Quadros' recent promise of 100 million cruzeiros in federal aid for Santos (see Weekly Comment of August 18, Political item 1).

/II LABOR

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AIR POUCH
PRIORITY

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(Security Classification)

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732.00/9-1161
INR 832.062

FOREIGN SERVICE DESPATCH

FROM : Amconsul SAO PAULO

DESP. NO. 85

TO THE DEPARTMENT OF STATE, WASHINGTON.

DATE SEPTEMBER 11, 1961

REF File ho action William-Inr E&T/B: William-Inr 9-26-61 EmR-5 IO-4 P-3

For Dept. Use Only	ACTION	DEPT.
	AMB-4	RmR-2 S/P-1 E-7 INR-7 ICA-11 USIA-5
	REC'D 9-21	INFO OTHER CIA-10 OSD-5 Com-10 TR-3 Lab-8 Army-4 Navy-4 AEC-4 NSA-4 NSC-1 USIA-5

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated September 8, 1961.

The Consulate General's Labor Officer would like to point out in connection with Item I on Labor (page 2) in the Weekly Comment from Santos that the Santos City Central is now branded as Communist dominated and that the non-Communists in Santos are not participating in its activities. This is a definite blow to the Communist drive for unity and the fact that it is branded as Communist dominated limits its effectiveness as a front organization for the Commies.

William P. Cochran, Jr.
Minister Consul General

732.00/9-1161 CS

FILED

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 25 1961

OCT 11 1961

Enclosure: Santos Weekly Report dated September 8, 1961

cc: Amembassy, RIO

LAPyle/mec
REPORTER

OFFICIAL USE ONLY

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

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Comment: While an atmosphere of tranquility and relative public detachment has been restored, at least temporarily, and while basic psychological characteristics tend to discourage spontaneity, the events during August 25-September 7 have resulted inevitably in a weakening of the social fabric in the area. During the crisis the military had no difficulty in controlling student and labor groups though some students did boycott the universities and the dock workers did go briefly on strike at the port. As a result of the controls, however, a resentment, perhaps in some cases a burning resentment, may be assumed to have been instilled in those who were arrested or otherwise molested, inhibited, or repressed. If a situation arrives in which natural and professional agitators can expect the non-exercise of repressive controls, they likely would seize upon the opportunity to express their resentments. Among the general public, family and conventional considerations continue to exert influences conducive to individual discipline, but these influences could be weakened through protracted agitation. Accordingly, if under the new government, political agitation should be permitted freely, resentment could change into license on the part of leaders, and discipline into indiscipline on the part of the public. Future attitudes and prospects, therefore, depend in large measure upon the policies and practices of the new government.

Albert A. Rabida
American Consul

cc: Amemb Rio de Janeiro (2)

0854

position taken by General Machado Lopes of the III Army. Costa e Silva replied "energetically" that he only took orders and that he owed obedience to the Minister of War and to then acting President Mazzili, and hung up abruptly. During the crisis a rumor developed that General Sallaberry might be wavering in his support of the War Minister but this apparently was false. Admiral Dias Fernandes after the crisis commented confidentially that the situation in the Northeast might have been much more serious had it not been for the very close cooperation between the three (army, navy, air) services here.

American Citizens: The conduct of official and nonofficial Americans in the area was with one exception exemplary and there were no problems in this regard except as reported in D-58 and D-59. Fulbright Exchange Student William A. Stewart, the exception, held strong views and reflected indiscretions leading to his detention and subsequent, through covert representations, release to my custody. He proceeded to Rio de Janeiro on September 9, 1961.

Cuban Broadcasts: The President of the State Assembly, Paulo Guerra, issued a statement on August 31 calling for the maintenance of constitutionality and the investiture of Goulart but adding a strong "protest against the insolent attitude of Prime Minister Fidel Castro" in beaming broadcasts to Brazil calling for armed uprisings. This led on September 1 to an extended debate in the Municipal Council (sic) on the "unwarranted interference in Brazilian internal affairs: Cuban and Soviet radio broadcasts to Brazil inciting the people to organize as guerrillas in support of Vice President Goulart". Councilmen Antonio Moury Fernandes and Wandenkolk Wanderley introduced a motion protesting against "the attitudes of the Cuban and Soviet Governments" in this regard as clearly an unwarranted and "criminal intromission". This reportedly was approved unanimously but with an amendment by Moury Fernandes (required by the debate) extending the protest to "any other nation which tried to interfere in Brazilian internal affairs". Three members (Moacir Lacerda, Eriberto Gueiros, and Sergio Xavier) tabled a declaration "making clear the restriction also to the North American Government which, at other times, also has interfered in Brazilian policy, citing, among others, the troubles suffered by Vice President Goulart when transiting Miami on his return to Brazil". A newspaper pointed out in this regard that anti-Castro Cubans at Miami had demonstrated against Goulart.

Other States: The situations at Ceara, Rio Grande do Norte, Paraiba, and Alagoas generally paralleled that at Pernambuco based on reports (and my own observation at Maceio, Alagoas, on August 25-26), with minor variations. Some reports indicated that popular unrest at Joao Pessoa and Natal may have been somewhat more distinct, with more evidence of armed troops, but according to other reports, the basic situation was not much different than at Recife. At Fortaleza, a minor political tempest threatened to develop with the arrest of Temistocles Castro e Silva, Secretary for Administration in the Ceara Government, and also a journalist, for his publication of an article in support of Goulart. Governor Parsifal Barroso protested the arrest energetically, describing it as a "cowardly and revolting crime" in telegrams to the Ministers of War and Justice and to the Presidents of the Senate and Federal Chamber.

Comment:

Confidential

0853

Capistrano) a "Manifesto to the People of Pernambuco" indicating that "since the first hour" they had been aligned against "the forces that tried to install an arbitrary and illegal regime", expressing their "most lively enthusiasm" over the victory of Goulart, and identifying themselves with and congratulating "the brave military and civil leaders", Lott, Brizzola, and Machado Lopes, who, "together with the people of Brazil" succeeded in routing the "golpistas" and in preserving constitutionality. The Manifesto also stated that "we are confident that the new Government of the Republic will keep itself alert to the desires of the people in foreign as well as domestic policy, looking toward the economic and political independence of Brazil, assuring the march of democratic process, and reiterating the firm disposition to establish peaceful and friendly relations with all nations of the world, within the principles of self-determination."

Mayor Miguel Arraes de Alencar: The Mayor, who signed the above manifesto, had recently returned from France, using the occasion to launch his undisguised candidacy for the Governorship of Pernambuco (D-55). His initial reaction to the crisis probably was one of dismay at seeing his carefully contrived campaign plans, just launched so successfully, prematurely torpedoed. Like Silveira, he was under close surveillance and maintained a discreet though probably vexing silence until it became clear that it was safe to speak. He attempted early in the crisis, however, likely as a probe, to issue a political statement over the radio and to plan mass meetings but these efforts were squashed promptly by the military. Thereafter he utilized the opportunity to conduct routine business with political benefits, including dedications of new schools, plans to combat illiteracy, and pronouncements on projected municipal improvements. There was a rumor that he had been arrested and sent to the island of Fernando do Noronha at mid-crisis but this was false. At present, he is resurrecting his gubernatorial campaign efforts, having approved on September 9 a motion made in the Municipal Council months ago, to bestow upon Janio Quadros the title of Citizen of Recife.

Vice Mayor Arthur Lima Cavalcanti: This slippery gentleman seems now to have decided as firmly as he decides anything to cast his lot with Mayor Arraes. A much lesser fish, he was not under particularly close surveillance and managed to visit the University of Recife during the crisis to give a brief pep talk to the students who were calling for a general strike. As the military had taken steps to discourage the student meeting in question, only a few were present to hear the Vice Mayor, who held out to them the virtues of "constitutionality and legality" and who let them know that he and Mayor Arraes were their friends.

Francisco Juliao: Ever since Mr. Juliao's headaches (D-39 of July 27), there has been little heard of him in this area. Nothing was heard here from him during the crisis, and his whereabouts are not known. There was a strong rumor during the crisis that he had been arrested and also transported to Fernando do Noronha but no confirmation has been received. His recent absence and quietude (D-59) are curious to many.

The Generals: General Costa e Silva of the IV Army reportedly received on August 31 a telephone call from Governor Brizzola of Rio Grande do Sul asking his support "in the name of the gaucho and Brazilian people" for the



was made to demonstrate against the Consulate or Americans in the area, but some signas were painted rather feebly on walls, especially near the university, with messages for Yankees to go home and for the people to give "death to the imperialistic golpistas" and to pledge their lives to "legality" and "constitutionality". There also were "Viva Goulart" signs.

The Position of Governor Cid Sampaio: Scheduled to give a public speech on August 25 in commemmoration of "soldier's day", with the military brass all invited and in attendance, Governor Sampaio was caught in a bind and was probably more worried and initially confused than any other regional leader. His immediate reaction was to send a telegram to congress asking that the Quadros resignation be refused, but after his initial shock he reversed tactics and tried, not very successfully, to seize upon the crisis as an opportunity to demonstrate statesmanship, seeking, again not very successfully, to play both ends against the middle. As a virtual prisoner of the capable and unconfused Generals Costa e Silva and Sallaberry, and probably believing that a military junta would assume power, he set himself up as a negotiator, rationalizer, and somewhat of a stooge for them, at the same time paying lip service to "legality" and "constitutionality" and trying hard to give the impression to the public that he was busying himself ceaselessly in defense of "democracy". This dichotomy combined with the transparency of his selfish motives did his political future no good. An item in the Rio "Correio da Manha" was reprinted conspicuously in the "Diario de Pernambuco" of September 10 under the by-line of Darwin Brandao in which it was stated that "the comportment of Governor Cid Sampaio has been the most cowardly" and in which he was described as "the ex-leader of the Northeast". Because of his TV attack (50 minutes) on Quadros, "his ex-friend", as a "golpista, crypto-communist, and devil", the article claimed that Sampaio is "in a worse position than Carlos Lacerda who at least confronted the President when he was still in power". In his TV broadcast on September 5, Sampaio had accused Quadros of plotting chaos for Brazil, tried to whitewash the military ministers, and tried to establish himself as the great statesman of the Northeast. Subsequently, he has been issuing explanations and justifications, publishing letters and telegrams received in support of his position, and complaining about the "campaign of defamation" against him. While he has scarely emerged with a whole political skin, his future position should not be underestimated especially in view of the great uncertainties of the future of Brazil during the years ahead, and it is believed that the invitation for him to visit the United States as suggested in D-61 of September 9 should be issued notwithstanding his scars received lately. He heals quickly.

Vice Governor Pelopides Silveira: This gentleman also was somewhat on a sticky wicket as he had only recently returned from Cuba (D-55), full of praise for "popular" democracy. However, with censorship and military surveillance of his movements he was able to escape rather gracefully from any commitment or rash statement, though he no doubt would have liked to utilize the confusion and uncertainty for his own political ends. Instead, with military encouragement, he remained largely silent and inconspicuous until the crisis had passed. Then, on September 9, he dispatched telegrams of cordiality, sympathy, and congratulations to Goulart, Lott, Machado Lopes, and Brizzola attempting to identify himself with their "decisive and patriotic action assuring the victory of legality". On the same day, he issued in conjunction with leftist Mayor Arraes and other socialists and communists (e.g., David

0851

to widespread unrest including possibly a (fairly) general strike on the part of students and workers and perhaps mob demonstrations. By this time, military preparedness was in evidence with armed troops on guard at the Government Palace and the military headquarters building, and with occasional road checks by troops with field pack (one check, whether for my benefit or coincidentally, was established one night directly in front of my home on a road leading to the airport). However, there still was no general use of troops and most surveillance was performed by persons in mufti.

With the resolution of the constitutional problem through the installation of Goulart as President on September 7, and notwithstanding the uncertainty attaching to his position under the parliamentary procedure, an atmosphere of tranquility and relative public detachment was restored, with routine activities resumed throughout the area on September 11 with the re-opening of the banks.

Specific comments follow under separate headings.

Factors Affecting Public Attitude: The public generally was left initially confused by the suddenness of the resignation and indecisive as to its meaning, the latter resulting in part from the inhibition of leaders to speak out with the military in control, from the surveillance of leaders like the Mayor and Vice Governor, and from the arrest of potential trouble-making agitators in communist, student, and labor organizations. As a result, the public seemed to have the impression that the crisis was a high level coup of little direct concern to the average man. This mood changed after several days when the public became aware of the issue of constitutionality, the position of the Vice President, and the threat of a military dictatorship. Other factors affecting the public's initial attitude included the considerable distance between the Northeast and the centers of politics at Rio Grande do Sul, Rio de Janeiro, and Brasilia; a considerable degree of relief that the eccentric Quadros was out (see D-55 of August 23); the memory of military efficiency in quelling the recent student strike at Recife; and possibly the impact of the theme recently widely preached throughout the Northeast by the Moral Rearmament group. In addition, the psychology of the people in the area is not conducive to volatility or extemporization, and the tenuous economic security of families tends to discourage actions jeopardizing livelihood and employment security.

Communist Action: In the wake of military discouragement following the recent student strike and the arrests made early after August 25, combined probably with a consideration not to over-expose the organizational structure and a delay in receiving the party line, communist activity was hesitant and ineffective during the first several days of the crisis. By September 1, however, the distribution of leaflets and the coffee-house and slum area activities of lower level organizers appeared to be having effect in helping to crystallize public sentiment in favor of Goulart and "constitutionality". In addition to these themes, leaflets were designed to martyrize Quadros; to blame "agents of North American imperialism as enemies of the people"; to call for a general strike; to condemn "North American interference, dictatorship, and Yankee Imperialism" along with "trusts" and "monopolies"; and to glorify the "constitution" and "legality". No effort

0850

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HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

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732.00/9-1161

62
NO.

FROM : Amcon Recife

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE: September 11, 1961

REF :

File, Foreign Service/B: Wilkinson - Luce
9-26-61 DOT-2 SV-2 SCS-2 L-2

55 For Dept. Use Only	ACTION	ARA-H	INFO	DEPT	RM/R	REP	AF	ANA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
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	REC'D 9/21				AIR 6	ARMY 4	CIA 10	NAVY 4	OSD 5	OCB	USIA 10	NSA FOA 4	1				

SUBJECT: Comments on Northeast Aspects of Recent National Crisis

The train of events following the resignation on August 25, 1961, of former President Janio Quadros involved in Northeast Brazil some peculiar and interesting aspects. Though a local editorial ascribed the resignation to emotional instability "causing no surprise" to those who knew Quadros well, all local elements except the military were initially stunned by the suddenness of the resignation and confused and apprehensive by the uncertainties that followed. The military, under the command of (Divisional) Gen ral Arthur da Costa e Silva (IV Army), who had arrived at Recife only about a week previously, and (Divisional) General Alberto Ribeiro Sallaberry (7th Military Region), who arrived at Recife somewhat prior to the May-June student strike at the University here, moved quickly but unobtrusively to impose controls over informational media, public gatherings, and political activities, and to maintain public order. This was done neatly and efficiently with no fanfare or bluster, and a none-Portuguese speaking person arriving at the city would have had difficulty in comprehending that a national revolution was in process. There was no indication of any widespread public tension, with the general public appearing not too concerned and mainly in sympathy with the military position though confused by events and apprehensive of the uncertain future. This situation lasted until August 29.

By then, organized groups and the public generally began to reflect an uneasiness and opposition toward the possible establishment of a military dictatorship; communist groups began to stir up with leaflets resentment against the "golpistas" and to agitate for a general strike; politicians became somewhat less inhibited in thinking and speaking; and a craving emerged for "constitutionality" with a swing of public opinion in support of the installation of Vice President Goulart.

By September 4, the public reflected a sullenness which if unchecked by a satisfactory resolution of the constitutional problem including the succession of Goulart, could have given rise, with inflammatory agitation,

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DOT

LVIS

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AARabida/sar — Confidential

REPORTER

FORM 6-61 FS-439 GPO 912596

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ACTION ASSIGNED TO:	ACTION TAKEN	
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO REPLY

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
SEP 25 1961

0849

W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 42

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Document Date: 09/09/61

Document Ser.#:

TEL J-57 FR RIO DE JANEIRO TO SECSTATE

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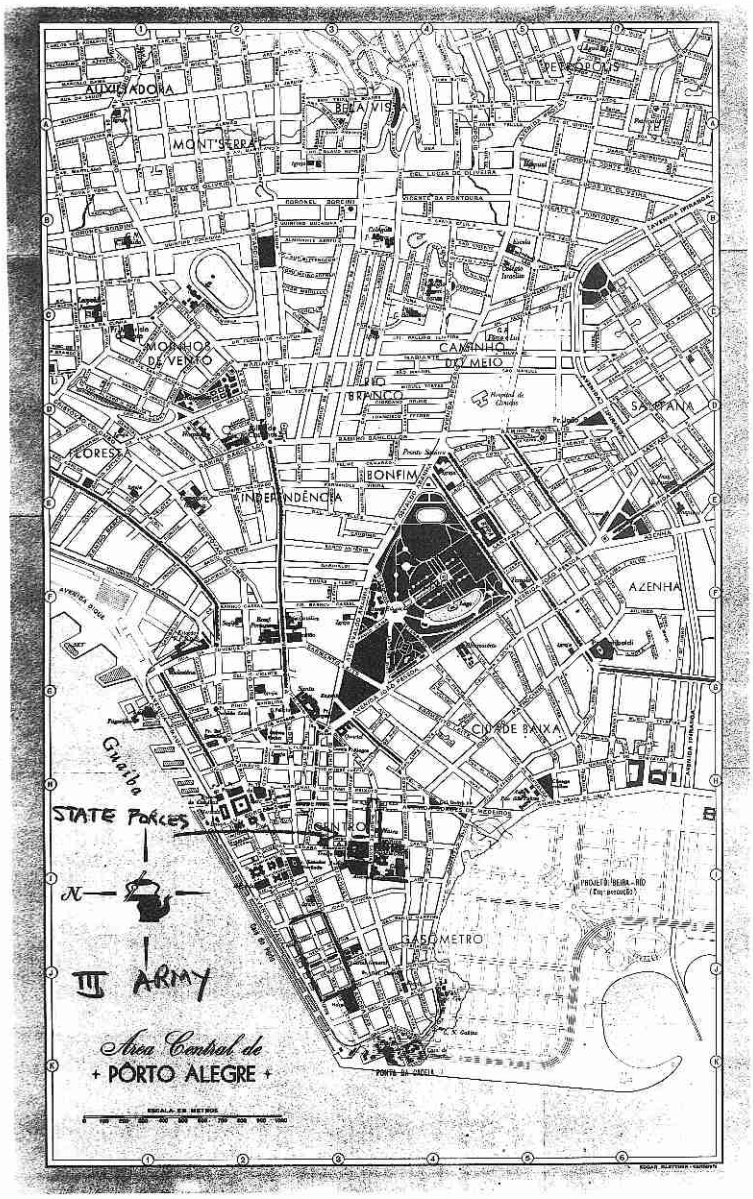
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WITHDRAWN: 02/24/95 by: JAS

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0848



AGÊNCIAS DE VIAGEM E TURISMO — TRAVEL AGENCIES

AGINTUR — Borges de Medeiros, 470 - Sala 1.111 - Fone 5-2758 (M3)
AT — Organização Quadros — Senhor dos Passos, 96 - 5.º andar - Fone 25-23 (QD)
BRISTOL — Salgado Filho - Edif. Jaguarinha - Fone 75-11 (M3)
CONTINENTAL — Uruguai, 115 - 5.º andar - Fone 27-90 (QB2)
DAISY-TUR — Andradas, 1612 - Sala 16 - Fone 27-55 (M2)
EXPRESSO CIDELIO — Andradas, 1560 - Fone 42-87 (QS)
EXPRINTER — Andradas, 1031 - Fone 25-99 (M2)
FARRAPOS — Farrapos, 2024 - Fone 2-26-00
HAMBURG-SUD — Andradas, 1332 - Fone 21-66 (M3)
INFORMATURIS — Borges de Medeiros, 340 - Sala 41 - Fone 5-10-13 (M2)
ITALO & GIACCOLI — Andradas, 1233 - Fone 5-10-21 (M 2)
LAS CASAS — General Câmara, 202 - Fone 25-26 (I2)
LINEA "C" — Borges de Medeiros, 306 - Sala 91 - Fone 5-25-87 (M2)
MARITIMAS REUNIDAS — Borges de Medeiros, 351 - 10.º andar - Fone 42-42 (M2)
MONACO — Andradas, 1332 - 5.º andar - Fone 5-26-22 (M3)
MUNDIALTUR — Borges de Medeiros, 138 - Fone 5-23-30 (M 2)
OPERATORIA DE VIAGENS — Vigário José Inácio, 371 - Sala 2101 - 21.º andar - Fone 28-28 (M2)
PASSO DA AREIA — Assis Brasil, 620 - Fone 3-16-10
PLATINA — Borges de Medeiros, 445 - Fone 42-21 (M2)
REALTUR — Andradas, 1559 - Fone 5-20-42 (M2)
TULDA — Siqueira Campos, 1155 - 6.º andar - Fone 5-23-10 (I2)
TURIS SUL — Salgado Filho, 215 - Fone 42-55 (M3)
TURISMO TEUTO-BRASILEIRO — Farrapos, 45 - Fone 5-12-72 (F 2)

CONSULADOS — CONSULATES

ALEMANHA — Santo Inácio, 404 - Fone 2-27-62 (D1)
ARGENTINA — Vigário José Inácio, 481 - Fone 27-21 (M2)
AUSTRIA — Farrapos, 1011 - Fone 2-14-70
BELGICA — Vigário José Inácio, 153 - Fone 21-28 (M 2)
BOLIVIA — Voluntários da Pátria, 574 - Fone 24-06 (N2)
CHILE — Portaria Alves, 852 - Fone 5-13-28 (I2)
DINAMARCA — Praça Rui Barbosa, 30 - Fone 21-93 (H2)
ESPANHA — General Vitorino, 471 - Fone 26 60 (J2)
ESTADOS UNIDOS — Uruguai, 138 - 11.º andar - Fone 25-87 (M2)
FINLANDIA — Avenida Naus, 1620 - Fone 42-31 (I1)
FRANÇA — Andradas, 1001 - Fone 27-07 (I2)
GRA-BRETANHA — Uruguai, 31 - Fone 21-01 / 2)
ITALIA — General Câmara, 111 - Fone 42-70 (I2)
JAPÃO — Avenida Independência, 2311 - Fone 2-22-23
NORUEGA — Andradas, 1001 - Fone 20-24 (J2)
PARAGUAI — Salgado Filho, 121 - Fone 5-24-78, (M2)
PAISES BAIXOS — Alberto Bins, 559 - Fone 21-46 (F2)
PORTUGAL — Santo Antônio, 351 - Fone 27-27 (S2)
REP. DOMIN-CANA — Borges de Medeiros, 440 - 15.º andar - Fone 24-25 (M2)
REP. LIBANESA — Praça Conde de Pôrto Alegre, 29 - Fone 5-24-22 (M2)
REP. ARABE UNIDA — Uruguai, 156 - 15.º andar - Fone 21-62 (M2)
SUÉCIA — Avenida Naus, 251 - Fone 42-68 (I2)
SUIÇA — General Câmara, 26 - Fone 24-22 (I2)
URUGUAI — Andradas, 1280 - Fone 27-33 (M2)

Informações úteis AO TURISTA

HOTÉIS — HOTELS

PÔRTO ALEGRE CITY HOTEL — José Montauri, 20 - Fone 5-23-45 (N2)
PLAZA — Senhor dos Passos, 158 - Fone 5-18-45 (G.2)
HIMMI — Rua Farrapos, 2112 - Fone 26-76 (F2)
HERMON — Rua Vigário José Inácio, 211, Rua Gal. Vitorino (M2)
PRETO — Salgado Filho, 130 - Fone 5-11-66 (M2)
SÃO LUIZ — Farrapos, 81 - Fone 5-12-75 (F2)
PAZ — Jerônimo Coelho, 155 - Fone 42-62 (M2)
NOVO HUNG — Cidade Bocha, 20 - Fone 42-32 (M2)
MAGESTIC — Travessa Araújo Ribeiro, 157 - Fone 42-41 (J1)
HOTEL-GARRARO — Av. Otávio Rocha, 226 - Fone 4175 (N2)
LA PORTA — Uruguai, 230 - Fone 42-61 (M2)
GLÓRIA — Travessa Eng. Arsênio de Carvalho, 67 - Fone 42-22 (M2)

TELEFONES DE URGÊNCIA EMERGENCY PHONE NUMBERS

PRONTO SOCORRO — 19-00 - 19-54
RADIO PATRULHA — 2-22-11 - 1-22-12 - 2-28-22
BOMBEIROS — 20-20 - 20-21 - 20-11
ESTAÇÃO RODOVIARIA CENTRAL — 64-60
ESTAÇÃO FERROVIARIA — 5-10-58
AEROPORTO INTERNACIONAL SALGADO FILHO — 2-24-67
COMISSÃO ESTADUAL DE ENERGIA ELETRICA — 40-25
SAMDU — 2-13-30

CÂMARAS DE COMÉRCIO — CHAMBERS OF COMMERCE

ITALO-BRASILEIRA — Sarmento Leite, 873 - Fone 20-17 (G 5)
THE AMERICAN CHAMBER OF COMMERCE FOR BRAZIL — Borges de Medeiros, 351 - Fone 5-28-76 (M 2)
TEUTO BRASILEIRA — Travessa Eng. Arsênio de Carvalho, 31 Sala 06 - Fone 20-78 (M 2)

ASSOCIAÇÕES INTERNACIONAIS INTERNATIONAL ASSOCIATIONS

TOURING CLUB DO BRASIL — Andradas, 736 - Fone 27-17 (J2)
Serviços de recepção e assistência turística. Diàriamente, das 8 às 11:30 e das 13:30 às 19 hs. — TOURING DOCORRO: Diàriamente, das 8 às 24 hs. Domingos e feriados, das 8 às 20 hs.
Daily, from 8 a. m. to 11 p. m. — Sundays and Holidays, from 8 a. m. to 8 p. m.
HOTARY CLUB DE PARTO ALEGRE — Dr. Flores, 302 - 18.º andar - Fone 5-10-32 (M2).
2.as feiras (Mondays) — Gabinete Numa Unisa - Galeria Biazévus, 320 Pb (M 1).
3.as feiras (Tuesday) — Clube dos Jangadeiros - Tristeza - 20 Hs.
4.as feiras (Thursday) — Petrópolis Tênis Club - Farias Santos, 151 - 12:15 hs. (N 2).
5.as feiras (Friday) — Restaurante Urug Hotel - Farrapos, 202 - 12 hs. (F 2)
LIONS CLUB DE PORTO ALEGRE — Borges de Medeiros, 308 (M 2)
Reuniões (Meetings) — Segundas e últimas 3.as feiras (Second and last Tuesdays) — Restaurante do Clube do Comércio - Andradas, 1031 - 2.º andar - 20 hs.
SKAL CLUB DE PORTO ALEGRE — Agências de Viagem e Companhias Aéreas (Travel Agencies and Airlines) — Reuniões (Meetings): Segundas e 4.as feiras (Second and Wednesdays) - Restaurante Bennet - Dr. Flores, 146 - 1.º andar - 20 hs. (M 2)

BARS & CLUBS

COTILLION CLUB — Salgado Filho, 253 - Fone 5-23-16 (M 3)
DE ROVENS — Andradas, 1415 - sobre loja (I.2)
VAN GOOH — Borges de Medeiros, 311 - (M 2)
LA CARAVELLE — Dr. Flores, 402 (M 2)

CASAS DE CÂMBIO — EXCHANGE MONEY

EXPRINTER — Andradas, 1031 - Fone 5-27-52 (I 2)
FORTUNATO MELLO CASTRO — Uruguai, 106 - 2.º and. - Fone 27-73 (M 2)
LAS CASAS — General Câmara, 202 - Fone 25-26 (I.2)
MASSONAVE — Uruguai, 115 - 5.º andar - Fone 23-67 (M.2)
PLATINA — Borges de Medeiros, 468 - Fone 42-21 (M 2)
BRISTOL — Salgado Filho, Edif. Jaguarinha - Fone 75-11 (M.2)
BANCO DO BRASIL — Rua 7 de Setembro, 1027 - Fone 4-29-00
THE FIRST NATIONAL CITY BANK OF NEW YORK — Rua 7 de Setembro, 1228 - Fone 5-1668
BANCO DA PROVINCIA DO RIO GRANDE DO SUL — Rua 7 de Setembro, 1177 - Fone 22-11
BANCO ITALO-BELGA — Rua dos Andradas, 1017 - Fone 11-47
BANCO DA LAVOURA DE MINAS GERAIS — Av. Borges de Medeiros 249 - Fone 5-25-15

CENTRAIS DE TRANSPORTE TRANSPORTATION HEADQUARTERS

AEROPORTO FEDERAL SALGADO FILHO — Bairro São João - Fone 5-24-27
ESTAÇÃO RODOVIARIA CENTRAL — Conceição, 15 - Fone 64-63 (G 1)
ESTAÇÃO FERROVIARIA CENTRAL — Voluntários da Pátria, setorina Cavalhada - Fone 5-11-06 (G 2)
CAIS DO PORTO — Avenida Mauá

CINEMAS — MOVIE HOUSES

Ar Condicionado (Conditional Air)
CACIQUE — Andradas, 535 - Fone 5-21-00 (I 2)
GUARANI — Andradas, 1041 - Fone 40-72 (I 2)
IMPERIAL — Andradas, 1251 - Fone 44-23 (I 2)
REX — Rua da Solombra, 163 - Fone 25-21 (I 2)
VITORIA — Av. Borges de Medeiros, esq. Andrade Neves - Fone 5-1002 (M2)
Outras salas Acadêmicas (Other leading movies):
CONTINENTE — Borges de Medeiros, 330 - Fone 76-88 (M 3)
VOGUE — Independência, 616 (F 2)
COLOMBO — Cristóvão Colombo, 1328 - Fone 2-26-22
ÓPERA — Andradas, 1265 - Fone (M 2)
PRESIDENTE — Benjamin Constant, 1988 - Fone 2-20-15
RITZ — Protásio Alves, 2001 - Fone 5-38-80

CONFEITARIAS — TEA-ROOMS

OLD VIENA — Dr. Flores, 325 (M 2)
CONFEITARIA GACIQUE — Andradas, 533 - Fone 5-21-00 (I 2)
STYLO — Independência, 616 - Fone 27-31 (F 2)
PLAZA HOTEL — Senhor dos Passos, 154 - Fone 5-18-45 (G 2)
RENNER — Dr. Flores, 145 - 2.º andar - Fone 76-77 (M 2)
BOMBONIERE ATLÂNTICA — Praça Dom Feliciano, 58 - Fone 42-61 (G.2)
BOMBONIERE JANN — Marechal Floriano, 88 - Fone 13-00 (M 2)

IGREJAS — CHURCHES

CATEDRAL METROPOLITANA — Pça. Marechal Deodoro - Fone 42-03 (I1)
NOSSA SENHORA DA CONCEIÇÃO - Independência, 250 - Fone 2-26-07 (F2)
NOSSA SENHORA DAS DORES — Andradas, - Fone 72-21 (J 3)
SÃO JOSÉ — Alberto Bins, 527 - Fone 24-29 (G 2)
SANTA TEREZINHA — José Bonifácio, 986 - Fone 5-17-50 (E 6)
ADVENTISTA DO SETIMO DIA — Conrado Wilckens, 27 - Fone 73-86 (M 3)
BATISTA CENTRAL — Cristóvão Colombo, 1281 - Fone 5-26-20 (E 1)
EVANGELICA DE P. ALEGRE — Senhor dos Passos, 198 - Fone 20-11 (G 2)
METODISTA CENTRAL — Jerônimo Coelho, 354 - Fone 27-26 (M 2)
EVANGELICA LUTERANA "CRISTO" — Presidente Roosevelt, 782 - Fone 2-22-23
CENTRO ISRAELITA PORTOALEGRENSE — Henrique Dias, 73 - Fone 5-30-22
SOCIEDADE ESPIRITA ALLAN KARDEC — Andrade Neves, 23 - Fone 27-27 (M 3)

LINHAS AÉREAS — AIRLINES

AIR-UNION (Atlantic, Air France, Lufthansa) — Borges de Medeiros, 332 Fone 5-25-15 (M 2)
AEROLINEAS ARGENTINAS — Uruguai, 107 - Fone 72-47 (M 2)
CRUZEIRO DO SUL — Andradas, 1401 - Fone 21-36 (M 3)
IBERIA — Cel. Vicente, 421 - Fone 68-88 (G 2)
K L M — Andradas, 1300 - Fone 24-24 (M 2)
LAIDE AEREO — Borges de Medeiros, 430 - Fone 5-25-28 (M 2)
PANAIR — PAA — PANAGRA — Andradas, 1274 - Fone 24-61 (M 2)
PLUNA — Borges de Medeiros, 332 - Fone 72-07 (M 2)
REAL — Borges de Medeiros, 332 - Fone 42-32 (I 2)
REAL AEROVIAS — Borges de Medeiros, 332 - Fone 60-77 (M 2)
S A B — Andradas, 1480 - Fone 5-27-00 (M 2)
SAVAG — Andradas, 1480 - Fone 21-36 (M 3)
SWISSAIR — Mauá, 831 - Fone 42-00 (I 2)
VARIG — Andradas, 685, Borges de Medeiros - Fone 42-33 (M 3)
VASP — Borges de Medeiros, 956 - Fone 72-22 (M 2)

MUSEUS & GALERIAS — MUSEUMS & GALLERIES

MUSEU DE ARTE (Divisão de Cultura) — Foyer do Teatro São Pedro - Praça Marechal Deodoro - Fone 25-28 (I 2) — Diàriamente, das 14 às 18 hs. — Fechado Segundas — Daily, from 2 p. m. to 6 p. m. — Mondays: closed.
MUSEU JULIO DE CASTILHOS — Duque de Caxias, 1231 - Fone 22-11 (I 3)
Terças a Sextas, das 14 às 17 hs. — Sábados, das 9 às 11 hs. — Janeiro e Fevereiro: fechado — Tuesdays and Thursdays, from 2 p. m. to 5 p. m. — Saturdays, from 9 a. m. to 11 a. m. — January and February: Closed.
PINACOTECA DA PREFEITURA MUNICIPAL — Praça Montevidéo Fone 2-26-10 (N 2) — Diàriamente, das 12:30 às 18 hs. — Sábados, das 8 às 11:30 hs. — Domingos: fechado — Daily, from 12:30 p. m. to 6 p. m. Saturdays, from 8 a. m. to 11:30 p. m. — Sundays: Closed.
PINACOTECA DO INSTITUTO DE BELAS ARTES — Senhor dos Passos, 248 - Fone 64-08 (G 2) — Diàriamente, das 8:30 às 17 hs. — Domingos: fechado — Daily, from 8:30 a. m. to 17 p. m. — Sundays: closed.
PAVILHAO DE EXPOSIÇÕES DO SETUR — Borges de Medeiros, esquina Andrade Neves - Exposições Periódicas (M 2)

REPARTIÇÕES OFICIAIS — OFFICIAL OFFICES

SETUR — Serviço Estadual de Turismo — Uruguai, 115 - Gan). 211 - Fone 25-32 (M 2)
ALFANDEGA — Alameda Saldanha, s/n - Fone 21-00 (I 2)
DELEGACIA DE ESTRANGEIROS — Avenida Naus, 901 - Fone 27-07 (J 2)
DEPARTAMENTO ESTADUAL DE SAÚDE — Vicina Internacional - Bairro, 1071 - Fone 52-01 (I 3)
INSTITUTO DE IDENTIFICAÇAO — Avenida Naus, 951 - Fone 47-16 (J 2)

RESTAURANTES

CITY'S — José Montauri, 25 - Fone 5-26-61 (G 2)
PALACIO DO COMERCIO — Edif. Palácio do Comércio - 7.º andar - Fone 5-19-78 (M 2)
RENNER — Dr. Flores, 145 - 5.º andar - Fone 72-22 (M 2)
SALÃO DO COMERCIO — Andradas, 1265 - Fone 5-26-45 (I 2)
PLAZA — Senhor dos Passos, 154 - Fone 5760 (G 2)
UMSO — Farrapos, 202 - Fone 24-76 (F 2)
CHEZ PIERRE — Dr. Flores, 402 - Especialidades da cozinha francesa (M 2)
DUQUE — Alm. Tamandaré, 430 - Especialidades da cozinha portuguesa (M 2)
ADEGA ESPANHOLA — Andradas, Nova, 51 - Fone 27-69 - especialidade da cozinha espanhola (M 2)
SAYONARA — Av. Farrapos, 2159 - Especialidades da cozinha oriental.
BOLOGNA — Praça 20 Setembro - Especialidades da cozinha italiana
GUARAXAIM — Mercúrio, 19 - Fone 69-51 - Aberto tôda a noite (M 2)
TREVISO — Mercúrio, 51 - Fone 42-05 - Aberto tôda a noite (M 2)
MARIO — Rua Vigário José Inácio, 249 - Fone 72-82 (M 2)
OS GAUCHOS — Ao lado do Hotel Lindo - Av. Farrapos, 202 (F 2)

GALETOS E CHURRASCARIAS TYPICAL FOOD & GAUCHO'S BARBECUE

GALETO DO MARRETA — Av. Guaíraí, 351 - Fone 2-11-52
GALETO INDEPENDÊNCIA — Independência, 821 - Fone 26-25 (E 2)
CHURRASCARIA E GALETO SCHEHERAZADE — Protásio Alves, 3234 - Fone 2-25-26
CHURRASCARIA E GALETO HERCULES — Ramiro Barcelos, 1265 - Fone 46-37 (D 1)

TELEGRAMAS & FONOGRAMAS

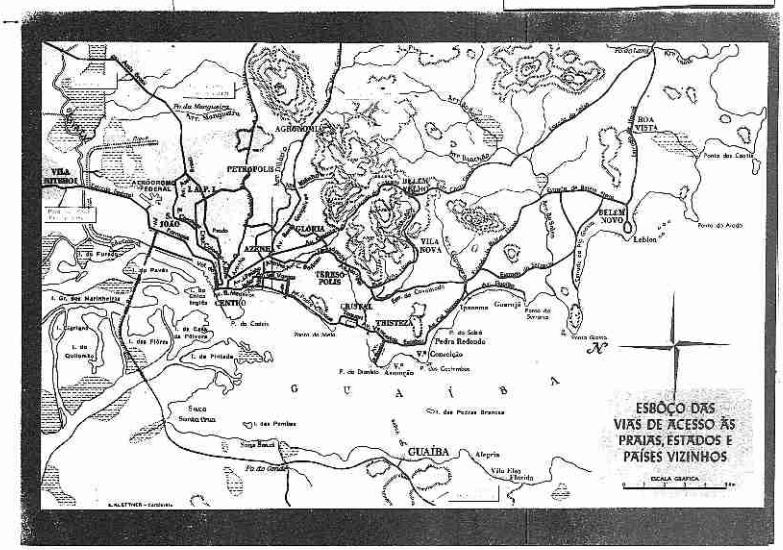
COMPANHIA TELEFONICA NACIONAL — Borges de Medeiros, esquina Salgado Filho - Fone 09. (M 2)
WESTERN TELEGRAPH Co. — Dr. Oliveira Camões, 1265 - Fone 5-23-66 (I 2)
RADIONAL — Andradas, 562 - Fone 22-82 (I 2)
CORREIOS E TELEGRAFOS — Pça. Barão do Rio Branco - Fone 24-75 (I 2).

INSTITUTOS DE INTERCAMBIO CULTURAL CULTURAL EXCHANGE INSTITUTES

Instituto Cultural Brasileiro Norte-americano — Borges de Medeiros, 321 13.º andar - Fone 27-25 (M 2)
Associação de Cultura Franco-Brasileira — Andradas, Nova, 30 - 5.º andar - Fone 2 10 56 (M 2)
Instituto Cultural Brasileiro-Alemão — Alberto Bins, 607 - Fone (G 2)
Instituto Cultural Uruguaio Brasileiro — Andradas, 1206 - 1.º andar - Fone 5-12-42 (M 2)
Sociedade Brasileira de Cultura Inglêsa — General Câmara, 111 - (I 2)

PASSEIOS & EXCURSÕES — SIGHT-SEEINGS & TOURS

AT — Organização Quadros - Sight-seeings, passeios pela cidade, excursões aos locais de turismo - Senhor dos Passos, 154 - 2.º andar - Fone 22-23 (G 2)
NAVEGADAGO ARNT — Passeios de vapor pelo estuário do Guaíba - Mauá, 1001 - Fone 42-02 (I 2)
WALTER GERHARDT & CIA. LTDA. — Passeios de vapor pelo estuário do Guaíba. — Voluntários da Pátria, 127 - Fone 47-10.

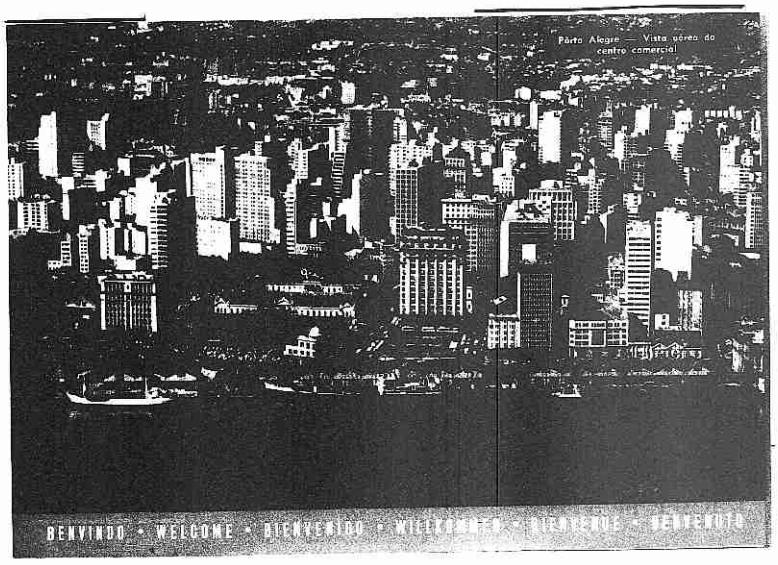

ESBOÇO DAS
VIAS DE ACESSO ÀS
PRAIAS, ESTADOS E
PAÍSES VIZINHOS
ESCALA GRAFICA
G U A Í B A
GUAÍBA
PETRÓPOLIS
AGRONOMIA
GLÓRIA
AZENHA
CENTRO
TERESÓPOLIS
CRISTAL
TRISTEZA
VILA NOVA
BELÉM NOVO
BOA VISTA
Lebion
Pedra Redonda
Conceição
Alegria
Vila Elza
Florida

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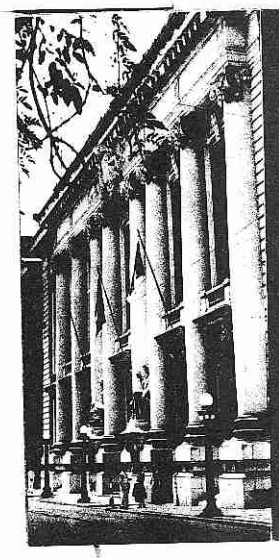
Informações turísticas

Com uma população de cerca milhão de habitantes e em acentuado desenvolvimento, quer sob o ponto de vista econômico, quer sob o cultural, Pôrto Alegre, capital do Estado do Rio Grande do Sul, é uma grata surpresa para o turista que lhe visita pela primeira vez. Fundada em 8 de novembro de 1740 por Jerônimo de Ornelas Menezes e Vasconcelos, recebeu, em 1752, os primeiros 60 casais de açorianos, que foram os seus primeiros e valentes povoadores. Elevada à categoria de freguesia colonial do Estado, foi posteriormente sede da Vila de Viamão, antiga capital do Estado; passou, logo depois, a burgo e, por fim, em 1822, foi elevada à cidade de São Leopoldo, e, em 1773, já era a sede da Capitania de São Pedro do Rio Grande do Sul. Desde então, vários acontecimentos vêm sido ocorrendo. Seu crescente progresso, em todos os setores, lhe alcança, hoje, o nome de uma das mais modernas cidades do País, dotada de invejável infra-estrutura material, sócio-econômica e cultural e possuindo uma organização urbana, que lhe empresta um aspecto de grande beleza e um perfeito conforto. Pôrto Alegre possui um dinâmico centro, onde se concentram o todo instante novas construções.

Dentre os seus numerosos edifícios modernos, destacam-se: o Palácio do governo do Estado, sede do Govêrno; o Palácio da Justiça, sede do Tribunal de Justiça; o Palácio do Comércio, sede da Associação Comercial de Pôrto Alegre; o Palácio da Assembléia Legislativa, sede do Legislativo estadual; o Palácio Piratini, residência oficial do Governador do Estado; o Palácio Farroupilha, sede da Prefeitura Municipal; o Palácio da Polícia, sede da Secretaria de Segurança Pública; o Palácio do Comércio, sede da Associação Comercial de Pôrto Alegre; o Palácio da Justiça, sede do Tribunal de Justiça; o Palácio do Comércio, sede da Associação Comercial de Pôrto Alegre; o Palácio da Polícia, sede da Secretaria de Segurança Pública


Pôrto Alegre — Vista aérea do centro comercial
BENVINDO • WELCOME • BIENVENIDO • WILLKOMMEN • BIENVENUE • BENVENUTO

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PÔRTO ALEGRE, capital do Estado do Rio Grande do Sul, (650.000 hab.) é uma cidade moderna, que se, debruça sôbre o amplo e belíssimo estuário do rio Guaíba. Possui o pôrto fluvial mais importante do Brasil (4.º em significação econômica). Centro de intensa vida comercial e industrial, conta com uma rede de bons hotéis, cinemas luxuosos, restaurantes de cozinha internacional e típica. A cidade orgulha-se de ter 2 Universidades, 17 casas de ensino superior, 6 institutos de pesquisa científica, 6 jornais diários, 9 estações de rádio e 1 de televisão. Belos parques, amplas avenidas, imponentes edifícios públicos complementam a beleza urbana e paisagística de Pôrto Alegre, hoje uma das metrópoles da América do Sul.

DISTRIBUIÇÃO GRATUITA



PÔRTO ALEGRE

proved accessible, courteous and considerate at all times. When Consul Bloom returned with emergency funds and other evidences of Embassy support the Principal Officer decided on August 31 in view of the conditions outlined above, coupled with the closure of counterpart institutions, to move the 6 USOM technicians and Professor Pulver, who had just arrived under a PL-480 grant, with their dependents to Uruguay until the more normal conditions essential to their effectiveness and well being could be re-established. Despite difficulties in obtaining gasoline because of tight rationing instituted on September 1, sufficient reserves were obtained to assure their travel to Uruguay and they departed, early on September 3, with a minimum of public notice, in a six car caravan including two United States Geological Survey carry-alls.

D. Fourth Stage, Sept. 1-Sept. 6, Crisis Ends: VicePresident Goulart arrived on the evening of August 31 with a conciliatory attitude toward the parliamentary amendment which annoyed Brizola to the extent that the latter rebuked the Vice President in a press conference held that day. Jango strongly expressed his abherrance of civil strife and was supported to the hilt on this by General Machado Lopes. Tension relaxed but the situation remained potentially explosive until news reached here of Goulart's safe arrival in Brasilia.

Promptly thereafter gasoline and other restrictions were removed. Arrangements are being made for the return of the USOM group as soon as is convenient for them during the next week.

III. Conclusion:

The foregoing amounts to a mere recapitulation of the more significant developments as they crowded in during a confused and trying period. However, this report should not close without at least a brief mention of the friendliness and cooperation of the local populace toward Americans generally and official Americans particularly. Offers to share scarce supplies, money, food, and gasoline were received on every hand from friends, neighbours, and, even relative strangers. To date the Consulate has received no reports of molestation of Americans.

The loyalty and devotion to duty of the Consulate's local staff, including USIS and USOM employees has been such that a special commendation seems in order which will be the subject of a later communication.

Comment on the general situation covered in this despatch will be made as soon as possible.

Perty Warner
American Consul

Encl.: 1 att 1

cc.: Amembassy, Rio (W. encl.)

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news, flaming manifestoes, and military music. It was clear that its purpose was to arouse the people here to fighting pitch in case of civil war. With the receivers generally in publich hands it was difficult for people here to listen to outside stations and the fairly objective reporting of such papers as "Correio do Povo" and "Folha da Tarde" weighed relatively little in the balance of effect on public opinion. (In some ways the atmosphere of anxiety engendered by the "Legalidade" radio resembled that created in the New York area by the Orson Welles' martian invasion broadcasts a generation ago.) In addition to these broadcasts, another source of agitation appeared with the formation of "Committees of Resistance" with a central headquarters in the State public exhibit pavilion in the heart of downtown Porto Alegre. From this headquarters which displayed a marked anti-US tinge, outlying committees in other parts of the city and state were quickly organized, generally under the direction of leftist University students. They enrolled volunteers for militia groups which began drilling, without arms, in a public square and attracted their recruits from the more militant labor and student groups.

Significant public reactions: Public anxiety increased and hoarding commenced as rumours spread that the channel entrance at Rio Grande had been blocked and that Federal authorities had ordered military action against the Governors palace. All radio stations were placed under one control, broadcasting identical programs 24 hours per day. Hoarding of staples and gasoline began, with subsequent rationing. Movement of families out of the city accelerated. Commercial activities subnormal with banks closed and cash scarce. Schools closed and public gatherings, as at football game, were called off. The public generally and the civil authorities continued friendly toward Americans despite their own pressing problems. Communications out of state were reduced to one overloaded and rather frail telegraph link. Airline schedules were cancelled and surface routes North became unpredictable.

Consulate action: An attempt to telephone the Embassy on the morning of the 28th failed and that afternoon long distance calls were banned. On the afternoon of the 29th telegraph service was cut (because of storm damages as it later proved). Consul Bloom was sent as voluntary courier to Rio to report on the situation and to consult with the Embassy, and to bring back cash for emergencies in case the banks remained shut (as they did). Shortly after his departure on August 30 airline services out of Porto Alegre were cancelled and his return the following day was on a flight which apparently came by some fluke or flaw in this air transport ban.

On August 31 the Principal Officer was informed that the III Army planned to move North and that responsibility for the safety of Americans would rest with State public security authorities. The latter, including Col. Aquistapace, the State Secretary for Public Security, and Col. Moojen, Commander of the Brigada Militar

0841

August 27, read a denouncement by Marshall Lott against a "golpe" by War Minister Denys to prevent the Presidency of Goulart and urged his listeners in a most inflammatory way to oppose by force, if need be, such a move by the Armed Forces. Shortly thereafter the independent and widely respected "Correio do Povo" is reliably reported to have refused, after consulting with General Machado Lopes, Commander of the III Army, a demand by the Governor to publish this Lott manifesto in its Sunday papers then in press. About noon heavily armed men from the State Brigada forcibly seized Radio Guaiba, which belongs to the "Correio do Povo" evidently a move by Brizola in reprisal and to forestall his being shut off the air by Federal order enforced by III Army. From 1 pm Sunday, August 27, until about noon August 28 when this stage ended, Guaiba remained the only radio station available to the Governor who was barricaded in his palace, now publicly converted into a citadel by sandbags and machine guns. This one channel was all he needed, however, to commence arousing widespread support within RGS for his position in this affair. During these tirades the Governor would occasionally let fly at the "foreign financial interests" and "North American trusts" which had forced Jânio to resign. Brizola was upheld in this by many who had no liking for him or Jango because his position seemed to abide by the constitution whereas reported maneuvers in the North did not. At this point it appeared that the Governor's rabble-rousing course would collide with the III Army commander's determination to maintain law and order. The fortified positions occupied by their armed opposing forces came at one point within about two blocks of each other in downtown Porto Alegre (see marked map enclosed).

Significant public measures: Roadblocks were established within a radius of about two blocks of III Army HQ; equivalent steps were taken about the Governor's palace which was otherwise strengthened as mentioned above. Schools were closed. Many people began to leave town.

Consulate action: Principal Officer called on III Army commander, Gen. Machado Lopes, 10 am to ask assurances for the safety of Americans which was quickly given without reservation. Americans were discreetly warned to remain within doors.

C. Third Stage, noon Aug. 26 to Aug. 31, Crisis Outward: At noon on Monday, August 26, Gen. Machado Lopes called on Governor Brizola. They came to an understanding apparently based on their common agreement that the Constitution should be upheld and that this meant Vice President Goulart should assume the Presidency. The tension between the two armed camps within Porto Alegre diminished immediately. This was succeeded quickly by other tensions which build up as opposition in the North to Goulart became more manifest. The broadcasts dominated by the Governor spread to all RGS stations allowed to remain on the air in a "Legalidade Network". These broadcasts were strident and militant, consisting of slanted

0840

August 25 to the arrival of vice president Goulart (Jango) at Brasilia on the evening of Wednesday, September 6.

II. The Situation:

The situation here seemed to pass through four main stages: a first stage when the news of Janio's resignation took all by surprise; a second stage when tensions threatening conflict within this city developed between RGS state forces and the Federal III Army; a third stage when RGS leaders, supported by the III Army, vigorously argued and agitated against any interference with a prompt assumption of the presidential office by Vice-President Goulart and against constitutional amendments which would dilute the authority of that office; and, finally, a fourth stage when the tensions developed in stages 3 and 4 subsided with the arrival of Goulart here and, subsequently, with the news of his safe arrival in Brasilia.

A. First Stage, Aug. 25-26, Bewilderment: The complete surprise which greeted the news of Janio's resignation was mingled with particular disappointment because his arrival here for a five day official visit had been expected and many were looking forward to his presence as the annual Livestock Show brought peak crowds, including many who hoped to confer with the President on matters of urgency, political and otherwise. It was expected, for instance, that formalities would be completed during this visit for the actual transfer of the billion cruzeiros which the President had promised Mayor Loureire da Silva. It appeared also that there would be a clarification between Janio and his pre-election supporters, many of whom were increasingly perplexed and annoyed by the apparent warmth of his relationship with Governor Brizola. The public generally seemed to hope on August 25 that Janio could and would withdraw his resignation, succeeded by sentiment on August 26 for an early assumption of the Presidency by Vice President Goulart. Orderly rallies composed largely of student and worker groups in support of these successive ideas were held on the evening of the 25 and 26 before City Hall and the Governor's palace. At 11:30 pm August 25, Governor Brizola spoke vigorously to the State Assembly against any "golpe" to prevent Jango from Becoming President.

Significant public reactions: Banks did not open for business as usual August 26 and have been closed since, except for accepting a few deposits. The Federal Armed forces went on a full alert ("rigorosa prontidão") 10 am. Simultaneously Brizola ordered the RGS Brigada Militar on a same footing.

Consulate action: Security measures were checked and officers remained on call.

B. Second Stage, Aug. 27-28, Crisis Inward: Dangerous tension built up rapidly as Governor Brizola, going on the air about 3:00 am

0839

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732.00/9-861
SEP 8 1961

FOREIGN SERVICE DESPATCH

FROM : Amconsulate PÔRTO ALEGRE

NO. 151

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE September 8, 1961

REF :

	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	IAR	E	P	IO	ICA
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	REC'D 9/14			AIR 6	ARMY 4	CIA 10	NAVY 4	OSD 5	OCB	USIA 10	NSA 4					

SUBJECT: Situation in Rio Grande do Sul caused by the resignation of President Quadros

I. Foreword
II. The Situation
A. First Stage - Aug. 25-26 - Bewilderment
B. Second Stage- Aug. 27-28 - Crisis Inward
C. Third Stage - Aug. 26-31 - Crisis Outward
D. Fourth Stage- Sept. 1- 6 - Crisis Ends
III. Conclusion

732.00/9-861

I. Foreword:

Potentially explosive situations, which rapidly succeeded each other, burst here with the suddenness of a summer storm shortly after the resignation of President Janio Quadros Aug.25. Fully occupied with prudent measures to safeguard Americans and the security of the Consulate itself, the two consuls at this post had little or no time for reporting except for a few brief telegrams demanded by developments and by three informal communications to the Embassy Rio carried by DPO Bloom, as a voluntary courier. Moreover, as reported herein and previously by telegram, communications were abruptly halted during nearly the entire crisis except for a heavily overloaded telegraph system dependent on an obsolete Brazilian government operated landline between Pôrto Alegre and the international cable offices at the port town of Rio Grande approximately 300 road kilometers away. And, during one especially confused and anxious period, this telegraph line stopped functioning altogether without notice from the afternoon of August 30 to the morning of August 31. This, this is the first formal despatch submitted by the post covering the situation from the resignation of President Quadros on Friday

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REPORTER

FORM 6-61 FS-439 GPO 912596

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5:53 PM

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RMR

FROM: Sao Paulo

TO: Secretary of State

NO: 157, September 7, Noon

157/16

File location
E87/B: Jurisdiction - Laos
9-27-61.

ACTION DEPARTMENT 157; INFORMATION RIO DE JANEIRO 50

Arrival Goulart in Brasilia to assume presidency has been greated by almost audible sign relief in Sao Paulo, followed by sober realization crisis not over, with (1) Jango apparently using every subterfuge circumvent limitations in his powers through adoption parliamentary system, and (2) trend his policies unclear.

Certain amount uneasiness as to economic prospects, especially domestic, two prominent American businessmen having expressed the hope to me that there will be a ten or thirty moratorium on private obligations so that distortions caused by political crisis, closure of banks and stagnant commerce can be corrected gradually and in orderly fashion. Press continues repeated statements no moratorium contemplated and all United States and foreign aid still available, showing authorities wish calm public unease.

COCHRAN

SMD:LM

Note: Message delayed in transmission.

732.00/9-761 TS

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33
Action

Control: 5053
Rec'd: SEPTEMBER 8, 1961
2:27 PM

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FROM: MOSCOW

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AIR

RMR

TO: Secretary of State

NO: 823, SEPTEMBER 7, 7 PM

ACTION DEPARTMENT 823 INFORMATION RIODEJANEIRO 14

EMBTEL 769

CHARGES THAT US FORCED RESIGNATION QUADROS AND BEHIND PLOT TO PREVENT GOULART'S ACCESSION STEPPED UP IN SEPTEMBER 7 SOVIET PRESS TREATMENT CURRENT SITUATION BRAZIL.

PRAVDA SEPTEMBER 7, IN FEATURE ARTICLE CAPTIONED "HOPES AND FEARS OF BRAZIL", CONTENDS QUADROS RESIGNATION RESULT US IMPERIALIST DISSATISFACTION WITH QUADROS FOREIGN POLICY AND SPECIFICALLY HIS PLANS REESTABLISH DIPLOMATIC RELATIONS WITH USSR. SEVERAL PAPERS PUBLISH TASS STORY FROM MONTEVIDEO CITING DETAILED PRESS ACCOUNT OF ALLEGED CIA-AMBASSADOR CABOT PLOT WHICH LED TO QUADROS RESIGNATION. CLAIM QUADROS THREATENED WITH ARREST AND TIMING RESIGNATION SCHEDULED TO COINCIDE WITH GOULART'S ABSENCE OVERSEAS. PLOT CARRIED OUT, ACCORDING SOVIET PRESS STORIES, BY SPECIAL CIA TASK FORCE DISPATCHED TO BRAZIL AFTER CABOT REPORTED TO WASHINGTON THAT QUADROS POLICIES UNACCEPTABLE TO US.

FOLLOWING PREVIOUS DENUNCIATION PROPOSED REFORM BRAZILIAN CONSTITUTION AS EFFORT REDUCE GOULART TO FIGUREHEAD, SOVIET PRESS HAS SWITCHED POSITION AND NOW HAILS GOULART DECISION ACCEPT PRESIDENCY UNDER REFORMED CONSTITUTION AS DEFEAT FOR REACTIONARY MILITARISTS. PRESS ALSO STRESSES GOULART ANNOUNCEMENT HIS GOVERNMENT WILL TAKE FORM OF NATIONAL FRONT.

THOMPSON

MDG:MEM

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know extent to which audacity of Fifth Column in Brazil will go; (3) permit me suggest the message of dictator Fidel Castro be examined by Itamaraty and Congress, so zealous of national sensibilities, to see if we must maintain relations with communist dictatorship which openly attempts aid civil war in our country."

BOND

POL:HAQuinn:gw
September 6, 1961

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0835

INCOMING AIRGRAM — *Department of State*

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PAGE 1 OF PAGES

Action 35

Date Sent: Sept 9, 1961
Rec'd:

AFA-13 FROM: Amembassy RIO DE JANEIRO
Info

TO: Secretary of State

NO: A-111

RMR-2
NIR-10
P-5 S/S 25
CIA 15 S/P-1
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USIA-15
OSD-20
ARMY-NMI
NAVY-4
AIR-2
NSA-4

732.00/9-761

File Location:
E87/13: Jill Wilson - Mus.
9-26-61.

SEP 11 10 05 AM '61

Following translation telegrams (published O Globo Sept.4) exchanged between Justice Minister Martins Rodrigues and Governor Carlos Lacerda re reported Castro message to Brazil on present crisis (presumably message is broadcast reported made by Castro night August 31):

Rodrigues to Lacerda: "Informed that radio stations are transmitting proclamation of Fidel Castro on internal situation Brazil, this proclamation /having been/ originally broadcast by Radio Guaiba /Porto Alegre/,, and, inasmuch as, if this report true, it assumes greatest gravity by signifying foreign interference country's internal political affairs, I request on orders President Republic, Your Excellency take energetic immediate steps with view absolutely prohibiting this broadcast. It absolutely not possible, no matter how inflamed /may be/ political passions, that Chief of foreign State dare interfere in problems our internal politics, and, even less so that Brazilian enterprises, concessionaires of radio services, lend themselves to lamentable rôle of instrument this intervention /which is/ on all counts worthy our repulsion."

Lacerda to Rodrigues: "Having received your telegram, requesting prevention abuse of transmitter in this capital, which may have re-transmitted message of dictator Fidel Castro to present governor Rio Grande do Sul, I inform Your Excellency: (1) Censorship is federal question. We in this State have worked zealously for tranquility people, preventing, in cooperation military authorities, incitement to violence, and provocations of which notorious bourgeois organizations are made instruments, in service communists. Scandal and hypocrisy of those who do not understand use being made of liberty does not astonish us, but I emphasize that Federal Government must assume responsibility for these acts, with adequate constitutional remedies; (2) it appears to me the provocative insulting message of dictator Fidel Castro is well known by Brazilian people. It is indispensable that Brazilian people be informed of [illegible] legalism and politicos adventurers in service totalitarians;

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0834

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AMA-13 Info
Rm/R-2
IMA-10
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P-5

1961 SEP 13 PM 1 52

FROM: Amembassy BUENOS AIRES Date Sent: Sept 6, 1961

TO: Secstate WASHINGTON A-50

INFO: Amembassy MONTEVIDEO A-3
Amembassy RIO DE JANEIRO A-3

ACTION
INFO: SEP 12 9 55 AM '61
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NO:

PAGE 1 OF 1 PAGES

file. no action: E87/13: JWatson - lwc 9-21-61

CIA 15
USIA 15
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Army M4/
Navy 4
AIR 2
NSA 4
NSC 1

Reference Embassy's A-49 to Department, repeated info Montevideo 2, Rio 2.

The penultimate paragraph of the reference airgram described a scuffle between police and National Deputy Eduardo Rosenkrantz at the Buenos Aires airport when Brazilian Vice President Goulart transited this city.

Subsequent reports indicate that Rosenkrantz was not the individual allegedly assaulted. Rosenkrantz was one of a group of four Deputies who went together to greet Goulart. Atilio O. MARCHINI (Movimiento Radical Nacional y Popular) is the Deputy who claims to have been manhandled. The other members of the group were Juan Carlos ESPINA and Agustin CUEVAZ. The Constitutional Affairs Committee of the Chamber of Deputies is investigating the incident.

Another incident related to the Goulart visit was the appearance in downtown Buenos Aires, on the evening of August 31, of a band of several dozen youths, presumably students, marching through the street shouting phrases and slogans in favor of Goulart and against the U.S. The band was dispersed once by police, reformed a few blocks away, and was again dispersed for good by police action. No violence was reported in connection with this demonstration.

RUBOTTOM

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9/6/61

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CS 799-6/00-72

0833

Signed: Carlos Alberto Carvalho Pinto, Governor of São Paulo
José de Magalhães Pinto, Governor of Minas Gerais
Cid Sampaio, Governor of Pernambuco
Celso Peçanha, Governor of Rio de Janeiro
Major Luís Cavalcanti, Governor of Alagoas
Aluisio Alves, Governor of Rio Grande do Norte
Fernando Correia da Costa, Governor of Mato Grosso
Carlos Lindenberg, Governor of Espirito Santo
Ney Braga, Governor of Parana
Celso Ramos, Governor of Santa Catarina

0832

Enclosure 1
Despatch No.175
Rio de Janeiro

BEGIN TEXT Called upon, in the midst of the political-military crisis which occurred with the resignation the constitutional president, to study the situation, we have not avoided our responsibility. We have sought to formulate a political line which could obtain the agreement of the forces in conflict and spare Brazil convulsion.

From this effort, inspired by the desire for respect of the Constitution, for preservation of democratic institutions and for the prestige of the Armed Forces, resulted the understanding that, in this grave emergency, the adoption by Congress of the parliamentary form of government, because of its flexibility, would provide opportunity for the immediate and most ample reconciliation of political forces.

In face of the existing difficulties, we concluded that a Cabinet, organized for the specific mission of confronting the evolution and consequences of the crisis, would need to satisfy, among others, two well-known and incontestable conditions: political stability, and leadership by a man with great experience, popular support, confidence of the disagreeing forces and competence in the study and treatment of the grave problems which afflict the nation.

We thought, on this occasion, that the name of the Governor of Bahia, General Juracy Magalhães, would be capable, because of its authority and political weight, of meriting the confidence of the President of the Republic, promoting agreement of the forces in dispute, and conducting the country, with security and success, on the path of the new institutional system.

The National Congress has adopted the parliamentary form of government. Thus, it is that by the decision of Congress the first step of the recommended political scheme has been taken. Now, it is up to the new government to examine the facts, weighing its grave responsibilities. The country's situation demands, for the survival of institutions and the guaranteeing of peace, that men and parties place at the service of the commonweal all their reserves of humility and not attempt to place the Power /of the state/ in crisis at the service of the maneuvers or the dominance of /particular/ groups. It is necessary to give it the function inherent in its purpose, the only one that, for this reason, will assure it dignity and strength: that of being the instrument of unity of the Fatherland, of social progress and democratic harmony within the limits of law, order and peace.

We believe we speak and act at the right time, loyal to the thoughts of the people, with the forty intention of attenuating the effects of crisis. If passions or private interests prevail over our sincere and cordial effort, it remains to us to stay in our states, at the governmental posts which people conferred upon us, in the last-ditch hope that God will give wisdom to the men placed in the center of events, in the various sectors of public life, so that to them will not fall the terrible destiny of dividing the Fatherland and spilling the blood of brothers.

AIR POUCH
PRIORITY

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732.00/9-661
XR 732.11

FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

175
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 6, 1961
DATE

REF :

Delay. No action.
EST/B: J Wilson - SEP 9 1961
Lwis 9-18-61

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	INFO Rm/R-2 INR-7 P-3
	REC'D 9-11 61	OTHER CIA-10 USIA-10 NSA-4 OSD-5 ARMY-4 NAVY-4 AIR-6

SUBJECT:

On September 2, ten of Brazil's governors issued a joint statement following a lengthy conference with the Ministers of War, Navy and Air in Rio de Janeiro. In sum the declaration is a plea for adoption of the parliamentary form of government as a means of solving the present politico-military crisis, plus a recommendation that Governor Juracy Magalhaes of Bahia be made the first Prime Minister under the new system. Though the governors' attempt to claim credit for the compromise formula of parliamentarianism is, according to some observers, somewhat exaggerated, there appears to be little doubt that the meeting between the governors (who control all of the most important states in Brazil, with the exception of Rio Grande do Sul and Guanabara) and the military ministers was of some importance in bringing the military ministers to accept the constitutional amendment compromise--both because it forced the ministers to realize that the weight of public and political opinion was favorable to the assumption of the Presidency by João Goulart and because it offered the ministers a face-saving "compromise" formula which enabled them to withdraw with some dignity from their previous position of all-out opposition to Goulart. Because of its importance, the declaration is enclosed in translation.

732.0049-661

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 13 1961

Ref: the Chargé d'Affaires a.i.

Harry A. Quinn
Second Secretary of Embassy

Enclosures:
1. Translation of Joint Statement by Governors

DISTRIBUTION: All Consulates in Brazil, Service Attachés, USIS Econ (2), Brasilia, CF (3), Pol (5), Labor

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0830

CONFIDENTIAL

-2- 062250Z SEPTEMBER FROM ATTACHES AMERICAN EMBASSY BRAZIL

PART 3: TOP OFFICERS IN BRAZILIAN NAVY ARE NOW AWAITING FOR GOULART ASSUME PRESIDENCY. MUCH SPECULATION NOW WHO WILL BECOME NEW NAVY MINISTER. TALK OF POSSIBILITY ADMIRAL MATTOSO MAIA BEING RECALLED AS NAVY MINISTER. ONE THING IS SURE ALL TOP NAVAL OFFICERS ARE DETERMINED REMAIN UNITED AND WILL CAREFULLY WATCH GOULARTS ACTION AS PRESIDENT. TAMANDARE AND TWO DDS (PARA AND PARAIBA) RECEIVED ORDERS THIS DATE TO RETURN RIO AND ARE EXPECTED RIO 7 SEP. THE REMAINING SIX DES PLUS BARR SO PEREIRA, TWO MERCHANT SHIPS, COMMERCIAL TANKER AND TWO TUGS, UNDER CONTROL OF COM FIVE ARE IN VARIOUS PORTS IN THE STATE OF SANTA CATARINA. NAVY PLANS SEND HYDROGRAPHIC SHIP TO CITY OF RIO GRANDE DO SUL TO ASSIST DEMOLITION TEAMS IN THE DESTROYING OF THREE SUNKEN BARGES AND CLEARING ENTRANCE TO HARBOR. LOCAL HAND MADE MINES PLACED IN HARBOR ENTRANCE HAVE BEEN REMOVED. AS SOON AS HARBOR ENTRANCE CLEARED NO SHIP WILL REPLACE DISPLACED BUOYS WHICH MARK CHANNEL IN LAGOA DOS PATOS ENROUTE TO PORTO ALEGRE.

PART 4: COMMENT: GENERAL FEELING PRESENT CRISIS OVER BUT REDEPLOYMENT OF MILITARY UNITS TO HOME BASE WILL BE DELAYED AND CONDUCTED ACCORDING TO PRE-ARRANGED PLAN TO MAINTAIN LAW AND ORDER. OVERALL SITUATION IS ONE OF WATCHFUL WAITING UNTIL GOULART ASSUMES OFFICE. BELIEVE WE MUST STILL BE ALERT TO SLIGHT POSSIBILITY OF REBELLION WITHIN AIR FORCE ALTHOUGH APPEARS MOST UNLIKELY. IT APPEARS MILITARY SATISFIED WITH AMENDMENT TO CONSTITUTION AND READY TO UPHOLD IT AND THE CONGRESS. THERE IS A WAIT AND SEE ATTITUDE HOPING THAT CONGRESS AND OTHER GROUPS IN INFLUENTIAL POSITIONS WILL COMPREHEND SIGNIFICANCE OF WHAT HAS TO BE DONE TO PRESERVE DEMOCRACY AND SAVE BRAZIL FROM COMMUNISM.

SCP 3.

MEM

CONFIDENTIAL

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Control: 4428
Rec'd: September 7, 1961
11:35am

ACTION:
INFO:
RM/R FILES

FROM: ATTACHES AMERICAN EMBASSY BRAZIL

TO: Secretary of State

NO: 062250Z SEPTEMBER

File. No action ESTB. Jr. Wilson - Def. Dept. 9-8-61.

PRIORITY

ACTION CNO, HQUSAF, DEPTAR, INFORMATION 1127 FAG, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CHNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, CAIRC, CTF86, DEPARTMENT STATE, WHITE HOUSE

USAF FOR AFCIN

DEPTAR FOR ACSI

THIS IS A JOINT ARMY NAVY AIR FORCE MESSAGE J 55.

THIS MESSAGE IN 4 PARTS.

PART 1: GOULARTS ARRIVAL BRASILIA 5 SEP WAS DELAYED MOST OF DAY BY REPORTS AIR FORCE REBELLION AND PLOT DUBBED "OPERATION MOSQUITO" TO SHOOT DOWN HIS PLANE. AIR MINISTER ASSURED PUBLIC PLOT WAS HOAX, AND CHIEF OF STAFF, BAF ISSUED PUBLIC STATEMENT THAT AIR FORCE WAS UNITED AND FAITHFULLY SUPPORTING ORDERS OF GOVERNMENT. GOULART TRIP MADE IN CARAVELLE JET VARIG AIRLINES REPORTEDLY AT 13000 METERS (AND AT NIGHT) TO AVOID POSSIBLE INTERCEPTION. NONE OF MILITARY MINISTERS PARTICIPATED IN AIRPORT RECEPTION.

732.00/9-661

(3)

PART 2: TROOP TRAINS BEING LOADED WITH VEHICLES AND EQUIPMENT FOR MOVEMENT TO SOUTH; SECOND ARMORED INFANTRY BATALLION RIO MOVED OUT EARLY 5 SEP. ARMY MOVEMENT OF UNITS WERE PART OF PRE-ARRANGED PLAN FOR TACTICAL DEPLOYMENT IN EVENT ARMED CONFLICT. INDICATIONS ARE THAT UNITS 3RD ARMY WITHDRAWING AND THAT STATE OF ALERT WILL LESSEN.

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INCOMING TELEGRAM *Department of State*

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47-41
Action

Control: 3059
Rec'd: Sept. 6, 1961
6:30 A.M.

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Info

FROM: Sao Paulo

TO: Secretary of State

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RRM

NO: 153, September 5, 5 p.m.

PRIORITY

ACTION DEPARTMENT 153; INFORMATION RIO DE JANEIRO 49

While Sao Paulo seems outwardly quiet, situation seems to have deteriorated since yesterday. Then looked as though crisis moving towards an accommodation with Goulart becoming President under parliamentary system. However, news of air force plan destroy his plane enroute Brasilia has shaken public confidence and awakened fear armed forces themselves may further divide and start conflict.

At same time, growing concern at trend economic outlook, in light issuance 35 billion cruzeiros new money in past ten days, shortage credit and uncertainty of future minister finance and effect on foreign capital. Also learn sales automobiles began decline before Janio's resignation, trend which now more marked. Plant managers fear if this continues much longer will have reduce operations and discharge workers.

COCHRAN

LM

732.00/9-561 TS

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OCT 11 4 49 PM '61

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NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

0827

October 3, 1961

Dear Mr. Holmes:

On behalf of Assistant Secretary Woodward, I am writing to thank you for making available to the Department of State a copy of the report of Mr. Robert J. Kleberg, Jr. on recent events in Brazil. I would appreciate it very much if you would convey our thanks to Mr. Kleberg.

Sincerely yours,

J. W. Wilson
Officer in Charge of Brazilian Affairs

732.00 / 9-561

Mr. Michael J. F. Holmes,
Vice-President,
Consolidated Edison Company,
120 Wall Street,
New York, New York.

S/S-CR
OCT 3 1961 AM

ARA:EST/B:DABriggs/mb
10-2-61

45

rejected the idea. Informed people with whom the matter has been discussed, said that reconsideration of the military ultimatum means, in effect, that they have accepted it. The military have been going to the heads of many companies in Sao Paulo and asking them for lists and addresses of known communists in their organizations. Where this information has been supplied arrests have been prompt. Both the military and the police forces have been completely effective in keeping the peace and to all out appearance Sao Paulo was as quiet as New York City yesterday, showing the effectiveness of the military control.

-oOo-

0825

They wanted to carry him through the streets of Santos as part of a popular demonstration for his return to power, but it is doubtful that this will happen.

Today the leaders of the Army, Navy and Air Force gave the Congress a twenty-four hour ultimatum to impeach Goulart and name another president. They suggested either Marshall Dutra or Carvalho Pinto. The last report received this afternoon was that the Congress had rejected this ultimatum. Another late report this afternoon was that the commander of the Third Army in Porto Alegre had declared in favor of Goulart. Then it was stated to publicgrath his command he refused to accept orders from the Minister of War and continues in command of the Third Army. This split could have serious repercussions if a solution is not reached within the next twenty-four hours.

There was an unconfirmed report this afternoon that a state of seige had been declared in Rio Grande do Sul. This has not been officially announced, but with the strict censorship and tight army control it could be a fact. This was supposedly brought on by the defiance of the Third Army commander and the Governor of Rio Grande do Sul, Leonel Brizola, Jango's brother-in-law. It is reported that Governor Brizola is issuing arms to the civilian population, hoping for a popular revolution in Goulart's favor.

Everything is very calm here in Central Brazil, and one has the feeling that all of this exposure has made the average Brazilian cognizant of the communist threat. In line with this, he thinks more closely allied to the United States. Today the Foreign Office announced that all negotiations for resumption of diplomatic relations with Russia had been dropped.

---oOo---

Supplementing the above summation there are some second thoughts, and also certain things have occurred which would change the body of the summation.

Janio Quadros has left for Europe. The general strike failed completely. Congress in reconsidering the military ultimatum after having stated that they

0824

The Minister of War, Denys, and a number of other top military leaders seem to feel that it is better to cut the whole cancer out at this time by not allowing Goulart to come back, rather than going through the embarrassment of allowing him to take office and then removing him in a few weeks on some pretext. This decision was met with resistance from civil and political elements to the left, Lott's military friends and members of the PTB party.

As long as the military remain united there will be no trouble in removing Goulart and putting someone else in power. On the other hand, the great danger is that the split in the military will become greater, which could bring on an open revolution. At this point the success of the arresting of Lott seems to indicate that the majority of the power in the armed forces is on the side of those who do not want to see Goulart as president, but they are emphatically against any act of deviation from the Constitution. Most Brazilians seem ashamed of this whole movement as they had become very proud of the position that their country was taking in foreign affairs as a matured nation. They felt that they had 'come of age'. Now they feel that they will be looked upon by all nations as amateurs in democracy and that it will take many years to regain the stature just obtained prior to Quadros' leaving the government.

There is no doubt that the military has taken a stand against Goulart as a last resort to keep Brazil a democratic nation, and that they will make no compromise. This points to a very important sector of foreign aid policy, namely military aid to Latin American countries. In the final analysis it is the military that resolves the road that these nations are going to travel. For this reason it seems to be extremely important that our government continue the policy of military aid practiced for the past 15 to 20 years. There should continue to be an exchange of military personnel, and they should come to the United States to study in our war colleges, because it is through these men that democracy is to be guaranteed.

Rumor had it that Janio Quadros was due to leave Brazil today for London on the Uruguay Star, but that he was not allowed to board the ship by the dock workers.

0823

Sao Paulo, Brazil
August 25, 1961

The country has been under censorship for three days. The Police is closed. Telegrams are still to each subject to censorship at a central point. The Banks and Schools were closed today and at the time of departure were still closed. There has been an effort on the part of Labor Leaders to call a general Strike to commence this days incident will be noted, but as far this effort has failed. As did any effort at being contemplated for tomorrow.

There is general unrest and apprehension relating to Brazil over the foreign policy of President Janio Quadros. His speech and deeds has been building up for several months so to the progressively things were upon in discarding communistic theories and in his insistence upon increasing contacts with communistic countries. It was at Brazil's instigation, that the Punta del Este program was entered down with regard to communism and Cuba.

The decoration of the Ghevara was too much on not to be overlooked by the military, Church, and anti-communist politicians. It is true that even after he did this, many of his responsible supporters continued to have confidence that he was ultimately a conservative thinker and only taking his line to declare Brazil's political independence.

The President's resignation came as a shock and surprise to most people in the country. The immediate reaction was varied, but in talking to Brazilian employees, citizens who came in, and other Brazilian friends, most of them were quite disgusted. Their idea was that the man was a coward and did not have the courage to stand up to criticism and stick to his job. As events have taken shape the last few days, it seems obvious that his resignation was forced by the military who feared him them with the communist world and the possibility that he might eventually bring Brazil into the communist orbit.

Since Quadros' resignation there have been practically no demonstrations. The Army has kept a tight lid on any disorder. The first signs of a split in the ranks of the military came yesterday with the arrest of Marshall Lott.

0822

ARA ROUTING SLIP

**Please circulate the attached in the numerical order indicated after the office symbols.

**The action office is circled.

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Office	Routing Order	Copy to
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REA/		
EST	(1)	O.D.
EST/B	(2)	
WST		
WST/		
CMA		
CMA/		
OAP		
OAP/		

ACTION REQUESTED

1. For preparation of reply to be signed by:
   ARA ☐
   DAS ☐
   _____ ☐
2. No reply appears necessary ☐
3. For appropriate handling ☒
4. For information ☐
5. For clearance ☐
6. ☐
7. ☐

Please furnish ARA with copy of reply or inform this office of action taken.

COMMENTS:

PROPOSED DUE DATE _____

Date 9/8 Initials JAK

0821

CZARNIKOW-RIONDA COMPANY
106 WALL STREET
NEW YORK

File
Reply drafted
by EST/R - LTD
10-2-61

September 5, 1961.

Mr. William Woodward,
Assistant Secretary of State,
Department of State,
Washington, D. C.

Dear Mr. Assistant Secretary:

At the direction of Mr. Robert J. Kleberg Jr. we are enclosing herewith a memorandum on Brazil which he thought you would find of interest.

Mr. Kleberg returned from Brazil on Wednesday, August 30th.

If you have any questions you can contact Mr. Kleberg through our office here in New York.

Sincerely,

Michael J. P. Malone
Vice-President

mjpm/mjc
encl.
cc RJK

732.00/9-561

FILED
OCT-5 1961

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-3- J-51 DTG 051800Z SEPTEMBER (JOINT SERVICE MESSAGE) FROM ATTACHES AMERICAN EMBASSY BRAZIL

SUPPORT OF ARMY LESS PART OF THIRD ARMY. IN THE EVENT AIR FORCE DIEHARDS CONDUCT MILITARY ACTION AGAINST GOULART FORCES, ARMY, AS DIRECTED, WILL CONDUCT OPERATIONS TO SECURE AIR BASES UNDER CONTROL DIEHARDS. ANY ACTION TAKEN BY DIEHARDS WILL PROBABLY BE OF NO SERIOUS CONSEQUENCES. UNDER PRESENT SITUATION THERE IS ALWAYS A REMOTE POSSIBILITY DIEHARDS OR CIVILIANS MAY PROBABLY ATTEMPT TO ASSASSINATE THE PRESIDENT. SCP-3

DT

NOTE: Advance copy to Mr. Crahe (ARA) 9/6/61 CWO-M

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-2- J-51 DTG 051800Z SEPTEMBER (JOINT SERVICE MESSAGE) FROM ATTACHES AMERICAN EMBASSY BRAZIL

BARROSO FEREIRA AND TWO MERCHANT SHIPS DEPARTED RIO FOR FLORIANOPOLIS WITH 1200 COMBAT LOADED MARINES ABOARD TO REINFORCE ADMIRAL CLOVIS DE OLIVEIRAS GARRISON. THESE UNITS WILL ARRIVE FLORIANOPOLIS 5 SEP. AT 0300 4 SEP 800 ARMY (A/B) AND 100 MARINES WERE FLOWN FROM RIO TO FLORIANOPOLIS FOR ADDITIONAL STRENGTH TO TASK FORCE OLIVEIRA. ADMIRAL OLIVEIRA IS JOINT COMMANDER OF ALL ARMY, NAVY AND AIRFORCE UNITS IN FLORIANOPOLIS. TAMANDARE AND 7 DDS REMAIN AT SEA IN VICINITY OF FLORIANOPOLIS. MINAS GERAIS AND 3 DDS ARRIVED IN RIO AM 5 SEP. ADMIRAL OLIVEIRA IN AN ULTIMATUM TO THIRD ARMY MOVING UP COAST TO FLORIANOPOLIS DEMANDED THAT THEY STOP THEIR ADVANCE OR THAT THEY WOULD BE MET WITH FORCE. THIRD ARMY HAS STOPPED THEIR ADVANCE AS OF AM 4 SEP. SMALL PETROBRAS TANKER LEFT RIO 3 SEP FOR FLORIANOPOLIS AREA TO FUEL FORCES OPERATING THAT AREA.

PART 5. FROM CONVERSATIONS WITH BRAZILIAN NAVAL OFFICERS ONE FACT SHOULD REMAIN CLEAR. THAT IS, THE INITIAL ACTION TAKEN BY THE MILITARY UPON THE RESIGNATION OF JANIO QUADROS AS PRESIDENT OF BRAZIL WAS TO FORSTALL THE CONTINUED TREND OF BRAZIL TOWARD COMMUNISM.

THIS ONE FACT ALONE PRECIPITATED THEIR ACTION. THE MILITARY LEADERS WERE CONVINCED THAT THE ONE REMAINING FORCE IN BRAZIL THAT COULD TAKE EFFECTIVE MEANS TO HAMPER AND TO RETARD COMMUNIST INFILTRATION AND FINAL DOMINATION OF BRAZIL IS THE ARMED FORCES. IF GOULART ASSUMES THE PRESIDENCY EVEN UNDER THE NEW CONSTITUTIONAL CHANGE, THEY FEAR HE WILL CONTINUE TO WEAKEN AND FINALLY NULLIFY THE MILITARY TO SUCH AN EXTENT THAT THEY WILL EVENTUALLY BECOME AN INEFFECTIVE FORCE AGAINST COMMUNISM AND WILL NOT BE ABLE TO PREVENT BRAZILS MOVEMENT INTO THE SOVIET BLOC. FOR THIS REASON THESE NAVAL OFFICERS ARE VERY UPSET OVER THE FUTURE PROSPECTS OF AN EFFECTIVE MILITARY FORCE AGAINST COMMUNISM. COMMENTS LATER.

PART 6. COMMENTS. IT IS BELIEVED THAT DENYS HAS THE LOYALTY AND

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FROM: ATTACHES AMERICAN EMBASSY BRAZIL

File Location
E87/B: Jackson-
Ltr 4-27-61

TO: Secretary of State

ACTION:
INFO:

NO: J-51 DTG 051800Z SEPTEMBER (JOINT SERVICE MESSAGE)

PRIORITY

ACTION CNO, HQUSAF, DEPTAR, INFORMATION 1127 FAG, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CTF 86, CHNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, CAIRC ALBROOK, WHITE HOUSE, STATE DEPT

USAF FOR AFCIN. DEPTAR FOR ACSI.

THIS IS A JOINT ARMY NAVY AIR FORCE MESSAGE.

MESSAGE IN SIX PARTS.

QUADROS RESIGNS.

PART 1. MILITARY AND PRESS REPORTS INDICATE SOLIDARITY OF CIVIL MILITARY POLICE, GUANABARA, WITH DENYS. SEVERAL OFFICERS RELIEVED OF ASSIGNMENTS AND ARRESTED FOR ANTI-GOULART TENDENCIES. COLONEL ARDOVINO BARBOSA, CHIEF GUANABARA CIVIL POLICE, ARRESTED FOR DISOBEYING HABEAS CORPUS ORDERS DENYING KNOWLEDGE OF WHEREABOUTS PERSONS ARRESTED.

PART 2. FIRST BATTERY, AAA, MOVED FROM GOIAS TO BRASILIA. DISPOSITION FORCES GENERALLY REMAINS UNCHANGED. NO INDICATION FORCES MOVING TO TACTICAL POSITIONS FOR INITIATION OF COMBAT.

PART 3. PART OF AIR FORCE STILL APPEARS DETERMINED PREVENT GOULART TAKING OFFICE AND TO FIGHT IF HE DOES. DETAILS IN SEPARATE MESSAGE.

(2)

PART 4. FLEET DEPLOYMENT. AFTERNOON 13 SEP BRAZILIAN NAVY TRANSPORT

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0817

OFFICE BUT GOT NOT ASSURANCE FROM THEM. BLAMES WEAK GENERALS FOR NOT GIVING MINISTERS SUPPORT IN STAND AGAINST GOULART. STATED AF BRIG MOSS, HARDMANN, SERPA, BALLOUSSIER AND MUNIZ STILL STRONG AGAINST GOULART. BRASIL AND WANDERLEY NOT. NO OTHER SPECIFICALLY MENTIONED.

PART 4. IN EVENT REVOLT, HOPES NAVY WILL SUPPORT AF ELEMENTS WHICH INTEND FIGHT AGAINST GOULART. HOPES ARMY WILL NOT INTERVENE BUT STATES AF WILL FIGHT ARMY IF MOVE AGAINST AIRBASES. SOME OF HIS PEOPLE MIGHT NOT STAY, BUT ARMY WOULD HAVE TO KILL THOSE WHO DID STAY BEFORE IT COULD TAKE AWAY THEIR AIRBASE. HE WOULD EVACUATE HIS AIRCRAFT BUT HE PERSONALLY WOULD REMAIN AND FIGHT. SEVERAL TIMES TALKED ABOUT FIGHTING WITH THEIR LIVES AND WHEN REPORTING OFFICER LEFT STATED IF HE WERE DEAD BEFORE REPORTING OFFICER VISITED BASE AGAIN UNITED STATES SHOULD KNOW HE DIED FIGHTING COMMUNISM. ADMITTED DID NOT HAVE SUPPORT OF PEOPLE NOR EVEN CHURCH BUT STATED THEY HAD THE STRENGTH (FORCE) AND DETERMINED FIGHT EVEN THOUGH EVERYTHING AGAINST THEM.

PART 5. AIR TRANSPORT COMMAND HAS FLOWN A LARGE NUMBER OF PERSONNEL AND SUPPLIES SOUTH TO FLORIANOPOLIS MAINLY ARMY SINCE MOST NAVY PERSONNEL AT SEA.

PART 6. 3 B-2/S AND 11 METEOR F-8S AT FLORIANOPOLIS ALERTED FOR OPERATIONS AGAINST THIRD ARMY. THINKS 2 OR 3 F-8S REMAINED AT GRAVATAI.

PART 7. COMMENT. GALEAO COMMANDER WAS BOTH CALM AND SERIOUS, AND GAVE IMPRESSION OF STRENGTH AND DETERMINATION DURING INTERVIEW. BELIEVE THIS BAF GROUP HAS PLAN THEY THINK WILL PREVENT GOULART TAKING OFFICE AND IF THIS FAILS THEY FULLY INTEND REVOLT AND START FIGHTING. NO INDICATION WHERE OR AGAINST WHOM. DOUBT THIS GROUP HAS LARGE FOLLOWING WITHIN BAF BUT SIGNIFICANT THEY ARE IN DIRECT COMMAND OF THE FIGHTING STRENGTH OF BAF. CANNOT PREDICT HOW LONG OFFICERS AND MEN UNDER THEIR COMMAND WILL FOLLOW IF ORDERED FIGHT NOTE THAT SOME PRESS REPORTS STATE BAF DENIES RUMORS ABOUT REBELLION MOVEMENTS IN PARTS 5 AND 6 OBVIOUSLY PART OF COORDINATED MILITARY OPERATIONS TO DEFEND AGAINST THIRD ARMY. SCP-3.

KEA

NOTE: Mr. Crane (EST) notified 9/6/61. EH.
Advance copy to SS and SO.

0816

(6)

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Control: 3685 NUMBERED
Rec'd: September 6, 1961
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ACTION:
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FROM: ATTACHES AMEMB BRAZIL

TO: Secretary of State

NO: J-52, 051830Z SEPTEMBER (ARMY MESSAGE)

Dirty, No action. E&T/B: jd Faulkner - Imm 9-27-61

Answered Dept.

PRIORITY

ACTION CNO, HQUSAF, DEPTAR, INFORMATION 127 FAG, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CTF 86, CHNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, CAIRC, DIRNSA, WHITE HOUSE, STATE DEPARTMENT AND CIA.

USAF FOR AFCIN. DEPTAR FOR ACSI AND PASS DEPT STATE.

THIS IS A JOINT ARMY NAVY AIR FORCE MESSAGE.

QUADROS RESIGNS. INTERVIEW WITH COMMANDER GALEAO AIRBASE RIO TODAY AFTER PRESS REPORTED BAF OFFICERS HAD REVOLTED. MESSAGE IN 7 PARTS.

PART 1. STATED BAF HAD NOT REVOLTED YET BUT EMPHATIC HE AND OTHER BASE COMMANDERS (FORT ALEZA, NATAL, SALVADOR AND SANTA CRUB) ARE UNITED AND WOULD PROCEED WITH FIGHT AGAINST GOULART WITH OR WITHOUT SUPPORT AIR MINISTER MOSS. STATED AIR TRANSPORT COMMANDER GALEAO HAS BEEN MOVING SUPPLIES AND ORDNANCE EQUIPMENT FROM RIO TO THOSE BASES EVER SINCE CRISIS STARTED AND THEY ARE NOW STRONG ENOUGH TO FIGHT.

(2)

PART 2. STILL BELIEVES GOULART WILL NOT TAKE OFFICE BUT DID NOT DISCLOSE REASON. IF GOULART GETS TO BRASILIA THINKS HE WILL NOT BE ABLE TO REMAIN BUT HAVE TO RETURN TO PORTO ALEGRE. WOULD NOT DISCUSS RUMOR BAF HAD PLANS INTERCEPT GOULART'S PLANE EN ROUTE PORTO ALEGRE BRAZIL.

PART 3. CONFIRMED 3 MILITARY MINISTERS HAD LEFT GALEAO FOR BRASILIA NIGHT 4 SEPTEMBER. STATED HE ASKED THEM NOT TO LET GOULART ASSUME OFFICE

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TAB #: 39

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TEL 050845Z FR RIO DE JANEIRO TO SECSTATE

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NND: 949515

WITHDRAWN: 02/24/95 by: JAS

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Governor Magalhães returned to Salvador on Saturday night and has appeared twice since on television with talks to the Bahian people. There is growing speculation regarding the possibility of his being chosen Prime Minister in the new parlimentary setup. One radio story reported that he had been "apontado". The selection would of course be popular here, even with the leftist groups. Undoubtedly Vice-Governor Moscoso and the PSD would appreciate his absence. The end result might be good for the state; there would be unity in Bahia and Juracy's program of "pacification" might become a reality.

A final incident will illustrate the deft control that has been typical of the authorities during this crisis. The Associação Bahiana de Medicina is an organization to which most of the medical men belong, but few of them attend its meetings. As one result the leftists have taken over. When the Goulart crisis developed the vote was taken to demonstrate. Several of the doctors went out on the streets with the prompt result that they landed in jail. A group of medical men went the next day to see General Freitas, protesting that it was not fitting that a man of professional training should be locked up like an ordinary criminal. The good General agreed heartily and made this proposition. If the group would sign a legal deposition that they would be responsible personally for the acts of the prisoner, he would be released immediately. The doctors backed off hurriedly and decided to let their colleague languish in pokey.

James M. Flanagan

James M. Flanagan
American Consul

cc: Amembassy, Rio de Janeiro



As reported earlier, both the university and secondary students are on strike. These students have been the most irritatingting and dangerous actionist group in the city, probably because they have so little sense. They have grandiose notions of their "rights" to create disturbances. The authorities have so far avoided an open break. The Governor's policy is to let them talk as much as they like anywhere they like, but they cannot be allowed to take to the streets. A number who tried street action have been jailed. A group of 30 turned up at the guarded entrance to FAB base 20 miles outside of Salvador. They demonstrated mildly but were quietly and firmly headed back to the city. Groups of university students have been invading the secondary school classes, urging the students to take to the streets. In this they have had little success. In one verified instance five of them demanded entrance to classes of a "ginasio". They were permitted to enter and say their piece, but only on the condition that the instructor, a Brazilian lady, also spoke to the class. The contest was unequal. The teacher spoke simply, factually and defined her kind of patriotism. The students elected to stay in school and the five strikers retired, baffled and angry. The striking students have been gaining some headway through the use of publications and throw-aways, all of them highly inflammatory. It would appear that they are receiving some professional help in this area, notably from one woman here from São Paulo on a contract with the Museum of Modern Art who is acting as their "editor".

An informal but highly effective censorship has been imposed on the local newspapers and radio stations. One of the journals printed a incautions story about Governor Cid Sampaio to which he objected via Governor Juracy Magalhães. Governor Juracy went into action immediately. The offender was told that no censorship would be imposed but if such another "incident" happened, the physical plant, the presses, of the paper would not survive it. Thereafter each paper and radio station appointed its own censor, and these arbiters have been working in four-hour shifts since. As was pointed out to the editors, the state and federal deputies could say what they chose; the editors could not. This has been a long-deserved lesson to the local journalists who have heretofore been almost criminally careless in their handling of rumors and circulation building stories.

Reports from the airforce base at first indicated a marked lessening of tension. The armed guards disappeared, except those protecting the bomb-loaded planes on the runway aprons. The personnel became more chatty and less obviously worried. However, our most recent information is disquiting. Colonel Eppinghaus, the base commander, suggested that the American personnel, (USAF advisors and Lockheed technicians) stay home today and tomorrow since "these two days will be the period of crisis".



AIR POUCH — OFFICIAL USE ONLY

HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

For Department Use Only

732.00/9-561

FROM : Amconsul SALVADOR, Brazil — -15- NO. — September 5, 1961 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : File, Reaction 1287/13: Jil Wilson - Lmc 9-18-61.

20 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
	ARA-4			2	1							7	3	3		11
			OTHER	AGR	COM	FRB	INT	LAB 8	TAR	TR	XMB					
	REC'D 9-11-61			AIR 6	ARMY 4	CIA 10	NAVY 4	OSD 5	OCR	USIA 10	NSA 4	DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS SEP 11 1961				

SUBJECT: Resignation Crisis: Situation Report, Bahia.

The situation remains calm in Bahia, due entirely to the vigorous action taken by the state and military authorities who must also be given high marks for tact and commonsense. Some explosive situations have been deftly handled and there has been no doubt left anywhere that would-be actionists will be jailed without argument or recourse. Salvador, the capital, is quiet, despite the fact that Petrobras personnel, dock workers, stevedores University and secondary school students are all out on strike.

The dock workers and stevedores went on strike yesterday on orders from their "centro" in Rio. There is no activity in the port and the dock area has been isolated under military guard. It appears to be a good-natured strike. In fact there is remarkably little enthusiasn for it. The announced purpose was to keep it going until Goulart has been sworn into office. It is doubtful that it will continue, in any case, for more than a few days. One incident shows the temper of the port workers. The Moore-McCormack Argentina left Rio without discharging its cargo and put into Salvador for that purpose. The local agent, Lee Worley, dickered with the dock and stevedore syndicates and was given a go-ahead to unload despite the strike. All concerned were in good humor.

The oil field workers and the personnel at the Mataripe refinery went out on strike at midnight last night. (See our telegram no. 22 of August 31, 1961). Apparently all the workers in Petrobras have gone on strike, but there is little information available here on that aspect at this time. It is perhaps informative that this action was taken after the walkout of the dock workers.

732.00/9-561

SEP 11 AM '61 L WS

JMFlanagan:ym — REPORTER — OFFICIAL USE ONLY

FORM 6-61 FS-439 GPO 912896

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0811

clarification of the political scene. Local merchants suffered because few shoppers ventured to downtown shopping areas, although transportation functioned normally.

Censorship of radio and television was enforced throughout the week, but no interference with the press was noted. For this reason many newsmen from Rio de Janeiro reportedly came to São Paulo to file stories.

Local Press Review

For the second week in a row, the press was so busy with the domestic scene that editorials were devoted to international events only when a newspaper wished to avoid the real issue. The Berlin Crisis continued to receive ample front page space, however, with the generally pro-U.S. position of the press unaltered from that reported during the last three weeks. The Belgrade Conference of Non-Aligned Nations was headlined, especially since Brazil sent observers, but the import of the Conference was reduced by the uncertainty surrounding Brazil's future foreign policy. The Soviet break of the test ban was also headlined and promised to remain a leading news item for some time. American handling of this and the Berlin issue is bringing Brazilians to comment on U.S. diplomacy in the most favorable terms heard in a long time. It is not rare for Brazilians to agree with U.S. foreign policy objectives, but it is a pleasant change to hear praise of the means used to accomplish them.

Miscellaneous
List of Substantive Despatches

73. Santos Weekly Report.
74. Emergency Evacuation Plan Being Kept Current.
75. Why did Janio Resign?
76. Finance: São Paulo State Govt. Accounts for Year 1960.
77. Janio's Resignation Affects Business Plans.
78. Supplement to Weekly Comment on Events in Santos.
79. Weekly Comment on Events in Santos.
80. São Paulo Weekly Summary Number 10.

William P. Cochran, Jr.
Minister Consul General

Contributors: Pyle, Proper, Shea

Distribution: INS-RAR, Embassy Rio 3, Amconsulates Belem Belo Horizonte, Curitiba, Porto Alegre, Recife Salvador, Santos.

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usual. Attempts on the part of Communists to stir up the workers were frustrated by DOPS, the Political and Social Police, who picked up and held for a few hours for questioning, an estimated two hundred known Communist Party agitators.

Democratic trade unionists, however, faced a dilemma as they had to decide whether or not to participate in the strike to support Goulart's installation or face future criticism for collaborating with a military dictatorship. Their first reactions were somewhat confused, as they first published a manifesto in the name of the Democratic Trade Union Movement (MSD) calling for a general strike to uphold the Constitution; then quickly reversed themselves, held a meeting on the morning of August 28th and released a strong statement cautioning the workers to remain on the job, to have confidence in the armed forces, and not to listen to the exhortations of the Communist agitators. This statement by no means represented the majority of the non-Communists as many of the democrats felt the Constitution was being violated and that Goulart was legally President. e.g., the local union of telephone workers which is non-Communist and pro-American sent a telegram to Marshal Denys demanding Goulart's installation in order to maintain Brazil's democratic institutions. Privately the non-Communists agreed that Goulart should be sworn in; however, they agreed that the climate did not exist for a general strike. On August 27th the police broke up a demonstration of students, workers, and fellow traveling politicians in front of the São Paulo local union of metalworkers which is controlled by the Communists. In Santos the non-Communists chose to walk out of the City Central (Forum de Debates) rather than join in a general strike advocated by the Communists. This strike was headed off by Army troops who occupied the docks and work continued as usual.

The labor officer called many American firms who stated that the workers reported to work as usual and largely ignored the political events. In the important ABC industrial triangle which is under considerable Communist influence American firms reported that absenteeism was low. In fact, representatives of General Electric reported that absenteeism was at a new low during the critical week of August 28 - September 1 when the Communists were beating the drums for the general strike.

Practically all of the primary and secondary schools in the capital city of São Paulo and Santos were closed until August 28. Elsewhere in the state schools were generally open, although absenteeism was high, especially in the capital city. Universities remained closed throughout the week. Students generally favored the investiture of Goulart, but attempts to form parades were peacefully thwarted by the Força Publica and DOPS. Foodstuffs were generally available except for sporadic shortages of sugar, flour and rice, caused evidently by the public's fear of a breakdown in transportation facilities.

Banks were only open one day which contributed to business uneasiness. A number of expansion projects, or of new ventures planned by business in São Paulo, some of which at least involved the investment of very substantial sums from abroad, were deferred indefinitely pending a

0809

as the public realized the seriousness of the crisis brought on by the former president's irresponsibility. If anything, the Paulistas' former warm support for Quadros made their reaction more severe. It is difficult to see how Quadros could again aspire to national political strength without the support of his powerful home state, and it is equally difficult at present to imagine him running successfully for municipal Dog Catcher in São Paulo. The current opinion of him means, fortunately, that many Paulistas would not credit any anti-American statements he might later release. The following São Paulo Despatches contain more detailed examinations of public disenchantment with Quadros: number 64 of 8/22/61, 65 of 8/25/61, 72 of 8/29/61, and 75 of 8/31/61.

While the Second Army has easily kept order in the State of São Paulo, the possibility of bloody conflict with the rebellious Third Army to the south has been a sword of Damocles. The situation became potentially highly explosive when the Third Army's Fifth Infantry Division, stationed in the neighboring state of Paraná, decided to adhere (with the rest of the Third Army) to the extremist position of Rio Grande do Sul Governor Brizzola. This made it clear that the worst of any shooting would be on the São Paulo/Paraná border. In many another Latin American country the fireworks would have started, but no one in Brazil (with the exception of the volatile Rio Grande do Sul "Gauchos", who seemed more interested in the fight than the cause) wanted that solution. Militarily as well as politically, therefore, São Paulo came to act as a go-between. There were scattered reports of disloyalty from officers throughout the state, and on Thursday the commander of the Second Army took it upon himself to inform the São Paulo press that "The (national) military ministers will accept the proposal of the congressional leaders to establish in this country a parliamentary republic of the German type." Since the military ministers were at that time refusing to allow any solution involving João Goulart's presidency, this statement from the Second Army greatly weakened their hand. It appeared, in fact, that they would not have sufficient strength to veto the solution proposed by Congress.

Rumors of troop movements were many and both armies did occupy positions near their respective borders, but they appeared inclined to maintain a discreet distance. Both seemed to see an acceptable solution on the horizon. At week's end, nevertheless, bloody civil conflict was a still ominous possibility.

Attempts on the part of Communist Party trade union leaders and fellow travelers to promote a general strike to insure Vice-President João Goulart's installation as President of the Republic turned out to be a dismal failure as São Paulo workers ignored the strike call and remained on the job. The failure of the strike was due to a combination of police surveillance of the Communist activities, refusal on the part of the democratic trade unions to participate and the growing political maturity of the São Paulo worker who no longer allows himself to be the tool of demagogues and politicians. The strike was called for on August 28th, two days after Janio Quadros's sensational resignation, but was largely ignored by São Paulo workers who reported to work as



August 29), has so far done remarkably well at extricating himself. Paulistas are often heard commenting that the success of Janio Quadros' state governorship was, after all, largely the work of his Secretary of Finance, the current Governor. In the explosive issue of the presidential succession, Carvalho Pinto has managed to conciliate those opposed to Vice President Goulart (by not coming out for him by name) and the large mass of the public which appears to favor his succession (by defending "constitutionality"). Though no fan of Goulart's, Carvalho Pinto apparently read the writing on the wall early and managed, through skillful hedging of the issue, to play the role of honest broker between the forces polarized by the three military ministers at one end of the spectrum and Rio Grande do Sul Governor Brizzola at the other. He remained active throughout the crisis in spite of pain from fractured ribs (which did his public image no harm). At week's end, he continued to be mentioned often for the position of Prime Minister in the proposed parliamentary government, but he announced that he would not accept the position and threw his weight behind Bahia Governor Juracy Magalhães.

The state Legislative Assembly and the São Paulo Municipal Chamber, which have been in continuous session since the beginning of the political crisis which followed in the wake of Janio's renunciation of the presidency, approved resolutions requesting that Goulart be permitted to assume the presidency in accordance with the existing constitution. At the same time powerful UDN members also gave a vote of confidence to the party's national president and federal deputy, Herbert Levy, who opposed Goulart's return to office. A Front of Legal Democracy, which supported Jango's investiture in accordance with the constitution, was formed this past week under the auspices of ex-Minister of Labor Castro Neves, members of the state Legislative Assembly (about 80 members signed the Front's manifesto), city councilmen, political leaders, professional liberals, labor leaders, students and teachers. For a few days the Front functioned in an office of the Legislative Assembly, but it was forced to move and greatly discredited when a number of state deputies repudiated their support claiming that it was a disguised maneuver to effect the return of Janio Quadros. City Councilmen also sent a message of support to Governor Leonel Brizzola for his "defense of the constitution". A special commission, appointed by the city council, intended to deliver the message personally, but was unable to do so due to the cancellation of southbound flights.

The local press reported at length the reaction of foreign newspapers to Janio Quadros' resignation, and reading these reports was one of the more interesting exercises of the week. Several British and French papers, and a few in America, seemed to be lamenting Brazil's loss of a great man and predicting Quadros' return to power by a sweeping popular mandate. Such uninspired analyses must have been written in offices several thousand miles from Brazil. In São Paulo, Quadros' home state and former political stronghold, reporters could have heard Quadros' former friends applying every invective in the dictionary to him. Growing disenchantment turned to irritation when he fled petulantly from the presidency, and the irritation became utter disgust

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AIR POUCH (PRIORITY) | CONFIDENTIAL (Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SAO PAULO — 80 (DESP. NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — Sept. 5, 1961 (DATE)

REF : File, Location F87/B; Institution - Inst 9-15-61

SEP 6 1961

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	REC'D 9/9	INFO OTHER: RM/R-2 ENR-7 REP-1 P-3 CIA-10 USIA-10 OSO-5 army 4 navy 4 air-6 NSA-4 LAB-8

SUBJECT: São Paulo Summary No. 10, Week Ending September 2, 1961.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 12 1961

INDEX:
Political
The Crisis Evolves
Local Press Review
Miscellaneous
List of Substantive Despatches

Political
The Crisis Evolves

Paulistas were completely absorbed this past week in the attempts to resolve the crisis created by the untimely resignation of former President Janio Quadros. In fact, Janio's departure from Santos on August 28 caused scarcely a ripple, mute testimony to the fact that his popularity in his home state, which he has long regarded as his greatest source of political strength, was at a low ebb. While an air of apprehension hung over the citizenry, the situation was calm. Troops of the Second Brazilian Army, headquartered in São Paulo, were on the alert at various cities throughout the state, as were the Forca Publica (state police), the Guarda Civil (uniformed civil guards), and the Political and Social Police (DOPS). Meanwhile, Paulistas debated as to whether Vice-President João Goulart should be allowed to take office in accordance with the existing constitution, or whether his inauguration under a constitutional amendment (which would seemingly restrict his prerogatives by the establishment of a parliamentary system patterned after that of West Germany and headed by a prime minister) would reconcile the divergent points of view of the Federal legislature and the military authorities. Aside from leftists and ultra-nationalists, many of those in São Paulo who espoused the installation of Jango as the legal heir to the presidency seem to have been motivated by respect for the constitution rather than for any predilection for João Goulart. The Vice-President has never been popular in São Paulo; he has very little following; most people regard him as being corrupt, incompetent, and "worse than Janio". To many other Paulistas even his name is anathema.

São Paulo Governor Carvalho Pinto, placed in a difficult position by President Quadros' resignation (see São Paulo Despatch 72 of

see last page/mec
REPORTER

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-2- J-49, 0418Z03 SEPTEMBER, FROM USAIRA ALUSNA RIO DE JANEIRO

PART 7.

JOINT COMMENT: THERE IS A SMALL GROUP OF DIEHARDS WITHIN THE MILITARY ESPECIALLY THE AIR FORCE WHO CONTINUE TO RESIST GOULART ASSUMING PRESIDENCY. POSSIBILITY EXISTS THAT THIS GROUP MAY ATTEMPT EXECUTE MILITARY DEMONSTRATIONS THAT WILL PROBABLY BE OF NO SERIOUS CONSEQUENCES. UNDER ANY TENSE SITUATION THERE IS ALWAYS REMOTE POSSIBILITY THAT DIEHARDS OR CIVILIANS WILL ATTEMPT TO ASSASSINATE THE PRESIDENT.

SCP-3.

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-2- J-49, 041830Z SEPTEMBER, FROM USAIRA ALUSNA RIO DE JANEIRO

PART 3.

FROM BRAZILIAN AIR FORCE SOURCE (EVALUATION B-3). AS OF SUNDAY NIGHT ALL BUT 15 OR 16 BRAZILIAN AIR FORCE KEY OFFICERS LED BY MAJOR BRIGADEIRO MUNIX AND BASE COMMANDERS READY ACCEPT CONGRESS SOLUTION. SOURCE EXPECTS PEACEFUL SOLUTION WITHIN 24 HOURS BUT DANGER STILL PRESENT THESE OFFICERS WILL CAUSE TROUBLE. MAJOR BRIGADEIRO TRAVASSOS LATE 3 SEPTEMBER GOT PROMISE BY TELEPHONE FROM AIR MINISTER MOSS TO OPEN BRASILIA AIRPORT BUT AS YET CONFIRMING ORDER NOT ISSUED. SOURCE REPORTS B-26'S MOVED FROM NATAL TO GALEAO 3 SEPTEMBER. OTHER AIRCRAFT MOVEMENTS ALSO REPORTED BUT DETAILS LACKING. ALSO STATED B-26'S ON ARMED RECONNAISSANCE FLIGHTS IN SOUTH. UNDERSTAND F-80'S, P2V'S AND S2F'S NOT INVOLVED DUE TO POSSIBLE FUTURE REDUCTION IN MILITARY ASSISTANCE PROGRAM IF THESE AIRCRAFT USED FOR PURPOSES OUTSIDE MAP PLAN AGREEMENT. SOURCE HEARD AS OF 040600Z GOVERNOR BRIZOLA RIO GRANDE DO SUL HAD AGREED WITHDRAW HIS FORCES FROM SANTA CATARINA. CONFIRMS MINAS GERAIS DID NOT MEET RENDEZVOUS OFF RIO 2 SEPTEMBER TO RECEIVE BRAZILIAN AIR FORCE OFFICERS AND PLAN NOW OFF.

PART 4.

GOULART ORIGINALLY SCHEDULED TO ARRIVE BRASILIA 4 SEPTEMBER. NOW SCHEDULED ARRIVE 5 SEPTEMBER AND BE OFFICIALLY INAUGRATED 6 SEPTEMBER.

PART 5.

RELIABLE NAVAL SOURCE STATES 4 SEPTEMBER BRAZILIAN NAVY WILL REMAIN COMPLETELY LOYAL TO MINISTER HECK IN HIS ACCEPTANCE ALONG WITH ARMY AND AIR FORCE MINISTERS OF CONSTITUTIONAL CHANGE LIMITING POWERS OF PRESIDENT. PLANS TO MAKE BRAZILIAN AIR FORCE AIRCRAFT ABOARD MINAS GERAIS CALLED OFF LATE 3 SEPTEMBER. ALL NAVAL UNITS REPORTED AT SEA 3 SEPTEMBER NOW MOVED VICINITY FLORIANOPOSIS AND REMAIN THERE UNTIL SITUATION BECOMES COMPLETELY CLEAR.

PART 6.

REFERENCE SERVICE ATTACHE MSG J-48 AMEMBTEL 650 SHOULD READ AMEMBTEL 651 AND FIRST PRESIDENT TO SERVE UNTIL JANUARY 31, 1961 SHOULD READ JANUARY 31, 1966.

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PART -



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237.13 jurisdiction - Iwo
9-27-61.

FROM: USAIRA ALUSNA RIO DE JANEIRO

TO: Secretary of State

NO: J-49, 0418303 SEPTEMBER

PRIORITY

ACTION CNO, HQ USAF, DA, INFORMATION 1127FAG, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CHNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, CAIRC ALBROOK AFB, WHITE HOUSE AND STATE DEPARTMENT.

HQ USAF FOR AFCIN; DA FOR ACSI

THIS IS A JOINT ARMY, NAVY AND AIR FORCE ATTACHE MESSAGE IN 7 PARTS.

PART 1.

RELIABLE MILITARY AND OTHER SOURCES REPORT MILITARY MINISTERS MET ALL DAY SESSION 3 SEPTEMBER AND ISSUED MANIFESTO MILITARY WILL SUPPORT AMENDMENT TO CONSTITUTION. MANIFESTO STATES THAT ANY FUTURE DISTURBANCES WILL NOT BE THE RESPONSIBILITY OF THE MILITARY, MOVEMENTS OF UNITS MERELY PART OF SHOW OF FORCE. GENERAL GALHARDO COMMANDING GENERAL 5TH INFANTRY DIVISION TRYING TO STRENGTHEN CONTROL OF HIS COMMAND TO COUNTER ANTI-GOULART MILITARY GROUP. MILITARY MINISTERS MAY CONTINUE AS MEMBERS OF CABINET UNLESS THEY RESIGN.

FILED

PART 2.

PRESS REPORTS INDICATES SPECIAL FEDERAL COMMISSION RECOMMENDS CONGRESS PASS BILL TO GRANT AMNESTY TO ALL WHO PARTICIPATED IN CRISIS BASED ON FACT ALL WERE FIGHTING FOR CONSTITUTION.

(3)

PART 3.

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Defense Dept J-46

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-2- J-44, DTG 021542 SEPTEMBER (JOINT SERVICES MESSAGE) FROM ATTACHES AMEMBASSY BRAZIL

CARRIER 4 OR 5 SEP. CARRIER WILL LAY OFF SANTA CRUZ ABOUT 20 MILES. MINAS HAS LIMITED FUEL. MAY CONTEMPLATE ENTER FOREIGN PORT TO REFUEL.

PART 3. SOURCE STATES NO QUESTION WILL USE WEAPONS IF NECESSARY. ADDED PLANES EQUIPPED ONLY TO FIRE ROCKETS.

PART 4. ALL METEOR 7 AND 8S HAVE BEEN FLOWN OUT OF FIFTH AIR ZONE CONTROL.

PART 5. BAF THINKS FOURTH AIR ZONE SAO PAULO WILL SUPPORT MASS BUT NOT SURE. ALSO UNCERTAIN ABOUT SECOND ARMY. AIR AND NAVY MINISTERS ADAMANT IN REFUSAL ACCEPT GOULART BUT THIS POSITION NOT SHARED BY MOST BAF AND NAVY OFFICERS AND MEN.

PART 6. COMMENTS. NO US PERSONNEL ABOARD MINAS GERAIS. CHIEF JBUSMC AND AIR AND NAVY SECTIONS HAVE BEEN ADVISED IMPORTANCE US PERSONNEL NOT BECOME INVOLVED. US NAVY ALSO STATES BAF NOT READY LAND S2F ON MINAS WITHOUT HIS ASSISTANCE BUT WE HAVE NO DOUBT NAVY AND BAF DETERMINED TO TRY AND HAVE FAIR CHANCE SUCCESS. DANGER IN PRESENT SITUATION IS, IF ARMY ACCEPTS SOLUTION BY THE CONGRESS TO INCLUDE GOULART, BAF AND NAVY MAY CONTINUE RESIST. APPEARS UNLIKELY REMAIN UNCERTANITY UP TO LAST MINUTE PRESENT CRISIS. SCP 3

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FROM: ATTACHES AMEMBASSY BRAZIL

File; he action
E87/B.Jo Hudson -
ltrs 9-28-61

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Defense Dept.

TO: Secretary of State

NO: J-44, DTG 021542 SEPTEMBER (JOINT SERVICES MESSAGE)

PRIORITY

ACTION CNO, HQUSAF, DEPTAR; INFORMATION 1127 FAG, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CHNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, CAIRC, WHITE HOUSE, DEPARTMENT OF STATE

USAF FOR AFCIN.

DEPTAR FOR ACSI.

THIS IS A JOINT ARMY NAVY AIR FORCE MESSAGE.

THIS MESSAGE IN 6 PARTS.

REF PART 2 OUR J-43. FOLLOWING FROM RELIABLE BAF SOURCE EVAL B-2.

PART 1. BAF AND NAVY PLAN FLY S2-F SQUADRON FROM SANTA CRUZ TO ABOARD MINAS GERAIS 4 OR 5 SEP. ACTION PLANNED TO GET ALL POSSIBLE NAVY FORCES AND S2F AT SEA BECAUSE BAF AND NAVY UNCERTAIN ARMY ACTIONS IN CHANGING POLITICAL SITUATION. MOVE INTENDED RETAIN CAPABILITY NAVY AND AIR FORCE ACTION WITHOUT ARMY SUPPORT. SOURCE STATES THERE ARE UNIT COMMANDERS IN NAVY AND BAF WHO WANT TO USE ARMS AGAINST GOULART WHETHER THEIR MINISTERS CONCUR OR NOT AND ARE FANATIC ENOUGH TO DO SO. HOWEVER HE INDICATES MANY OFFICERS UNDER THESE COMMANDERS HAVE LOST HEART FOR FIGHT AGAINST CONSTITUTION WITHOUT POPULAR SUPPORT.

732.00/9-461

PART 2. 7 BAF OFFICERS WILL BOARD MINAS NOW AT SEA THIS MORNING BY HELICOPTER FROM RIO. THEY ARE 5 OFFICERS OF AIR DEPT BOARD MINAS PLUS S2F GROUP CO AND EXEC. CO AND EXEC WILL RETURN RIO TONIGHT AND PROCEED SANTA CRUZ TO GET AIR GROUP READY TO BOARD

XR 732.5
DR 732.5622

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-2- 150, September 5, 8 p.m., from Sao Paulo

south among two elements Second Army he assured me all other military forces united "especially navy and air force." Considers Brizzola's efforts to stir-up trouble Sao Paulo, Minas Gerais and other states had failed, noted Brizzola could not feed Third Army and that latter had gasoline for only eight days, turned Rio Grande's "frontiersmen" with infusion Spanish excitability; pointed out they disgusted with Jango for moment (due his acceptance parliamentary solution) but noted they volatile people who hated you one day, greeted you with warm abrazo the next. Obviously felt they would come around, and clearly hopes so. Concluded Brizzola never had much strength even in south, not national figure and had lost much sympathy because of his extremist views in present crisis.

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Action ARA

Info SS G SP L H SO SAL P USIA NSC INR CIA NSA OSD ARMY NAVY AIR RMR

FROM: Sao Paulo

TO: Secretary of State

NO: 150, September 4, 8 p.m.

INFO:

RM/R FILES

PRIORITY

ACTION DEPARTMENT 150; INFORMATION RIO DE JANEIRO PRIORITY 48

Just talked with Luis Alves Carvalho Pinto brother and close collaborator Governor regarding current political situation. After noting (as does everyone) that reports are conflicting said felt military situation quiet, now up to politicians. Commented Jango more sensible, realistic than Brizzola and had concurred in parliamentary solution. Biggest issue now is who to be new Prime Minister. Mentioned Moura Andrade as ambitious for post, but politician. Did not list Tancredo Neves. Said flatly government Sao Paulo supporting Juracy Magalhaes, as man of wide experience, integrity and with clean hands. Noted also he retired army officer who would have confidence military, making clear he felt this was key consideration and felt situation would settle down Juracy chosen. Much less confident developments if anyone else elected. Stated Goulart go Brasilia tomorrow to participate in selection, appointments ministers and take off on Wednesday.

732.00/9-461 T3

As for military situation, he said Third Army had moved troops north into Santa Catarina as of yesterday, and troops from Second and First Armies were moved south. Before clash could occur, Mattos Lopez of Third Army halted advance. But he felt situation potentially explosive and that one shot in the air could start bloodshed, which he added all Brazilians wish avoid. Said there dissension within Third Army. When asked about news reports of reprisals obey movement orders to south among

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Control: 2165
Rec'd: September 4, 1961
10:52 p.m.

EST/B 9

FROM: Moscow

TO: Secretary of State

NO: 769, September 4, 7 p. m.

File, Reaction: Lucas
EST/B 9-7-61

ACTION DEPARTMENT 769 INFORMATION RIO DE JANEIRO 13

PRAVDA September 4 reports Goulart has returned Brazil in spite of efforts by Brazilian military circles keep him out. Says support for Goulart and "defense of constitution" spreading rapidly and cites statements by Governors of Parana, Goyas, Serra, Santa Catarina and Bahia. PRAVDA also claims "leader of reactionaries", Denys, in published communique had to admit army now divided, with third division supporting Goulart.

Only passing, but strongly negative, reference made to proposed change in constitution which, in words of PRAVDA, Putschists are attempting force on congress in effort reduce Goulart to figure-head.

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NUMBERED
Control: 2182
Rec'd: September 4, 1961
12:30 a.m.

FROM: Recife

TO: Secretary of State

NO: 77, September 4, 5 p.m.

PRIORITY

ACTION DEPARTMENT 77; RIO DE JANEIRO 99

In television broadcast last night, Governor Sampaio blamed all difficulties on Quadros, declared himself in favor "constitutional government", tried whitewash military ministers, and asked people support military efforts maintain public order. He reportedly one of several military would like as Prime Minister but selection seems unlikely as this would leave leftist vice governor acting here.

Docks closed today with some workers (loaders)on strike, fomented by President National Federation stevedores (Oswaldo Pacheco Da Silva) who since arrested here. Efforts underway end strike promptly.

Banks did not reopen today as scheduled but now supposed to reopen "after 7th". Schools including university still open with communist students urging general strike. Student union has formed "committee for legality" and issued statement today saying "Brizolla is right" and calling for mass meeting late this afternoon at school enginerring but this likely flop.

With banks closed, business affected, port strike, and continuing uncertainty combined with communist agitation, limited excitement beginning develop this general area.

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8:03 PM

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INFO:
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File, by action
E&T/B: JW Wilson - lms
9-9-53

FROM: Sao Paulo

TO: Secretary of State

NO: 147, September 4, 10 a. m.

PRIORITY

Sao Paulo calm and generally relieved at prospect end worst crisis with Goulart taking office tomorrow.

COCHRAN

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-2- 655, SEPTEMBER 4, 2 AM FROM RIO DE JANEIRO

STATEMENT NO. 1 ABOVE RESULT OF MEETING EARLIER THIS EVENING IN RIO BETWEEN MILITARY MINISTERS AND RANKING OFFICERS THREE SERVICES IN WHICH DECISION FINALLY TAKEN TO GO ALONG WITH PARLIAMENTARY SOLUTION AS FAIT ACCOMPLI.

STATEMENT NO. 2 UNDOUBTEDLY RELATED TO WIDESPREAD REPORTS THIS EVENING OF FIGHTING IN RIO GRANDE DO SUL INVOLVING UNITS OF THIRD ARMY WHICH (PRESUMABLY AT INSTIGATION BRIZZOLA) ARE SAID TO BE RESISTING ACCEPTANCE PARLIAMENTARY SOLUTION. THIS APPARENT OPPOSITION OF BRIZZOLA AND TROOPS LOYAL TO HIM BELIEVED ALSO TO BE ONE OF REASONS FOR ANNOUNCEMENT TONIGHT THAT GOULART'S INAUGURATION POSTPONED FROM SEPTEMBER 4 UNTIL LATER IN WEEK.

BOND

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NOTE: PASSED CINCARIB 9-4961 RJB

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ARMY
NAVY
AIR
RMR

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 655, SEPTEMBER 4, 2 AM

INFO:

RM/R FILES

Pol. No action. E 8T/B: j. williams - lms. 9-28-61.

NIACT

ACTION DEPARTMENT 655, INFORMATION BUENOS AIRES UNNUMBERED

DEPARTMENT PASS CINCARIB

RE EMBASSY TELEGRAM 650.

OFFICIAL NEWS AGENCY AGENCIA NACIONAL HAS THIS EVENING ISSUED FOLLOWING THREE STATEMENTS:

(1) "MILITARY MINISTERS RECOMMEND TO ALL SUBORDINATE COMMANDS COMPLETE RESPECT FOR SOVEREIGN RESOLUTION OF NATIONAL CONGRESS IN PROMULGATING AMENDMENT TO CONSTITUTION WHICH ESTABLISHES PARLIAMENTARY REGIME."

(2) "ALVORADA (PRESIDENTIAL) PALACE IN BRASILIA ANNOUNCES THAT IN FACE OF CONTRADICTORY RUMORS MILITARY MINISTERS HAVE DECLARED THEY HAVE NO DOUBT ARMED FORCES WILL RESPECT DECISION OF NATIONAL CONGRESS INSTALLING PARLIAMENTARY REGIME IN FORM OF AMENDMENT TO CONSTITUTION RECENTLY PROMULGATED."

(3) "MILITARY AND CIVIL HOUSEHOLDS OF PRESIDENCY OF REPUBLIC COMMUNICATE TO BRAZILIAN PEOPLE, BY ORDER OF PRESIDENT MAZZILLI, THAT (LATTER), AFTER PROMULGATION CONSTITUTIONAL AMENDMENT INSTITUTING PARLIAMENTARY SYSTEM, IS PERFORMING ONLY ROUTINE DUTIES INDISPENSABLE TO LIFE OF COUNTRY WHILE AWAITING INSTALLATION OF NEW REGIME FOR TRANSFER OF GOVERNMENT."

732.00/9-461

CLASSIFIED FILE

(2)

STATEMENT

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Page 4 encl 1 Sao Paulo 79

III ECONOMIC

1. Effect of Crisis Upon Santos Business (UNCLASSIFIED)

Santos port operations so far have remained mostly unaffected by the crisis provoked b President Quadros' resignation, and there have been no labor disturbances in the port (or any other) area other than as related above.

Local banks were closed August 28 and opened August 29-30, only to close again August 31-September 1 when the Bank of Brazil ran out of ready cash to meet its and other banks' withdrawals, which were heavy. The closing of all local banks since August 31 has commenced to work hardship upon those coffee shippers requiring ready cash to meet committments. The Stevedores Union is cooperating with those shipping companies which are having difficulty in meeting their daily stevedore payrolls. Bank holiday thus far has not affected shipments in or out of the port. Banks are now scheduled to re-open September 4.

All local schools have stayed closed the entire week.

Comment: (UNCLASSIFIED)

Should the local banks remained closed next week, local trade, commerce and the port operations will start to suffer.

IV CONSULAR

1. General (UNCLASSIFIED)

The post's consular operations have continued normally this week, although on a somewhat reduced scale, owing to the illness of the reporting officer, who has been confined to his bed all this week with a high fever, and only emerged to prepare the present Weekly Comment.

Comment: (OFFICIAL USE ONLY)

Illness of the post's only American employee at a critical moment such as this can only underscore the importance of filling, as speedily as possible, the second American officer position recently authorized for Santos by the Department.

V ADMINISTRATIVE - Negative.

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☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-493479

0793

page 3 encl Sao Paulo A-79

hold fast to the general strike. Realizing this, late at night on the 28th the Brazilian Army occupied the property of the Santos Dock Company in strength in order to prevent paralyzation of the port. On orders of the senior Brazilian military commander in Santos the following persons, all communists, were arrested: Sergio Martins, Oswaldo Lourenço and Antonio Rodrigues, all officers of the Port Administration Services Employees Union; plus Raphael Babonovich and Rene Silva, the latter a stevedore. Also arrested were dockworkers Homero Pereira Soares and Oswaldo Nasteline plus Manoel Porfirio, a construction worker. These last three individuals up to this time have been unknown to the Consulate.

All these workers were released after being held for a few hours, and the strike threat for Santos passed, with dock work continuing uninterrupted. Soldiers were gradually removed from the Santos quays until by September 1 virtually all had been taken away.

Comment: (OFFICIAL USE ONLY)

The communists were quick to take advantage of the resignation of the City Central's anti-communist leaders. On August 31 a large gathering of union leaders met at the headquarters of the communist-run Port Administration Services Employees Union to debate the choice of new leaders for the City Central. This gathering was utterly dominated by communists and finally resolved: (1) to name an interim governing body composed of five members, namely, Waldemar Neves Guerra, President of the Port Administration Services Employees Union; Gerlado Silvino de Oliveira, President of the Cubatao PETROBRAS refinery workers union; Jose Barreto, Secretary of the Public Transportation Employees Union; Antonio Madureira de Carvalho, President of the Hotel Employees Union; and Alfredo Egrejas, Secretary of the Construction Workers Union. All but Egrejas have been reliably identified to the reporting officer as communists or communist sympathizers. The second resolution was to convoke representatives from all unions in Santos, Sao Vicente, Cubatao and Guaruja as soon as Brazil's political situation returns to normal to choose a new governing body for the Santos City Central; the third, to empower the interim governing committee to act for the City Central until a permanent directorate can be chosen.

This is a considerable victory for the communists, who for years have been trying to wrest control of the Santos City Central. Expedito Guedes Rodrigues has always been able to out-maneuver, out-vote and out-talk the communists up to now, and doubtless the comparatively-disorganized Santos anti-communist forces will face an uphill struggle in regaining control of this important "summit" organization in the most heavily unionized city in Brazil.

/III ECONOMIC

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Although Mayor Jose Gomes despises Rodrigues (both until recently members of the PTB) and even his colleagues on the Council regard him as a nuisance, Rodrigues' arrest has prompted the Council to protest against the Army's arbitrary action and declare its solidarity with Rodrigues.

3. Local Troops Moving Southward (UNCLASSIFIED)

Although General Amanga (see item 2 above) has categorically denied having received any orders to shift any troops under his command, O Diario reports that in the early hours of September 1 trucks carrying soldiers from the 2nd company of the local regiment were travelling out of Sao Vicente along Praia Grande toward the south, presumably Parana.

II LABOR

1. Communists Gain Control of City Central (UNCLASSIFIED)

Labor activity has been at a high pitch in Santos this week. At night on August 28 the Santos Forum Sindical de Debates (City Central), whose leadership hitherto has been staunchly anti-communist, met in tumultuous session, with the communists demanding an immediate general strike, the communists having been working overtime during the weekend to line up support for their strike measure. After the bitterest kind of debate the strike motion was passed. At once City Central President Expedito Guedes Rodrigues and Central Secretary Vitelbino Ferreira de Souza both resigned their positions in protest, left the hall and started work to dissuade their allies from a strike, which was scheduled for 12:01 a.m. August 29. These two were successful in rallying support against a general strike from all but the most strongly communist-controlled unions.

At midnight August 28 the communist-dominated PETROBRAS workers union at the Cubatao Presidente Bernardes refinery declared a strike, as did the communist-led Chemical Workers Union of Cubatao. Immediately the Brazilian Army arrested Claudio Jose Ribeiro and Antonio Capello, respectively President and First Treasurer of the latter union and both communists; and also Alfredo Blank, Julio Krinas, Joaquim de Jesus and Francisco Gomes de Oliveira, the first three members of the union's directorate. Overawed by this show of determination to avoid strikes in the Cubatao area by the authorities, the workers failed to strike, and work at neither the Presidente Bernardes refinery nor at the four U.S.-controlled chemical plants in Cubatao was interrupted.

Meantime in Santos the non-communist Stevedores Union had declined to take part in the general strike along with the Coffee Loaders and Sackers Union and several other key unions. But the two dockworkers unions were at the mercy of the well-organized communist agitators within their ranks working frantically to incite them to

/hold

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ARA

FORM DS-662
8-57-59

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Page 1 and 1 Sao Paulo D-79

OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo

Date: September 1, 1961

FROM: American Consulate SANTOS, Brazil

SUBJECT: Weekly Comment on events in Santos

REF:

I POLITICAL

1. Exit Janio Via Santos (UNCLASSIFIED)

Local politics as such have been suspended since August 25, although the city has been in underOcover ferment as a result of Brazil's current constitutional crisis. Santos was the focus of national attention when the principal actor in the constitutional drama, Janio Quadros, embarked from this port in the afternoon of August 28 for England, having remained at nearby Guaruja since August 26. Quadros, accompanied by most of his family, left aboard the Blue Star Line's Uruguay Star, which did not come alongside in Rio de Janeiro, but picked up her passengers there by launch. Arrangements for Quadros' passage aboard the British liner were handled here by Saulo Ramos, a local journalist turned presidential aide.

Quadros' departure, accomplished with minimum fanfare, was witnessed by about 500 persons, only one-third of whom displayed any visible emotion.

Comment: (UNCLASSIFIED)

Thus far Santos has remained calm during the crisis, except as described below.

2. City Councilman Arrested (UNCLASSIFIED)

On August 29 City Councilman and militant communist Antonio Rodrigues (see Labor item 1 below) was arrested by the Army for "subversive activities in the area of the port" by direct order of Brigadier General Amanga Liberato de Castro Menezes, the senior military officer in Santos. Although released after but 7 hours detention, the Santos City Council became alarmed at this infringement of the liberties of one of its members and has sought an injunction prohibiting any further arrests of its members.

Comment: (OFFICIAL USE ONLY) /Although

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
SEP 1 1961
SAO PAULO, BRAZIL

WRRandolphIII/vpr

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AIR POUCH (PRIORITY) | OFFICIAL USE ONLY (Security Classification)

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PR-832.00

FOREIGN SERVICE DESPATCH

DESP. NO.

FROM : Amcongen SAO PAULO

TO : THE DEPARTMENT OF STATE, WASHINGTON. DATE: September 4, 1961

REF :

Enclosed Report in RD

Tele. No action - E&T/B: JJWilson - bmw 9-22-61

55 For Dept. Use Only	ACTION	DEPT.
	ARA-4	AmlR-2 EMA-7 REP-1 E-3 ICA-11 SY-2
	REC'D 9/4	INFO OTHER CIA-10 USIA-10 OSD-5 army-4 navy-4 air-6 NSA-4 Com-10 TAR-2 TR-3 FRB-3 AGR-10 INT-7 LAB-8 FBI

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated September 1, 1961.

The Consulate General's labor officer would like to point out, in connection with Item II, "Communists Gain Control of City Central", on page 2, that the withdrawal of the non-Communist trade unionists does not necessarily represent a victory for the Communists. The withdrawal of the non-Communist members of the Forum Sindical de Debates (City Central) throws a real "monkey-wrench" into Communist plans for labor unity. In addition, the withdrawal of the non-Communists tended to break the back of the proposed general strike. As a result the Communists in the City Central are left holding a shell which can now be definitely labeled as Communist dominated, a situation which the Communists have generally tried to avoid.

732.00/9-461

William P. Cochran, Jr.
Minister Consul General

FILED
SEP 4 11 29 AM '61

Att 1

Enclosure: Santos Weekly Report dated Sept. 1, 1961

cc: Amembassy, RIO

LAFyle/mec (REPORTER)

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PAGE 1 OF 1 PAGES

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5
Action
ARA (13)
Info
RM/R-2
S/S-25
S/P-1
INR-10
P-5
G-2
CIA-15
OSD-20
ARMY-MY
NAVY-4
AIR-2
NSA-4
NSC-1
USIA-5

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: A-100

Date Sent: September 3, 1961
Rec'd: 732.00/9-361

ACT: ESR/B
SEP INFO: 12 PM 61
RM/R FILES

File, Reaction
ESR/B: DeWilson-kms
9-27-61.

732.00/9-361

Following translation official statement War Ministry released late September 1.

BEGIN QUOTE "Army solidly behind authority Minister War and counts on unanimous support other Armed Forces. Situation in First, Second and Fourth Armies, in Military Commands Amazonas and Brasilia and in Military Regions is [one] of absolute respect for orders of Ministry War.

Third Army command, lamentably, has diverged from this unity of feeling and action, having permitted itself be impressed by very special situation Porto Alegre, where rebellious attitude Governor Brizzola has created grave climate agitation and subversion. Though it true this important command has diverged from orientation of the other military chiefs three Armed Forces, there remains to us certainty majority its best subordinate commanders remain loyal to ministerial authority, with their units prepared resist rebels. This gives us conviction that, despite personal defections, Army, fraternally joined to Navy and Air Force, is cohesive and firmly disposed overcome subversive avalanche." END QUOTE

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September 3, 1961

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UNCLAS AFLD

Annexed to above statement are texts 13 telegrams from Cuba, 1 from Argentina, and 1 from Czechoslovakia in support of Jose Antonio and denouncing "imperialism" and "fascism". Telegrams, whose addressees include Governor Arnold, Chamber deputies and various Communist labor entities, are purported be signed by following groups: (Texts telegrams pouched separately.)

Empleados Cia Lecheria Cuba Nacionalizada;

Empleados Payret;

Ricardo Barda Cuzman, Sec General, Federacion Obreros de la Construccion (two telegrams);

Escuela Artes y Oficios;

Fed Bancaria;

Administrador y Obreros Industria Consolidada del Fosforo Unidad 5-7;

Obreros Taller Numero 16 Arra;

110 Trabajadores Ready;

Sindicato Artes Graficas Oriente Carlos Valerino Secretary General Hernandez Solor Coordinador Frente Periodistas;

Vilma Espin Presidente de la Federacion de Mujeres Cubanas;

Octavio Louit Fedracion Nacional Ferroviaria de Cuba;

Comite Taller Hepsa;

Union Internacional Estudiantes (Prague);

Movimiento revolucionario peronista (Buenos Aires).

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POL:RWeinerihb
September 3, 1961

POL:AHShields

UNCLASSIFIED

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ACTION COPY

INCOMING AIRGRAM **Department of State** PERMANENT RECORD COPY

Amembassy Rio de Janeiro

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Classification

RESTRICTED PAGE 1 OF 2 PAGES

5
Action
ARA-13

Info
RM/R-2
SYS-25
S/P-1
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INR-10
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FSI-1
CIA-15
OSD-20
ARMY-IA-1
NAVY-4
AIR-2
NSA-4
NSC-1
JCSM-15

Date Sent: Sep 5 1961
Rec'd: 732.00/9-361
ACTION: X 732.001
INFO: 632.37
RM/R FILES 732.52 32

File, by action,
EST/B: Jwilkinson:lmw
9-27-61.

FROM: Amembassy Rio De Janeiro

TO: Secretary of State

NO: A-102

Following is translation press release official Brazilian news agency Agencia Nacional (Rio de Janeiro), September 1, 1961, when agency controlled by ministry war.

Begin Text "Telegrams from Cuban Exiles Encourage Revolt for Annexation of Northeast to Brazil

True to their objectives of plunging country into chaos and civil war, the Communists have cunningly taken advantage of Brazilian political crisis to accelerate plans for conquest power. Cleverly exploiting known leftist tendencies Governor Leonel Brizola, who never made secret his profound admiration Fidel Castro--bloody oppressor of generous Cuban people--and aversion to democratic cause of free nations of west, Brazilian communists have so infiltrated the movement for consumation office by João Goulart that, at moment, what is at stake is no longer preservation Constitution, but very survival democratic regime in country of historically Christian formation, such as Brazil is.

If other proof were lacking to characterize spurious origin of movement headed by Brizola, it would be sufficient take notice of stimulus Fidel Castro giving to obstinate resistance governor Rio Grande do Sul, which could have unforeseeable consequences for future of nation. This stimulus of fidelismo, which, unfortunately, has as spokesmen chief executive of one far east Brazilian states will be apparent in telegrams set forth below signed by various Cuban entities. END TEXT

732.00/9-361 TS

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-2- CITE J-48, 040420Z SEPTEMBER (ARMY MESSAGE) FROM: USARMA USAIRA ALUSNA RIO DE JANEIRO

90 DAYS, WITH PRESIDENT APPOINTING INTERIM COUNCIL MINISTERS AND SENATE ASSUMING EMERGENCY LEGISLATIVE POWERS IN INTERREGNUM.

5. PERMANENT UNDER SECRETARIES CREATED TO RUN MINISTRIES DURING CABINET CRISIS.

6. STATES REQUIRED ADOPT PARLIAMENTARY FORM GOVERNMENT WHEN TERMS OFFICE PRESENT GOVERNORS EXPIRE.

7. CONGRESS EMPOWERED VOTE FOR NATIONAL REFERENDUM ON RETAINING PARLIAMENTARY FORM GOVERNMENT OR RETURNING PRESIDENTIAL SYSTEM TO BE HELD 9 MONTHS PRIOR AND GOULART'S TERM.

AMENDMENT APPEARS HASTILY AND SOME INSTANCES VAGUELY DRAWN, AND EMBASSY ANTICIPATES CONSIDERABLE CONTROVERSY REGARDING INTERPRETATION AND DIFFICULTY IN EXECUTION. POUCHING TEXT (INCLUDING TRANSLATION) TOMORROW. SGD BOND. ATTACHES COMMENTS: UNCONFIRMED REPORTS INDICATE THAT ALL 3 MILITARY MINISTERS HAVE ACCEPTED AMENDMENT TO CONSTITUTION ALTHOUGH CERTAIN INDIVIDUALS WITHIN SERVICES DO NOT CONCUR.

SEPARATE SUBJECT: REPORTS ALSO INDICATE AIRFIELD AT BRASVKIA WILL BE REOPENED 4 SEPTEMBER.

SCP 3.

ELP/22

Note:Advance copy to SO 9/4 CWO JRL

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Control: 2158
Rec'd: Sept 4 1961
8:03 PM

FROM: USARMA USAIRA ALUSNA RIO DE JANEIRO

TO: Secretary of State

NO: CITE J-48, 040420Z SEPTEMBER (ARMY MESSAGE)

ACTION CNO, COFS USAF FOR AFCIN, ACSI DA; INFORMATION 1127 FAG FT BELVOIR, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CTF 86, CHNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, CAIRC, STATE DEPT, WHITE HOUSE

THIS IS A JOINT ARMY NAVY AIR FORCE MESSAGE.

QUADROS RESIGNS.

REFERENCE: AMEMBTEL 650 DATED 3 SEPTEMBER.

"FOR INFO". CONSTITUTIONAL AMENDMENT PROMULGATED LAST NIGHT PROVIDES PARLIAMENTARY FORM GOVERNMENT WITH REAL POWERS PASSING FROM PRESIDENT REPUBLIC (WHO BECOMES VIRTUALLY CEREMONIAL FIGUREHEAD) TO CHAMBER DEPUTIES. SIGNIFICANT SPECIFIC PROVISIONS INCLUDE:

1. GOULART MADE FIRST PRESIDENT, TO SERVE UNTIL JAN 31 1966.

2. EXECUTIVE POWER VESTED PRESIDENT COUNCIL MINISTERS NOMINATED BY PRESIDENT AND APPROVED BY ABSOLUTE MAJORITY CHAMBER. INCOMING COUNCIL MINISTERS MUST SEEK CHAMBER APPROVAL OF ITS PROGRAM WHICH CAN BE DENIED BY SIMPLE MAJORITY.

3. COUNCIL MINISTERS COLLECTIVELY AND INDIVIDUALLY RESPONSIBLE TO CHAMBER WHICH CAN VOTE NO CONFIDENCE ABSOLUTE MAJORITY.

(3) 4. THREE CONSECUTIVE NO CONFIDENCE VOTES RESULT IN PRESIDENTIAL DISSOLUTION CHAMBER AND NEW ELECTIONS WITHIN

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Army Dept

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W I T H D R A W A L N O T I C E

RG: 059

TAB #: 37

ENTRY: CDF60-63

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The item identified below has been withdrawn from this file:

Folder Title: 732.00/9-361

Document Date: 03/09/61

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TEL J 45 FR BRAZIL TO SECSTATE

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00037



CONFIDENTIAL

-2- 649, September 3, 1 p.m., from Rio de Janeiro

Banks closed again August 31 due reopen September 4.

RIO PASS DEPARTMENT PRIORITY"

UNQUOTE.

BOND

DCH

NOTE: Advance copy SO 9/3/-CWO JRL.

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Control: 1922
Rec'd: September 3, 1961
11:12 a.m.

ACTION:
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RM/R FILES

Rio 649

Pole, hoa action.
E 87/13: Jwilliam - Cons.
9-28-61.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 649, September 3, 1 p.m.

PRIORITY

FOLLOWING REPEATED YOU: PRIORITY 96 FROM RECIFE SEPTEMBER 2, 8 p.m. SIGNED RABIDA.

QUOTE

"Situation here continues as indicated CONTEL September 1.

Governor Sampai being criticized widely grassroots level his support military position. View his opportunistic interests in his political future, he possibly may try backtrack or change horses mid stream whenever future national course more clearly indicated and if he can so manage under military watchfulness.

732.00/9-361

Commander Fourth Army (General Arthur Costae Silva) appears fully in agreement military Ministers and continues have situation well under control including movements Governor, Vice Governor and Mayor.

Rumor, but only rumor as far as known, suggests possible wavering of Commander Seventh Military Region (General Alberto Salaberry). This unlikely but being checked out.

Public mood against military and in favor Goulart and constitutional process continues grow strongly.

(2) Governor palace and military headquarters now under armed guard.

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CONFIDENTIAL

-2-, 650, September 3, 3 p. m., from Rio de Janiero

announcement shortly thereafter of nominees for president and other members council Ministers and it uncertain when political parties will be able reach agreement these appointments.

PSD and UDN apparently have reached tentative agreement PSD Senator Moura Andrade, acting President of Senate, should be designated President Council Ministers and that PSD, UDN and PTB each should have three representatives in Council. Goulart reportedly being consulted re PTB representation.

While these preparations in progress, uneasiness prevails Brasilia result closing airport which could be interpreted as measure obstruct or, alternatively, facilitate Goulart's arrival.

BOND

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Note: Passed CINCARIB 9/3/61 6:45 p. m. RLL

Note:Advance copy to SO 9/3 CWO JRL

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Control: 1916

Rec'd: Sept 3 1961 9:02 PM

Rio 650

Action ARA

Info SS G SP L H SO P USIA SCA INR CIA NSA OSD ARMY NAVY AIR RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 650, September 3, 3 p. m.

File, Location EBT/B. Jewell Malone - Bus. 9-26-61.

NIACT

ACTION DEPARTMENT 650 INFORMATION BUENOS AIRES UNNUMBERED

DEPARTMENT PASS CINCARIB

Re EMBTELS 635, 646

Congress during night September 2 promulgated constitutional amendment for parliamentary regime after Senate approval amendment in two votes, 47-5 and 48-6. Ex-President Kubitschek voted against amendment. Details re amendment, final revised text of which just now available, being reported separately.

Congressional sources indicate Goulart willing accept presidency under new regime but Brizola seeking dissuade him on ground acceptance would be betrayal Rio Grande Do Sul. Brizola's radio network yesterday broadcast "proclamation by Goulart" stating will shortly travel Brasilia and decide there whether accept, after "determining before Congress exact scope of reform". If Goulart leaves for Brasilia presumption is he willing accept.

Ministry War has continued efforts arouse public opinion to Communist influence in and backing for Brizola-Goulart movement but military ministers have made no public statement since promulgation amendment.

Congress preparing for inauguration tomorrow as announced earlier but inauguration could be delayed since would require

(3)

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732.00/9-361 XR 732.11

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NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

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-2- 651, SEPTEMBER 3, 6 PM FROM RIO DE JANEIRO

(6) STATES REQUIRED ADOPT PARLIAMENTARY FORM GOVERNMENT WHEN TERMS OFFICE PRESENT GOVERNORS EXPIRE.

(7) CONGRESS EMPOWERED VOTE FOR NATIONAL REFERENDUM ON RETAINING PARLIAMENTARY FORM GOVERNMENT OR RETURNING PRESIDENTIAL SYSTEM TO BE HELD NINE MONTHS PRIOR END GOULART'S TERM.

AMENDMENT APPEARS HASTILY AND SOME INSTANCES VAGUELY DRAWN, AND EMBASSY ANTICIPATES CONSIDERABLE CONTROVERSY REGARDING INTERPRETATION AND DIFFICULTY IN EXECUTION. POUCHING TEXT (INCLUDING TRANSLATION) TOMORROW.

BOND

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NOTE: PASSED CINCRAIB 9-3-61.

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Control: 1927
Rec'd:
SEPT 6, 1961
2:20 AM

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FROM: RIO DE JANEIRO

TO: Secretary of State

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NO: 651, SEPTEMBER 3, 6 PM

File location
E8T/B; jw citation. two
9-26-61

PRIORITY

ACTION DEPARTMENT 651, INFORMATION BUENOS AIRES UNNUMBERED

DEPARTMENT PASS CINCARIB

RE EMBASSY TELEGRAM 650.

CONSTITUTIONAL AMENDMENT PROMULGATED LAST NIGHT PROVIDES PARLIAMENTARY FORM GOVERNMENT WITH REAL POWERS PASSING FROM PRESIDENT REPUBLIC (WHO BECOMES VIRTUALLY CEREMONIAL FIGUREHEAD) TO CHAMBER DEPUTIES. SIGNIFICANT SPECIFIC PROVISIONS INCLUDE:

RMR

(1) GOULART MADE FIRST PRESIDENT, TO SERVE UNTIL JANUARY 31, 1966.

(2) EXECUTIVE POWERS VESTED PRESIDENT COUNCIL MINISTERS NOMINATED BY PRESIDENT AND APPROVED BY ABSOLUTE MAJORITY CHAMBER. INCOMING COUNCIL MINISTERS MUST SEEK CHAMBER APPROVAL OF ITS PROGRAM WHICH CAN BE DENIED BY SIMPLE MAJORITY.

(3) COUNCIL MINISTERS COLLECTIVELY AND INDIVIDUALLY RESPONSIBLE TO CHAMBER WHICH CAN VOTE NO CONFIDENCE BY ABSOLUTE MAJORITY.

(4) THREE CONSECUTIVE NO CONFIDENCE VOTES RESULT IN PRESIDENTIAL DISSOLUTION CHAMBER AND NEW ELECTIONS WITHIN 90 DAYS -- WITH PRESIDENT APPOINTING INTERIM COUNCIL MINISTERS AND SENATE ASSUMING EMERGENCY LEGISLATIVE POWERS IN INTERREGNUM.

(5) PERMANENT UNDER SECRETARIES CREATED TO RUN MINISTRIES DURING CABINET CRISIS.

Rio 651

732.00/9-361

XR 732.11

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ACTION ASSIGNED TO:	ACTION TAKEN	
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-2- J-39 DTG 311700Z SEPTEMBER (ARMY MESSAGE) FROM ATTACHES BRAZIL

PART 4. OTHER RELIABLE REPORTS INDICATES CONGRESS SCHEDULED TO OFFICIALLY TAKE ACTION NIGHT 31 AUG 61 ON THE AMENDMENT.

PART 5. SCP-3

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Control: 1108
Rec'd:

FROM: ATTACHES BRAZIL

TO: Secretary of State

NO: J-39 DTG 311700Z SEPTEMBER (ARMY MESSAGE)

Army Dept.
ACT: EXH/B
INFO:
RM/R FILES
File, location EXH/B. J. Wilkinson-Ins. 9-26-61.

PRIORITY

ACTION CNO, HQUSAF, DEPTAR, INFORMATION 1127 FAG, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CHNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, CAIRC, WHITE HOUSE, STATE DEPARTMENT

USAF FOR AFCIN; DEPTAR FOR ACSI

THIS IS A JOINT ARMY AIR AND NAVY ATTACHE MESSAGE IN 5 PARTS.

PART 1. SENIOR BRIGADIER, BRAZILIAN AIR FORCE, STATED TO SOURCE BZ11000008 TODAY THAT HE HAD TELEPHONE REPORT CONGRESS HAD JUST PASSED AMMENDMENT TO CONSTITUTION LIMITING PRESIDENTIAL POWERS. ALSO STATED DENYS WOULD ACCEPT. SOME QUESTION IF BRIGADIER MOSS WILL ACCEPT. HOWEVER, IF HE DECLINES OTHER OFFICERS WITHIN BRAZILIAN AIR FORCE WILL PROBABLY FORCE ACCEPTANCE WITH OR WITHOUT MOSS. NOT KNOWN IF BRAZILIAN NAVY WILL ACCEPT, BUT BELIEVE THEY WILL GO ALONG WITH DENYS.

732.00/9-361

PART 2. LT COL ALIANDRO, FOREIGN LIAISON OFFICER, STATED 311545Z "THINGS ARE GENERALLY GOING FINE. 1 MORE DAY WE WILL HAVE EVERYTHING CLEARED".

PART 3. BELIEVE DENYS WILL TRY CONVINCE MOSS AND HECK TO NEGOTIATE WITH CONGRESS FOR GOULART AS PRESIDENT WITH RESTRICTIONS IN ORDER TO AVOID OPEN CONFLICT. POSSIBLE INTERNAL FRICTION WITHIN SERVICES WILL NOT BE OF MAJOR CONSEQUENCE IF MILITARY AGREE TO COMPROMISE SOLUTION.

(2)

PART 4. OTHER

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4) After amendment is voted on in first discussion, it will be included in Agenda of following session, ordinary or extraordinary, for the second discussion;

5) Motions for postponement of discussion or vote will not be accepted;

6) If the amendment receives 2/3 vote in both sessions, it will be immediately sent to other house of National Congress, independent of approval or disapproval. END QUOTE

BOND

POL:TMTonkin:gw
XXXXXX
September 1, 1961

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His Excellency, from first day his administration, brought to people conviction he was exercising the full power that the presidential office conferred on him. Seven months later, however, the Nation is taken by surprise by events through which it is now living. It is useless indicate causes these disturbances nor would the urgency with which this report is drafted permit comment on other considerations. What I wish emphasize is the profound abnormality of republican institutions under presidential sybem, in concluding no other alternative is available to us but change this scheme, experimenting with parliamentary system, adapted to conditions peculiar to country's political structure and experiences of nations more advanced in field Constitutional Law. Beyond this I see no other solution. Crises will repeat themselves and Congress, today or tomorrow, will be called upon adopt emergency solutions which, instead strengthening institutions will weaken them still further. The system in which normally, not best prepared, but only those with ability impress masses reach highest administrative posts, is system subject to permanent and growing divorce between the functioning of Executive and Legislative powers. In these conditions I suggest the Committee:

A) suggest to National Congress voting of constitutional amendment instituting parliamentary system within framework best adapted Brazilian conditions and circumstances present state affairs of Brazilian life, preserving present elective mandates;

B) I further suggest Chamber Deputies and Federal Senate immediately adopt following uniform rules for action as referenced amendment:

1) A special commission will issue a report and will conclude for approval or disapproval of the amendment, being able submit sub-amendments. After report is read in the session, distributed in printed or mimeographed form, it will be placed on agenda for same day with priority, for the first discussion;

2) During discussion of amendment one representative only of each party will be allowed speak for 15 minutes only, no presentation of accessory propositions to modify it being permitted;

3) Once discussion finished, amendment will be voted upon immediately. In bringing amendment to vote, one representative each party will be able speak for maximum 15 minutes;

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27 Action — UNCLASSIFIED 732.00/9-361 — PAGE 1 OF PAGES
Classification

Date Sent: Sept 8, 1961
Rec'd:

ARA-13 Info — FROM: Amembassy RIO DE JANEIRO
Rm/R-2
INR-10
S/S-25
P-5
L-3
CIA-15
USIA-15
OSD-20
ARMY/AM
NAVY-4
AIR-2
NSA-4

TO: Secretary of State

NO: A-96

INFO:

SEP 6 PM 6 FILES

File, by action E&T/B: Julia Lum 9-27-61

by relator (PSD-Deputy Oliveira Brito) of Following is translated text of report special joint Chamber-Senate committee established consider military ministers request Congress establish "impediment" Goulart succession (report made August 31, rejected request and recommended constitutional amendment introduce parliamentary system and Goulart's assumption presidency with powers limited thereby):

QUOTE If Nation were going through period constitutional normality, National Congress would not be required take cognizance of message and it would not even be possible imagine that it would be run through legislative process, given its inconformity with the legal texts. Moreover, message does not furnish clarifying details regarding alleged inconvenience Vice President João Goulart's return country. Nevertheless, de facto situation known to us all, and gravity of institutional crisis that country experiencing, after unexpected resignation Janio Quadros... make clear our duty to consider message, not because of its contents, but because of revelation it makes of one more abnormality in functioning of presidential regime instituted in Brazil with Constitution 1891 and maintained in Constitutions 1934 and 1946. Whoever examines history Brazil during course republican period will find presidential successions always caused disturbances, more or less profound, in country's legal institutions. Until 1930, one revolution followed another. Constitution 1934 did not resist impact of first presidential succession, succumbing November 10, 1937, in midst of electoral campaign, the country returning to legality with constitution 1946. In memories everyone are the difficulties impede Getulio Vargas' assumption office, just as no one will forget supreme sacrifice to which he was led when in full control of powers of Nation's highest office. Equally vivid are circumstances preceding and following Juscelino Kubitschek's assumption office. The elections which elevated Janio Quadros to Alvorada Palace gave impression of consolidation of regime.

732.00/9-361 TS

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Article 22 The organization of the parliamentary system of government hereby instituted may be completed by means of laws voted on by the two Houses of the National Congress and approved by an absolute majority of their members.

The legislation delegated /under this article/ may be passed by means of a law in conformity with this article.

Article 23 The office of Vice President is abolished.

Article 24 The Constitutions of the States shall be adapted to the parliamentary system within the period which shall be fixed by law and which may not be prior to the termination of mandates of the present governors. All other federal, state and municipal electoral mandates shall also remain in force until their /normal/ termination.

Article 25 A law voted within the terms of Article 22 may prescribe the holding of a plebescite which will decide upon the maintenance of the parliamentary system or the return to a presidential system, in which case the plebescite must be held nine months before the end of the present presidential term.

BOND

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II. When a Council of Ministers is dismissed, the Under Secretaries of State shall be responsible for the respective Ministries until a new Council is formed.

Article 18 The President of the Council of Ministers has the further power:

I. To initiate Government bills;

II. To establish relations with foreign countries and conduct foreign policy;

III. To exercise regulatory power;

IV. To decree a state of seige within the limitations of the Constitution;

V. To decree and execute federal intervention within the terms of the Constitution;

VI. To send the proposed budget to the Chamber of Deputies;

VII. To render annually to the National Congress, within 70 days after the opening of the legislative session, the accounts relating to the previous fiscal year;

Article 19 The President of the Council shall be able to exercise any of the positions of the Ministry.

CHAPTER IV

Transitory Dispositions

Article 20 The present amendment, entitled "Additional Act" (Ato Adicional) shall enter in force on the date of its promulgation by the Secretariats of the Chamber of Deputies and the Federal Senate.

Article 21 The Vice President of the Republic, elected on October 3, 1960, shall serve as President of the Republic, under the terms of this Additional Act, until January 31, 1966, being required to swear allegiance before the National Congress and to indicate immediately, for the latter's approval, and in the same session, the name of the President of the Council and the composition of the first Council of Ministers.

The President of the National Congress shall set the date and hour for the inauguration of the President of the Republic, the President of the Council of Ministers and the Council of Ministers.

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[illegible]

Article 11 The Ministers depend on the confidence of the Chamber of Deputies and shall be dismissed when it is denied them.

Article 12 A motion of lack of confidence in the Council of Ministers, or of censure against any one of its members, may only be presented by a minimum of 50 deputies and shall be discussed and voted, except in extraordinary circumstances regulated by law, 5 days after the proposal, with the vote of an absolute majority of deputies required for approval.

Article 13 A motion of confidence requested by the Council of Ministers will be voted upon immediately and will be considered approved by the vote of the majority of those present.

Article 14 The impossibility of maintaining the Council of Ministers due to lack of congressional confidence /having been/ proven by motions of no confidence sustained against three consecutive Councils, the President of the Republic shall dissolve the Chamber of Deputies, calling for new elections which shall take place within 90 days at the most, and in which can run the members of Congress who were part of the dissolved Council.

I. When /the/ Chamber of Deputies is dissolved, the President of the Republic shall nominate a provisional Council of Ministers.

II. The Chamber of Deputies /which was dissolved/ shall be able to meet with full powers if elections are not held within the period stipulated in Article 13. /sic/

III. Until a new Chamber of Deputies is installed, the Federal Senate will assume the powers granted by Article 66, nos. III, IV and VII of the Constitution.

Article 15 The Council of Ministers shall make decisions by majority. In the case of a tie, the vote of the President of the Council shall prevail.

Article 16 The President of the Council and the Ministers may participate in the discussions in either house of the National Congress.

Article 17 In each Ministry there shall be an Under Secretary of State, nominated by the Minister with the approval of the Council of Ministers.

I. The Under Secretaries of State may attend sessions of either of the two houses of the National Congress and their committees as representatives of the respective Ministries.

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0769

Article 5. Acts of the President of the Republic are crimes of responsibility when they are attempts against the Federal Constitution and, especially, against (I) the existence of the Union; (II) the free exercise of any of the constitutional powers of the Union or of the States; (III) the exercise of political, individual and social rights; (IV) the internal security of the Country.

CHAPTER III

Council of Ministers

Article 6. The Council of Ministers is responsible collectively to the Chamber of Deputies for the policy of the government and for the Federal administration and each Minister of State individually for the acts which he performs in the exercise of his functions.

Article 7. All acts of the President of the Republic must be countersigned by the President of the Council and by the competent Minister as a condition to their validity.

Article 8. Should the position of President of the Council become vacant, the President of the Republic shall submit to the Chamber of Deputies within three days the name of the President of the Council for the Chamber to approve or reject by an absolute majority.

If approval should be denied, the President of the Republic must twice more, within the same time limit, present another name. If none is accepted, the Federal Senate shall indicate, by an absolute majority of its members, the President of the Council, who may not be one of the previously unacceptable candidates.

Article 9. After nomination, the Council of Ministers shall appear before the Chamber of Deputies, to present its program of government.

The Chamber of Deputies, in its first session and by a majority of those present, shall express its confidence in the Council of Ministers. A refusal of confidence calls for the formation of a new Council of Ministers.

Article 10. After approval by the Chamber of Deputies of the formation of the Council of Ministers, the Federal Senate by a 2/3 vote of its members can oppose the composition of the Council within 48 hours.

The act of the Federal Senate can be rejected by an absolute majority of the Chamber of Deputies in its first meeting.

0768

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V. To represent the Nation before foreign states;

VI. To celebrate treaties and international conventions subject to ratification by the National Congress;

VII. To declare war, upon authorization by the National Congress or without this authorization, in the case of foreign aggression if this occurs in the interval between legislative sessions;

VIII. To make peace with the authorization of and subject to ratification by the National Congress;

IX. To permit, upon authorization by the National Congress, or without this authorization, in the interval between legislative sessions, foreign forces to pass through the territory of the country or, because of war, to remain there temporarily;

X. To exercise, through the President of the Council of Ministers, the command of the Armed Forces;

XI. To authorize Brazilians to accept pensions, employment or commissions from foreign governments;

XII. To send a message to the National Congress on the occasion of the opening of the legislative session giving an account of the state of the Nation;

XIII. To grant pardons and commute sentences with the recommendation of the organs instituted by law;

XIV. To fill federal public offices in the form of the law and with the statutory reservations provided in the Constitution;

XV. To award decorations or other honorific distinctions conferred on foreigners;

XVI. To nominate, with the approval of the Federal Senate and to dismiss, by indication of the President of the Council, the Mayor of the Federal District as well as to nominate and to dismiss the members of the National Economic Council (Article 205, Para. 1).

Article 4. The President of the Republic, after the Chamber of Deputies by the absolute vote of its members has declared impeachment in order, shall be tried before the Federal Supreme Court for common crimes, or before the Federal Senate for crimes of office.

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PAGE 1 OF 6 PAGES

Action 5
ARA-13
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RM/R-2
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S/P-1
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P-5
INR-10
L-3
G/A-15
USIA-20
ARMY-M-1
NAVY-4
AIR-2
NSA-4
NSC-1
USIA-15

FROM: Amembassy RIO DE JANEIRO

TO: Secretary of State

NO: A-101

Date Sent: September 3, 1961
Rec'd:

File, no action. EBT/18: JWWilson-lmm 10-2-61.

INFO:
RM/R FILES

732.00/9-361

Following is translation constitutional amendment instituting parliamentary regime:

CHAPTER I

Preliminary Provision

Article 1. The Executive Power is exercised by the President of the Republic and by the Council of Ministers, with the latter having the control of and responsibility for the policy of the Government as well as the federal administration.

CHAPTER II

The President of the Republic

Article 2. The President of the Republic shall be elected by the National Congress by an absolute majority and shall exercise the position for five years.

Article 3. The President of the Republic shall have the power:

I. To nominate the President of the Council of Ministers and, in accordance with the designation of the latter, the rest of the Ministers of State, and to dismiss them when Chamber of Deputies withdraws its confidence;

II. To preside at meetings of the Council of Ministers when he judges it advisable;

III. To sanction, promulgate and publish the laws;

IV. To veto, within the terms of the Constitution, projects of law (i.e. bills), with those bills being considered approved which obtain the vote of 3/5 of the Deputies and Senators present at a joint session of the two houses.

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0766

-2- J-46, DTG 031500Z SEPTEMBER (JOINT SERVICES MESSAGE) FROM ATTACHES AMEMBASSY BRAZIL

MARSHAL DENYS NOT SUFFERING FROM HEART CONDITION BUT IS LOSING VOICE. ESSENTIAL THAT BRAZIL AND US UNITE IN FIGHT AGAINST COMMUNISM OR WESTERN HEMISPHERE WILL GO COMMUNISTIC. STRATEGIC POINT OF VIEW RUSSIA TRYING TO INFILTRATE BRAZIL BEFORE US CAN SET AS ALLIANCE FOR PROGRESS AND ANNOUNCED PROGRAM BRAZIL. NECESSARY THAT THIS PROGRAM BE CARRIED OUT.

PART 2. RELIABLE NAVAL SOURCE STATES THAT THIS DATE 3 SEP RADAM JOSE SANTOS SALDANHA DE GAMA WILL RELIEVE VADM JOSE MORIARA MAIA AS VCNO WHICH CONTRADICTS INFO IN J-45. ADM RONGEL REMAINS FIRM AS CHO. CAPT JOSE LEITE RELIEVED VADM LUCOO MARTINS MEIRA AS DIRECTOR BUAER EARLIER THIS PAST WEEK AND UNCONFIRMED REPORT IS VADM MEIRA ARRESTED. VADM MORIARA MAIA WILL ASSUME DIRECTOR BUAER 4 SEPT.

PART 3. FLEET DEPLOYMENT. 4 DESTROYERS UNDERWAY FROM RIO 2 SEPT, 2 TO JOIN TAMANDARE 2 TO JOIN MINAS GERAIS. AS OF 3 SEPT NAVAL FORCES AT SEA ARE TAMANDARE WITH RAD MYRIO CAALCANTI ALBUQUERQUE (COMDESFLOT) WITH 5 DESTROYERS AND FLEET NOW OPERATING IN VICINITY OF FLORIANOPMOIS. MINAS GERAIS WITH VADM RADEMAKER GRUNEWALD (CINCFLT) WITH 5 DESTROYERS OFF SANTA CRUZ ABOUT 40 MILES SOUTHWEST OF RIO GETTING READY TO RECEIVE FAB PLANS ABOARD 3-4 SEPT. SCP-3

JVC/22

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FROM: ATTACHES AMEMBASSY BRAZIL

TO: Secretary of State

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ES7/B: J Wilson -
lms 9-28-61

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NO: J-46, DTG 031500Z SEPTEMBER (JOINT SERVICES MESSAGE)

Defense Dept.

RMR

PRIORITY

ACTION CNO, HQUSAF, DEPTAR; INFORMATION 1127 FAG, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CHNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, CAIRC, CTF 86, WHITE HOUSE, DEPARTMENT OF STATE

USAF FOR AFCIN.

DEPTAR FOR ACSI.

THIS IS A JOINT ARMY NAVY AIR ATTACHE MESSAGE.

MSG IN 3 PARTS.

732.00/9-361

PART 1. RELIABLE MILITARY SOURCE CLOSE TO DENYS STATES THAT MILITARY HAS WON A VICTORY WITH AMENDMENT TO CONSTITUTION. INITIALLY THE ARMED FORCES DID NOT WANT A REVOLUTION AND TAKE OVER THE GOVERNMENT. THIRD ARMY GAVE LOYALTY TO GENERAL MACHADO LOPEZ WHO HAD ONE PLAN THE LEGAL SOLUTION. THIRD ARMY IS NOT LOYAL TO BRIZOLA, HIS GOVERNMENT AND FOLLOWERS. DENYS INDOCTRINATED ARMY WITH 2 PRINCIPLES, FIRST LEGAL SOULTION AND SECOND FIGHT AGAINST COMMUNISM. GEN MACHADO LOPEZ DOES NOT WANT TO FIGHT THE ARMED FORCES OR COMMUNISM. ARMY SENT AN OFFICER TO THE SOUTH TO DETERMINE ATTITUDES IN THIRD ARMY. SURVEY REVEALED FOUR FIFTHS THIRD ARMY WITH DENYS, ONE FIFTH ARMY PERSONNEL FOLLOWERS COMMUNISM, BRIZOLA, POLITICIANS. THREE IRRESPONSIBLE LEADERS THIS CRISIS JANIO WHO BETRAYED COUNTRY, BRIZOLA COMMUNIST, LEADER, MACHADO LOPEZ WHO DID NOT FIGHT COMMUNISM. MARSHAL DENYS

(2)

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0764

of Brazil. It is their country, their constitution, their decisions, their government. I am confident that they are going to solve the problem themselves without outside interference by any country."

The Department of State to the American Embassy, Rio de Janeiro, telegram, MS. Department of State, file 732.00/8-2858.

Request for observers

When an American friend of a candidate for the Presidency in a Central American Republic in a then forthcoming election sounded out Department officers as to whether the Department could be of assistance in the matter of a request for international observers at the election, he was advised that it was the Department's firm policy not to intervene in the internal affairs of other countries, and that it would be most inappropriate for the Department of State to initiate action to get observers for the elections; that such a request must come from the interested people and groups in that country.

Memorandum of conversation, Oct. 2, 1957, MS. Department of State, file 714.00/10-257.

At the Fifth Meeting of Consultation of Ministers of Foreign Affairs held at Santiago, Chile, it was resolved that a draft text presented by the delegation of Nicaragua on the appointment of observers to elections of high authorities when countries so request (Doc. 42) should be transmitted to the Council of the Organization of American States for study and report thereon to the Eleventh Inter-American Conference.

Res. X, *Final Act of the Fifth Meeting of Consultation of Ministers of Foreign Affairs, Held in Santiago, Chile, August 12-18, 1959*, (Pan American Union, 1960), p. 12.

Official participation

During the election campaign in May 1958, in Japan, it was reported that Soviet and Chinese Communists were engaging, notably through Japanese language radio broadcasts, in a concerted campaign to intervene in and influence Japanese elections. The interference was greatly resented in Japan.

MS. Department of State, file 794.00/5-2358.

Official comment during elections

Referring to the reelection of President Franklin D. Roosevelt in 1940 in his campaign with Wendell Willkie, Prime Minister Winston S. Churchill subsequently wrote:

> "I did not think it right for me as a foreigner to express any opinion upon American politics while the election was on . . ."

Churchill, *The Second World War, Their Finest Hour* (1949, vol. 2) 522.

Eking. The actual replacement of democratic institutions by dictatorial or Fascist regimes in many Latin American countries, and the imminence of its happening here, brings up the question of whether there is not a moral responsibility implicit in the interpretation of the 'Good Neighbor' policy. The simile of a fire in the neighbor's barn is here in point."

In reply, Acting Secretary of State Welles instructed Minister Corrigan as follows:

"As you anticipate, it is highly probable that as the movement with regard to President Martinez' continuance in office gathers momentum your Legation will be approached by those in favor of or against the movement for a friendly and unofficial word of advice. As these situations arise, you will continue to be guided by the Department's strictly confidential instruction no. 216, of April 30, 1936, outlining the considered policy of the Department with regard to non-intervention in the internal affairs of the other American republics. If this Government is not to become involved in the internal political situation in El Salvador, it is obvious that we must avoid expressing opinions or giving suggestions with reference to internal politics in that country. It is believed that you can consistently decline to comment on the developing situation without in any way impairing the prestige of your mission."

The Minister in El Salvador (Corrigan) to the Secretary of State (Hull), despatch No. 1073, July 28, 1937, MS. Department of State, file 816.00/1010; and Mr. Welles for the Secretary of State to Minister Corrigan, instruction No. 825, Aug. 13, 1937, *ibid.*; 1937 For. Rel., vol. V, pp. 529–535. For the general instruction of Apr. 30, 1936, see 1936 For. Rel., vol. V, pp. 134–138.

Following the resignation of President Janio Quadros on August 25, 1961, as President of Brazil, the office of the Presidency of Brazil was assumed by the Vice President, João Goulart, on September 7, 1961. At the time of President Quadros' unexpected resignation, Vice President Goulart was on a tour of the Far East ~~including Communist China~~. Prior to Goulart's return to Brasilia and assumption of the Presidency, which was opposed by certain members of the armed forces, a constitutional amendment, providing for a parliamentary system of government with a Premier with whom the President would share the powers of office, was rushed through the Brazilian Congress. Thus the impasse was resolved. At the height of the crisis, the Department of State informed all American diplomatic and consular posts that the position of the Government of the United States was that stated by President John F. Kennedy on August 30 in reply to a press query, namely: "I think it is a matter which should be left to the people

4906

FORM DS-207
9-22-59

DEPARTMENT OF STATE

REQUEST FOR CHANGE OF CLASSIFICATION OR DESIGNATION

SECURITY CLASSIFICATION OR ADMINISTRATIVE DESIGNATION

OFFICIAL USE ONLY

SECTION A

TO: 1. ORIGINATING OR ACTION OFFICE		EXTENSION	BUILDING	ROOM NO.
ARA-BNT Mr. R. H. Cramer		2640	[illegible]	5906
2. REQUESTER'S NAME	AGENCY OR AGENCY	EXTENSION	BUILDING	ROOM NO.
Miss Marjorie M. Whiteman	L/MIA	2080	[illegible]	6419
3. OFFICE OF RECORD: OCR, FO, etc.				

SECTION B

THE FOLLOWING ATTACHED DESCRIBED DOCUMENT(S) NO LONGER APPEARS TO WARRANT ITS SECURITY CLASSIFICATION OR ADMINISTRATIVE CONTROL DESIGNATION.

TYPE OF DOCUMENT

Telegram 383 Paraphrase attached to be used in new Digest of Brazil Law.

TO: Ambassy, RIO DE JANEIRO — DATE 9/8/63

FROM: Secretary of State Rusk

SUBJECT: Brazilian Political Crisis

PRESENT CLASSIFICATION OR DESIGNATION: [illegible] — REQUESTED CLASSIFICATION OR DESIGNATION: Unclassified

SECTION C

THE CHIEF OF THE OFFICE TO WHICH THIS FORM IS ADDRESSED OR A PERSON DESIGNATED BY HIM WILL REVIEW THE SUBJECT DOCUMENT AND INDICATE THE DESIRED CLASSIFICATION OR ADMINISTRATIVE CONTROL DESIGNATION.

RETAIN PRESENT CLASSIFICATION OR DESIGNATION ☐

CHANGE TO: ☐ TOP SECRET* ☐ SECRET ☐ CONFIDENTIAL ☒ UNCLASSIFIED ☐ LIMITED OFFICIAL USE ☐ OFFICIAL USE ONLY

*(If reclassified or upgraded to a higher classification explain on reverse side)

BY AUTHORITY OF: [illegible] — DATE: [illegible] — OFFICE: EST/B

SECTION D

INSTRUCTIONS

(1) The requesting office will complete items 1B and 1D of Section A and all of Section B of this form in duplicate. If the request is from another agency, OC/MR prepares the form.

(2) Both copies of this form together with one copy of the document or documents concerned, when possible, will be forwarded by the action or originating office concerned.

(3) The action or originating office will, if the contents warrant, declassify, downgrade, or redesignate the document by completing Section C of this form in duplicate and will route both copies to the office responsible for maintaining the official record copy. If will take no action unless concurrence is requested.

(4) The office that is the custodian of the record copy, upon receipt of this form, will file the original of Form DS-207 with the record copy, change the classification on the record copy of the document involved, forward the duplicate copy of this form to the office initiating the request, and notify all copy holders.

(5) The office which initiated the request will note the action taken and make the necessary changes in classification or designation of documents in its possession.

(6) In cases where the originating or action office wishes to initiate the declassification or redesignation, the entire form will be completed and routed to the office maintaining the official record copy for attachment thereto.

(7) If the originating or action office does not hold the record copy, both completed copies of this form will be returned to OC/MR. OC/MR will forward the original of this form to the office holding the record copy.

(8) If the request is from another agency and if the classification or designation has been changed, OC/MR will notify offices within the Department holding copies of the document.

(9) For all requests originating outside the Department, OC/MR presents the request and notifies the requesting agency of action taken.

SECURITY CLASSIFICATION OR ADMINISTRATIVE DESIGNATION

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GPO 16-57-1 — STATE — GP, Wash., D.C.

OUTGOING TELEGRAM Department of State

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Classification

1961 SEP 2 PM 2 58

01063

SENT TO: Embassy RIO DE JANEIRO PRIORITY

REPD INFO: ALL AMERICAN DIPLOMATIC AND CONSULAR POSTS IN THE OTHER AMERICAN REPUBLICS

CIRCULAR 383

[redacted]

ENG position respecting present Brazilian political crisis remains as stated by President in reply to press query Aug 30 QUOTE I think it is a matter which should be left to the people of Brazil. It is their country, their constitution, their decisions, their government. I am confident that they are going to solve the problem themselves without outside interference by any country. END QUOTE (see wireless file 217 No. 26 Aug 30, 1961).

No further public statement contemplated at this time.

Rusk

RUSK

PM/R 39

Ltr.

Rev.

Cat.

Drafted: ARA/Guatemala/jmd 9-2-61

Approved: ARA - R. F. Woodward

S/S - Mr. Johnson ARA/P - Mr. Tinker P - Mr. Blair

S - Mr. Cutler

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Classification

427565

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1961/00/27 XX

0760

CONFIDENTIAL

-2- J-43 DTG 021400Z SEPTEMBER (JOINT SERVICES MESSAGE) FROM ATTACHES AMEMBASSY BRAZIL

ONE IN ACCORDANCE WITH PUBLIC OPINION AND WILL OF PEOPLE. PRESS ALSO REPORTS DENYS HAS CANCELED INDEPENDENCE DAY PARADE 7 SEPTEMBER. PRESS, RADIO AND OTHERS REPORT LUIZ CARLOS PRESTES MADE COMMANDANT STATE MILITARY POLICE RIO GRANDE DO SUL.

PART 4. ATTACHE COMMENT: POSSIBILITY CONGRESS WILL PASS PARLIAMENTARY FORM OF GOVERNMENT WITHIN 48 HOURS. THIS ACTION WILL FORCE MILITARY TO TAKE FIRM STAND FOR OR AGAINST CONSTITUTIONAL AMENDMENT. IF MILITARY STRIKES OUT AGAINST GOVERNMENT, PROBABLY WILL OCCUR DURING INAUGURATION CEREMONIES BRASILIA TENTATIVELY SCHEDULED FOR MONDAY. NAVY AT SEA EXECUTING A SHOW OF FORCE AT PORTS TO THE SOUTH. DOUBT ARMY WILL OPPOSE ANY POSSIBLE MILITARY OPERATIONS AGAINST GOVERNMENT BY AIR AND NAVY. APPEARS MILITARY WILL CONTINUE TO SHOW A DISPLAY OF FORCE UNTIL TIME OF INAUGURATION OF PRESIDENT. BELIEVE SITUATION WILL BRING ON INTERNAL MILITARY CRISIS THAT MAY INCLUDE MILITARY ACTIONS ON NO SERIOUS CONSEQUENCE. SCP-3

JVC/22

0759

(45)

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CONFIDENTIAL NUMBERED

Control: 1782
Rec'd: SEPT 3, 1981 3 AM 8:53

FROM: ATTACHES AMEMBASSY BRAZIL

ACTION: 3:22 AM
INFO:
RM/R FILES

TO: Secretary of State

NO: J-43 DTG 021400Z SEPTEMBER (JOINT SERVICES MESSAGE)

PRIORITY

ACTION CNO, HQ USAF, DEPTAR; INFORMATION 1127 FAG, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CHNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, CAIRC, WHITE HOUSE, STATE DEPARTMENT

USAF FOR AFCIN

DEPTAR FOR ACSI

FILED

THIS IS A JOINT ARMY NAVY AIR FORCE MESSAGE.

THIS MESSAGE IN 4 PARTS.

PART 1. PRESS REPORTS DENYS SUFFERING FROM SLIGHT CARDIOVASCULAR DISTURBANCE. SECOND LIGHT INFANTRY BATALLION REFUSED CARRY OUT MOVEMENT ORDER TO REGISTRO ON HIGHWAY BR-2 BETWEEN SAO PAULO AND CURITIBA TO PROTECT LINE OF COMMUNICATIONS. COLONEL CRESO BATTALION CO ARRESTED. MILITARY SOURCE INDICATES MILITARY REALIZES SERIOUS MISTAKE OF NO PSYCHOLOGICAL WARFARE EFFORT ON THEIR PART.

PART 2. RELIABLE MILITARY SOURCES REPORT AIR AND NAVY UNITED ON OPERATIONS AIRCRAFT ABOARD MINAS GERAIS. AIR FORCE UNIT ABOARD MINAS GERAIS OPERATING AT SEA. PLAN FOR AIRCRAFT TO BOARD MINAS GERAIS NEXT 48 HOURS. DETAILS FOLLOW.

PART 3. PRESS REPORTS GENERAL MACHADO LOPES STATES THIRD ARMY AREA UNDER CONTROL. HE DOES NOT BELIEVE FIRST AND SECOND ARMY WILL ATTACK THIRD ARMY. HE STATES THERE IS BUT ONE SOLUTION, THE LEGAL

ONE IN

(9)

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Defense Def 1 J-43
7332.00/9-261
XR 7325
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48-H

CONFIDENTIAL

Action ARA

Control: 1780
Rec'd: September 3, 1961
1:55 a.m.

Info SS G SP L H SO P USIA NSC INR NSA RMR

FROM: Rio de Janeiro

ACTION: EUR
INFO:
RM/R FILES

file, no action
EUR/B. Gilbertson
Lmo 9-3-61

TO: Secretary of State

NO: 646, September 2, midnight

NIACT

ACTION DEPARTMENT 646, INFORMATION BUENOS AIRES UNNUMBERED

DEPARTMENT PASS CINCARIB

Reference Embassy telegram 635.

Senate approved amendment for parliamentary government 45 - 7 tonight.

BOND

SMD/

NOTE: Passed CINCARIB, Army, Navy, Air, OSD, CIA, 9/3/61 RJB
Mr. Smith (SO) informed 9/3/61 CWO-FMH

Rio 646

732.00/9-361

FILED

CLASSIFIED FILE

(2)

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CORRECTION

CORRECTION ISSUED 9/4/61, 2 a.m. rjb

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NUMBERED
Control: 1651
Rec'd: September 2, 1961
8:55 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 635, September 2, 2 p.m.

EST/B
INFO:
RM/R FILES
File. No action
IE 8 7/13. Jwilkinson - ins.
9-24-61.

The serial number of this message, processed as 639, should be corrected to read 635.

Paragraph two now reads:

ACTION DEPARMENT 635; INFORMATION BUENOS AIRES UNNUMBERED.

rjb/7

CORRECTION

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ACTION ASSIGNED TO:	ACTION TAKEN	DIRECTIONS TO RM/R
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	

0756

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53 51
Action

CONFIDENTIAL NUMBERS: OPER REC'D ARA
Control: 1651
Rec'd: Sept 2 1961
1961 SEP 3 8:58 PM

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FROM: Rio De Janeiro

TO: Secretary of State

NO: ~~639~~, 635 September 2, 2 p.m.

ACTION: EST B
INFO:
RM/R FILES
File. Loucheim
EST/B: J Williams - Lus
9-28-61

NIACT

ACTION DEPARTMENT ~~639~~, 635 INFORMATION BUENOS AIRES UNNUMBERED.

DEPARTMENT PASS CINCARIB

Re EMBTEL 628

Chamber Deputies early this morning approved constitutional amendment establishing Parliamentary form government. Vote on first reading 234-59; on second reading 233-55, both well above necessary two-thirds majority. Senate scheduled convene 11 a.m. consider same amendment and generally expected approve, possibly today. Congress reported believe prompt passage amendment will force Goulart on one hand and military intransigents on other accept it as fait accompli. Situation seen from Rio however continues be same panorama confusion and potential revolt reported REFTEL. However, difficult understand how military ministers can really intend armed action in face overwhelming opposition public opinion and apparent thinness support for such action in army, and it possible that ministers, especially Denys, merely making show of force in order wrest maximum concessions from Congress and Goulart.

BOND

MRJ

Note: Passed CINCARIB 9/2/61 5:20 p.m. FRM
Note:Mr Abbuhl (ARA D.O.) notified 9/2 EH

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Rec'd 6 35

732.00/9-261

CLASSIFIED FILE

0755

CONFIDENTIAL

-2- J-42, Ø22226Z SEPTEMBER (ARMY MESSAGE) FROM ATTACHES BRAZIL

GOULART. THE ARMY, HERETOFORE SOLIDLY IN SUPPORT DENYS, IS NOW SPLIT AS A RESULT OF MINISTERS POSITION AGAINST GOULART AND REFUSAL TO ACCEPT COMPROMISE. DENYS NO LONGER SUPPORTS PREVIOUS VIEWS. WILL ACCEPT COMPROMISE WITH CONTROLS IMPOSED ON GOULART AS PRESIDENT.

3. CRUISER TAMANDARE AND 2 DD'S UNDER WAY FROM RIO AFTERNOON 31 AUGUST FOR FLORIANOPOLIS. CARRIER MINAS GERIAS & 3 DD'S UNDER WAY FROM RIO MORNING 1 SEPTEMBER AND WILL REMAIN AT SEA OFF SANTOS. MARINE DETACHMENTS ABOARD ALL SHIPS. ADMIRAL CLOVIS DE OLIVEIRA COMFIVE AT FLORIANOPOLIS STATES ALL NAVAL PERSONNEL REMAINING LOYAL TO HECK. 15Ø PARATROOPERS FROM ARMY FLOWN AFTERNOON 31 AUGUST TO FLORIANOPOLIS TO REINFORCE COMFIVE GARRISON. NAVY RIO HAS TAKEN OVER ALL RESERVE UNITS IN RIO AREA FROM COMMERICAL SOURCES.

4. RELIABLE NAVAL SOURCE STATES AIR FORCE BASE BELEM TAKEN OVER BY ARMY FORCES AFTERNOON 31 AUGUST. UNABLE TO CONFIRM.

5. ADM CLOVIS DE OLIVEIRA FEELS TIME IS RIPE NOW FOR SHOW OF FORCE IN STATE OF SANTA CATARINA AND PARANA. THE 2 DD'S NOW IN COMFIVE AREA ARE SPENDING A DAY IN VARIOUS PORTS IN STATE OF SANTA CATARINA. GETTING UNDER WAY AT NIGHT AND ARRIVING AT NEW PORT NEXT MORNING. THE TAMANDARE AND ACCOMPANYING 2 DD (PARA AND PARAIBA) ARE EXPECTED TO CONTINUE THIS SHOW OF FORCE IN VARIOUS PORTS. NAVAL COMMUNICATION WITH PORTO ALEGRE CONTINUES AND NAVAL PORT CAPTAIN WITH 28 MEN STATES MACHADO LOPES NOT WITHSTANDING WILL RESIST ANY ATTEMPT BY ARMY TAKING OVER NAVAL BASE.

6. MILITARY SOURCE INFORMATION REPORTED 15Ø PARATROOPS SENT TO FLORIANOPOLIS IS IN REALITY ONE INFANTRY COMPANY. ACTING AS ADVANCE ECHELON OF FIELD HEADQUARTERS FOR GENERAL CORDEYRH DE FEBRIAS. DENYS HAS ISSUED INSTRUCTIONS THAT FORCES BE MOVED TO SPECIFIC LOCATIONS ACCORDING TO PLAN. SCHOOLS GROUP, VILA MILITARY, ALERTED FOR MOVEMENT. OFFICERS BEING ASSIGNED POSITIONS TO FIRST ARMY UNITS. SECOND ARMY MOVING INTO POSITION APPARENTLY THIS MILITARY ACTION TO DISPLAY SHOW OF FORCE, MAINTAIN PRESTIGE, AND COUNTERACT THE SOUTHERN FORCES ACTIONS. SCP-3.

KEA

CONFIDENTIAL

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INCOMING TELEGRAM **Department of State** ACTION COPY PERMANENT RECORD COPY

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CONFIDENTIAL

Control: 1723
Rec'd: September 3, 1961
12:55 AM

FROM: ATTACHES BRAZIL

TO: Secretary of State

INFO:
RM/R FILES

NO: J-42, Ø22226Z SEPTEMBER (ARMY MESSAGE)

PRIORITY

ACTION CNO, HQUSAF, DEPTAR, INFORMATION 1127 FAG, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CHNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, CAIRC, WHITE HOUSE, STATE DEPARTMENT.

USAF FOR AFCIN. DEPTAR FOR ACSI.

THIS IS JOINT ARMY NAVY & AIR ATTACHE MESSAGE.

THIS MESSAGE IN 6 PARTS.

1. RELIABLE MILITARY SOURCE CLOSE TO DENYS STATES: MILITARY MINISTERS AND GOVERNORS IN MEETING MINISTRY OF WAR NIGHT 31 AUGUST FAILED TO ARRIVE AT SOLUTION. AIR & NAVAL MINISTERS REFUSED TO COMPROMISE. UNDER ANY SOLUTION THERE WILL BE SOME TYPE OF MILITARY DISTURBANCE. MILITARY, CONGRESS & PEOPLE ARE BEING HYPNOTIZED BY COMMUNIST PROPAGANDA. MILITARY LOSING SUPPORT. SOURCE ASKED WHEN IS UNITED STATES GOING TO HELP THIS FIGHT AGAINST REBELS (CASTRO). SOURCE INDICATED THAT FIGHT IS WESTERN HEMISPHERE FIGHT. ARMY HAS ONLY REGIMENTAL COMBAT TEAM READY FOR ACTION. SOURCE ALSO INDICATED MOVEMENT OF TROOPS IN SOUTH WAS TO PROTECT ATTACK FROM SEA. SOURCE PLEADED WITH MINISTRY TO START AN INTENSIVE PROPAGANDA PROGRAM TO COUNTERACT COMMUNIST PROPAGANDA. APPARENTLY MILITARY FEEL THIS IS NOT NECESSARY.

2. A SECOND RELIABLE MILITARY SOURCE STATES AFTERNOON 31 AUGUST DENYS MET WITH SENIOR GENERALS AND DECLARED THAT HE HAS INITIALLY BEEN PERSUADED BY NAVAL & AIR MINISTERS TO HOLD OUT AGAINST GOULART.

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Army Sept.

732.00/9-261

TR 732.00

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NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

0753

W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 32

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BOX: 1576

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 732.00/9-261 XR 732.11

Document Date: 02/09/61

Document Ser.#:

TEL 628 FR RIO DE JANEIRO TO SECSTATE

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

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0752

(45)

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Control: 1736
Rec'd: September 3, 1962
1:41 AM
ACTION:
INFO:
RM/R FILES

FROM: Lima

TO: Secretary of State

NO: 195, September 2, 7 p.m.

PRIORITY

GOP Foreign Minister expressed to me views Brazil crisis. Stressed impprtance constitutional solution terms impact on continent, especially Peru 1962 elections. Said Peru military watching events closely. Said military here would take unconstitutional solution Brazil as invitation to action here if election results not to their liking.

Thus military could even license act against Aprista election victory although Apristas strongest anti-Communist political force in country.

Knows Goulart well from ILO. Convinced not Communist.

LOEB

SMD/

Lima - 195

732.00/9-261

FILED

JAN 3 - 1962

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AT 723.00

(3)

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- Information by RM/R

0751

INCOMING TELEGRAM (45) Department of State

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43-11 Action ARA

Info: SC S/P H SB SO P USIA SCA INR

Control: 11
Rec'd: SEPT. 2, 1961
2:42 a.m.

FROM: ALUSNA BUENOS AIRES

TO: Secretary of State

NO: DTG 011826Z SEPTEMBER (NAVY MESSAGE)

ACTION: EST/A
INFO:
RM/R FILES

SIACT

ACTION CNO, HQ USAF, DEPTAR; INFO AMATT RIO COMSLANT, COMFLETEEN, COMCLANTFLT, ALUSNA RIO, CHNAVMTS BRAZIL, ALUSNA MONTEVIDEO, DEPARTMENT STATE, WHITE HOUSE

INR

A. BRAZILIAN VICE PRESIDENT JOAO GOULART, HQ USAF 301915Z.

1. GOULART ARRIVED EZEIZA AIRPORT BAIRES 311150 LOCAL ABD PANAGRA FLT 281 AND DEPARTED BAIRES APPROX 311800 LOCAL VIA CHARTER FLT TRANSCONTINENTAL AIRLINES ARRIVING MONTEVIDEO 311900 LOCAL. DEVOTED MAJORITY OF TIME BAIRES IN INTERNATIONAL HOTEL EZEIZA CONFERRING WITH MANY US BRAZILIANS, INCLUDING LOPEZ DE ALMEIDA OF BRAZ EMB AND HIS PARTY WHO ARRIVED BAIRES APPROX 311200 LOCAL IN BRAZIL AF PLANE REPORTEDLY ACCOMPANIED BY 1 OFF EACH BRAZ NAVY, ARMY, AF AND UNIDENTIFIED OTHERS. MIN CONS PARDO OF FOREIGN OFF ONLY ARG OFFICIAL TO PAY RESPECTS TO GOULART BEHALF ARG GOVT ALTHOUGH LESIGLATORS ROSENKRANTZ, MARCHINI, CUEVAS AND ESPINA HAD SHORT INTERVIEW JUST PRIOR GOULART DEPARTURE. BRAZ AMB BOULITREAU FRAGOSO MET GOULART UPON ARRIVAL AND BRAZ SENATOR BARRIS DE CARVALHO ACTED AS SPOKESMAN FOR GOULART BEHALF. PRESS REPORTS GOULART TALKED BY TELEPHONE TO BRAZILIA BUT WAS UNABLE TO REACH PORTO ALEGRE. CARVALHO SAID GOULART WOULD ESTABLISH FRESH TELEPHONE CONTACTS FROM MONTEVIDEO BEFORE MAKING FINAL DECISION NEXT MOVE. ARG OUTFIT SERVICE AND POLICE IMPOSED MAXIMUM SECURITY MEASURES EZEIZA DURING PERIOD GOULART STAY. PRESS CARRIED GOULART STATEMENT THAT HE RETURNING BRAZIL TO FULFILL CONSTITUTIONAL DUTIES AND WILL LEAVE MONTEVIDEO AS SOON AS POSSIBLE AS WELL AS STATEMENT SEVERAL MINUTES BEFORE BOARDING TRANSCONTINENTAL FLT THAT "I AM RETURNING TO BRAZIL TO ASSUME THE PRESIDENCY OF THE REPUBLIC".

2. INFO

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INCOMING AIRGRAM *Department of State* 732.00/9-161

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Action ARA-18

Info RM/R-2 INR-10 EUR-15 P-5 S/S-25 S/P-1 G-2 CIA-15 USIA-15 NSA-4 OSD-20 ARMY-Mr. NAVY-4 AIR-2

CONFIDENTIAL
Classification

Date Sent: Sept. 1, 1961 2 PM
Rec'd:

FROM: AmEmbassy, LONDON

TO: Secretary of State

NO: A-317

INFO: AmEmbassy RIO DE JANEIRO A-4

ACTION:
INFO:
SEPARATE FILES: ALL '61

file. Reaction IE 87/B: Jr William. Luis 9-27-61

PAGE 1 OF 1 PAGES

Embtel 390 rptd Rio de Janeiro 3.

QUADROS resignation came as complete surprise to FonOff here. In discussion with EmbOff August 30, Acting Head, American Dept (EDMONDS) indicated FonOff regarded Quadros and his approach to leadership as "best hope" for Brazil at this time. FonOff wondering whether Quadros might return to Presidency in "year or two".

FonOff praised Times editorial August 29 concerning resignation of Quadros. Editorial showed awareness US willingness work with Quadros upon whom US "determined lavish its newly demonstrated tolerance of neutralism." Times editorial concluded "If he truly squeezed out it was his tragic fate to be caught between rising tide of revolution and still too rigid resistance of propertied classes. Fate of Brazil and many other Latin American countries depends on someone holding that gap."

On August 28 EmbOff also saw Brazilian DeskOff, FonOff (CRICHTON) who indicated complete understanding US not rpt not involved in Quadros resignation.

FonOff assumes full facts reasons for Quadros resigning still unknown but may emerge in time.

BRUCE

POL/F-FJGalbraith&CKehlert/flj
August 30, 1961

Francis J. Galbraith

Clearance: POL - Mr. Shullaw

732.00/9-161 CS

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SEP 1 1961
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0749

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Constitution of my country is clear". One reporter evidently got in the further query "You mean you will take office"? and elicited Goulart's reply to the effect, "Certainly. That's what the Brazilian Magna Carta Says!" just before the car roared off. This was the extent of Goulart's contact with the Buenos Aires press. His plane left for Montevideo at about 6:00 P.M.

Speaking to reporters later, the acting Foreign Minister, Dr. Alfredo R. Vitolo, reportedly said that "from an official point of view, Dr. Goulart's visit boiled down to a transit through the country which may be considered as a stop on his trip". The Minister reportedly admitted that the precautions might have been excessive but said that the situation warranted them.

The only reported incident marring the whole visit was a brief scuffle which National Deputy Eduardo Rosenkrantz had with police who attempted to bar him from greeting Goulart. Rosenkrantz is a member of the leftist "National Popular Radical Movement" made up of former UCRI (Government party) dissidents. He has become more and more demagogic and leftist in recent months. (End UNCLASSIFIED)

(Begin OFFICIAL USE ONLY)

COMMENT: Given the uncertainties of the Brazilian political picture and the recollection of the furor stirred up by his recent reception of "Che" Guevara, President Frondizi and his Government appear to have dealt masterfully with the Goulart visit, effectively preventing any significant incidents, avoiding taking any position in a Brazilian internal political question, and yet according the high-ranking visitor the minimum of courtesies required on such an occasion.

RUBOTTOM

POL:JJIngersoll:ml
9/1/61

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0748

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INCOMING AIRGRAM *Department of State*

732.00/9-1361

~~NOV 1 6 9 5 7~~

Action

Info

FROM: Amembassy BUENOS AIRES Date Sent: ~~XXXXX~~ September 1, 1961

TO: Secstate WASHINGTON A-49

INFO: Amembassy MONTEVIDEO A-2
Amembassy RIO DE JANEIRO A-2

SEP 12 9 51 AM '61

Pub. location E&T/B: Jamison-lwm 9-21-61

PAGE 1 OF 2 PAGES

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Reference Embtel 390 to Dept, rptd Montevideo 30, Rio de Janeiro 29.

When it became clear that Brazilian Vice President Goulart was, in fact, en route to Buenos Aires (on Panagra Flight 81 from New York via Lima and Santiago), the Argentine authorities moved rapidly, quietly and effectively to insure that his transit through the country would not result in embarrassment to Argentina.

At 11:00 A.M. the chief of Ezeiza Airport, the main international airport of Buenos Aires, reportedly announced that the operations areas, runways terraces and the entry ramp which would be used by Goulart had been declared a "military zone" and that the Panagra offices and waiting rooms were an "emergency zone". Large numbers of provincial and federal police were deployed around these areas to bar the public and press. Dr. Eduardo Pardo, Sub-Director of Protocol in the Foreign Office represented the Argentine Government in meeting Goulart, and the Brazilian Ambassador, Sr. Boulitreau Fragoso, was also on hand together with his Military Attaché.

At about 1:00 P.M. a Brazilian Air Force plane arrived from Brasilia, bringing PSD Deputy Lopes de Almeida and officers of the three Brazilian armed services.

Goulart arrived at approximately 2:48 and was taken to the International Hotel at the airport where he met with the Brazilian military representatives, Deputy Lopes de Almeida, the Brazilian Ambassador and others in a reserved suite of rooms.

The special plane, chartered from Transcontinental to take Goulart to Montevideo, was flown from the in-town Aeroparque Airport to the Ezeiza Airport to avoid Goulart's having to travel to the other airport. When Goulart's car left the International Hotel to drive the 300 meters to the waiting chartered plane reporters were able to briefly press close to the car and call to him "When do you expect to assume the Presidency of your country"? Goulart is reported to have replied quickly "[illegible]"

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732.00/9-161

FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, Belo Horizonte — NO. 6

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE September 1, 1961

REF : Cons Desp No. 5, dated 8/30/1961

File: Correction ARA/BR: Jo Wilson-Luis 9-18-61

1 SEP 1961 DEPARTMENT OF STATE

	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	IC	ICA
20 For Dept. Use Only	ARA-4			2								BUREAU OF INTER-AMERICAN AFFAIRS SEP 12 1961		
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB			
	REC'D 9-11-61			AIR 6	ARMY 4	CIA 10	NAVY 4	OSD 5	OCB	USIA 10	NSA 4			

SUBJECT: MINAS GERAIS POLITICAL STATUS REPORT

There have been few changes in the political situation here in Minas Gerais since the Consulate's last report (No. 5 of August 30, 1961).

The State Legislative Assembly completed work on a "manifesto" which was approved yesterday. This seven-point pronouncement was a compromise statement with all leading parties having a hand in one or another of the included items. The PTB got in a direct reference to the assumption to the Presidency of JANGO GOULART; the UDN added an item concerning the rejection of communism, fascism and other forms of totalitarian government by Brazil; and the PSD, falling in behind Juscelino KUBITSCHEK re his speech before the Congress August 30th, included a statement reaffirming the confidence of the Assembly that the Armed Forces would take no action against the "regime" or the Constitution.

A parliamentary form of government for Brazil is being widely discussed in the press and elsewhere. Comments are generally favorable, although some people are unhappy with the pressure under which the Constitutional change is being considered. Above all, there is hope that this compromise will avoid a civil war, which people hereabouts seem to want to avoid at any cost -- Constitutionally or otherwise. One influential local paper - O Estado de Minas - expressed the fear today that should the country become divided, there was a good possibility that it would become a battlefield in the cold war as have Korea and Germany.

732.00/9-161

FILED 2 SEP 61

Richard Reynolds Martin
American Vice Consul

Copies to:
Couns.Cons.Affairs
Political Section, Emb.,Rio

LWS

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FORM 6-61 FS-439 GPO 912596

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0746

INCOMING TELEGRAM

Department of State

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Control 2421
Rec'd: Sept. 5, 1961
11:54 a.m.

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RMR

FROM: Montevideo

TO: Secretary of State

NO: 240, September 1

ACTION DEPARTMENT 240, INFORMATION RIO DE JANEIRO 24

EMBTEL 237

HERRERISTA EL DEBATE declares September 1st editorial. "Government received Goulart as Vice President of Brazil. It did so observing forms and without any intervention in quarrel which afflicts brother country. This from viewpoint government. But as citizens and party men we have obligation define ourselves. We are with Goulart and regard with sympathy movement he represents. He is political heir of Getulio Vargas and Vargas was great friend of Herrera. For us that is more than sufficient."

SPARKS

ba

Note: Message delayed in transmission.

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0745

INCOMING TELEGRAM *Department of State*

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Control: 955
Rec'd: SEPT. 2, 1961
2:43 a.m.

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RMR

FROM: Recife

TO: Secretary of State

NO: 72, September 1, 3 p.m.

File, No action.
EST/B: jw Watson
Lms 9-26-61

INFO: EST/B
RM/R FILES

PRIORITY

ACTION DEPARTMENT 72, RIO DE JANERIO 94.

Public opinion quickly developing this area in support Goulart. Mayor (not yet arrested but under close watch) and vice mayor issued joint statement yesterday indicating their "intransigent defense of constitution" and calling for investiture Goulart. President State Assembly, Paulo Guerra, also issued similar statement but adding strong "protest against insolent attitude of Cuban Prime Minister Fidel Castro" re Cuban radio broadcasts.

Communists with leaflets hammering away in support Goulart and against "Yankee imperialism". Lower level organizers appear busy at coffee houses similar meeting places and slum areas encouraging popular support Goulart.

As result, increasing popular pressure may be expected, with military position more difficult maintain, and in absence early compromise solution, uneasy tranquility now existing may give way to widespread unrest. General public previously appearing mainly unconcerned, now showing development of distinctly sullen mood.

Governor flew Rio last night to attend conference of governors he helped organize apparently with connivance military, purpose consider various alternatives and contribute compromise solution.
Consulate coordinating closely all local US groups and providing general guidance re conduct in any potentiality, with task organization alert.

RABIDA

LR/6

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732.00/9-161 TS

FILED SEP 1 1961

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Control: 1148
Rec'd: 1951 SEP 2 AM 10 29

ACTION: EST/B
INFO:
RM/R FILES:

File. No action.
EST/B: J W Wilson - tws.
9-24-61

FROM: Sao Paulo

TO: Secretary of State

NO: 140, September 1, 4 P.M.

PRIORITY

ACTION DEPARTMENT 140, INFORMATION RIO DE JANEIRO 44

Although conflict of rumors as to developments Brasilia and possible troop movements to south continue to circulate, thay are unconfirmed. Situation unchanged, calm.

COCHRAN

MJA-4

732.00/9-161 T3

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CONFIDENTIAL

Control: 317
Rec'd: September 1, 1961
10:40 a.m.

FROM: Buenos Aires

TO: Secretary of State

INFO: RM/R FILES

NO: 393, September 1, 10 a.m.

NIACT

ACTION DEPARTMENT 393, INFORMATION RIO DE JANEIRO NIACT 30, MONTEVIDEO NIACT 31.

Last midnight Brazilian Ambassador Fragoso told me based his discussions with Goulart here yesterday p.m. that latter fully intended get to Brazil as soon as possible, probably entering Rio Grande do Sul from Uruguay. Said he had recommended Goulart accept suggested constitutional change restricting presidential powers and got impression Goulart would do so. Fragoso, with typically Brazilian shrug, added "after all, the constitution can be changed again when things are calmer".

Fragoso said Goulart talked for two hours with Maxxilli emisary. Did not seem unduly concerned over Brazilian situation.

RUBOTTOM

MLJ
NOTE: Advance copy Mr. Wilson (ARA), SO, 11:05 a.m., 9/1/61 JSW.

Buenos Aires 393

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0742

INCOMING TELEGRAM *Department of State* ACTION COPY

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Control: 1600
Rec'd: September 1, 1961
11:35 p.m.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 625, September 1, 8 p.m.

NIACT

ACTION DEPARTMENT 625, LIMA PRIORITY 11; INFORMATION BUENOS AIRES 46, MONTEVIDEO 19, BRASILIA, SAO PAULO, PORTO ALEGRE UNNUMBERED

Re Lima 184 to Department repeated all addressees.

While we appreciate problems which might be created in Peru by military solution Brazilian crisis, we doubt advisability any statement at this time by US Government favoring either side win present power struggle. Although statement supporting constitutional processes might appear be mere reiteration traditional US position, in present situation in Brazil it would constitute clear endorsement Goulart cause which would be deeply resented by those of our friends who support effort of military to exclude Goulart from Presidency on ground his known Communist sympathies. However it may appear to Peruvians, present Brazilian crisis is no more clear-cut struggle between constitutional processes and military dictorship than it is simple question of democracy vs Communism as anti-Goulart military leadership asserts.

US has been widely praised for public posture of non-interference (as reflected Inter Alia in President's statement August 30) which has been favorably contrasted with Castro's efforts eject himself into crisis. We believe any departure from this stance while issue still in balance would be counter-productive.

FH BOND

Note: Advance copy SO. Relayed White House, OSD, JCS, A, N, A, CIA, per SS D.O., 9/1/61, JRL.

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0741

SECRET

-4- CC 68472D, DTG 010114Z, SEPTEMBER (ARMY MESSAGE) FROM CINCARIB

APPARENT GOOD CAUSE PROVOKED PRESENT CRISIS. AMBASSADOR FEELS THAT THERE IS NO POSSIBILITY OF QUADROS RETURNING AND THAT EVEN QUADROS CLOSEST ADVISORS HAVE TURNED AGAINST HIM. CONSIDERED PARTICULARLY SIGNIFICANT THAT ABOVE STATEMENT WAS VIGOROUSLY SUPPORTED BY EMBASSY THIRD SECRETARY KNOWN TO BE ARDENT QUADROS ADMIRER AND ULTRA-NATIONALIST.. SCP 4

JVC/21

SECRET

0740

ASSUMED BY THE LEADERS. IT IS FELT THAT GENERAL MACHADO LOPEZ HAS DEFIED DENYS BECAUSE OF MACHADO'S LOYALTY TO LOTT. IN ADDITION, MACHADO IS A FIRM BELIEVER IN THE MILITARY STAYING OUT OF POLITICS.

SHOULD GOULART SUCCEED IN REACHING MONTEVIDEO, IT IS ALMOST CERTAIN THAT HE WILL HAVE LITTLE DIFFICULTY IN ENTERING BRAZIL. THE BRAZILIAN AMBASSADOR IN URUGUAY (SARMANHO) IS UNDERSTOOD TO BE THE BROTHER-IN-LAW OF THE LATE GETULIO VARGAS AND SOLID GOULART SUPPORTER. THE RATHER LOOSE BORDER ARRANGMENTS BETWEEN URUGUAY AND GOULART'S HOME STATE OF RIO GRANDE DO SUL WOULD FURTHER FACILITATE ENTRY AT ALMOST ANY POINT.

IF AND WHEN A SOLUTION IS FOUND FOR THE PRESENT CRITICAL SITUATION, MANY SERIOUS MILITARY PROBLEMS WILL CONTINUE TO AFFECT BRAZIL.

THE FOLLOWING ARE ALMOST CERTAIN TO PROVOKE CRISIS AFTER CRISIS:

1. STATUS OF THE THREE MILITARY MINISTERS AND NATIONAL PRESTIGE OF ARMED FORCES.

2. STATUS OF THOSE WHO HAVE OPENLY DEFIED SUPERIOR ORDERS.

3. PROBABLE PERSECUTION OF THE "OUTS" BY THOSE WHO EMERGE AS THE "INS".

4. INTER-SERVICE RIVALRIES, WITH THE MINAS GERAIS AIR FORCE/ NAVY CONTROVERSY PROBABLY MORE EXPLOSIVE THAN EVER.

WITH RESPECT TO POSSIBILITY OF QUADROS RETURNING TO POLITICAL SCENE:

BRAZILIAN AMBASSADOR TO PANAMA AND MEMBERS OF HIS STAFF STATED ON THIRTY-ONE AUGUST THAT THEY CONSIDER QUADROS TO BE A DESERTER AND TRAITOR, POSSIBLY OF UNSOUND MIND, WHO INTENTIONALLY AND FOR NO

APPARENT GOOD

0739

SECRET

-2- CC 68472D, DTG 010114Z, SEPTEMBER (ARMY MESSAGE) FROM CINCARIB

THE FOLLOWING APPEARS TO BE THE MOST LOGICAL ASSESSMENT OF THE SITUATION.

THE MILITARY SUPPORT FOR DENYS, HECK AND MOSS WILL CONTINUE TO DETERIORATE. KEY GOVERNORS, SUCH AS CARVALHO PINTO IN SAO PAULO AND JURACY MAGALHAES IN BAHIA, WILL PROBABLY BE FORCED TO SIDE WITH THE "LEGALITY" THEME OF BRIZOLA. THIS WILL DENY THE MILITARY MINISTERS ANY SIGNIFICANT CIVILIAN SUPPORT. THE THREE MINISTERS WILL BE FACED WITH THESE ALTERNATIVES:

1. FRATRICIDAL WARFARE.
2. RESIGNATION.
3. MODIFICATION OF VIEWS WITH RESPECT TO GOULART TAKING OVER.

IT IS BELIEVED THAT MOST OF THOSE SUPPORTING THE GOULART POSITION BOTH CIVILIAN AND MILITARY-KNOW THAT GOULART IS A LEFTIST OPPORTUNIST WITH LITTLE STRENGTH OF CHARACTER. HOWEVER, IN KEEPING WITH THE BRAZILIAN TRADITION IN MATTERS OF THIS NATURE, THEY ARE WILLING TO ACCEPT GOULART FOR THE SAKE OF PRESERVING ORDER AND ABIDING BY THE CONSTITUTION. THE FOREMOST MILITARY SUPPORTER FOR THE GOULART CLAIM IS MARSHAL LOTT. HE IS KNOWN TO HAVE VOTED AGAINST GOULART WHEN THE LATTER WAS VICE-PRESIDENTIAL CANDIDATE WITH KUBITSCHEK; LOTT'S HIGH PERSONAL AND PROFESSIONAL STANDARDS ARE COMPLETELY INCOMPATIBLE WITH GOULART. STILL, LOTT HAS ACCEPTED CONFINEMENT IN DEFENSE OF HIS IDEALS CONCERNING RESPECT FOR THE CONSTITUTION. HOWEVER, IT MUST ALSO BE SAID THAT LOTT PROBABLY FIGURES THAT WITH GOULART IN POWER, HE, LOTT, WOULD EXERT A CONSIDERABLE INFLUENCE ON THE NATIONAL SCENE.

BECAUSE GOULART IS SO EASILY "MANEUVERED", MANY OPPORTUNISTS HAVE JUMPED ON THE CURRENT "LEGALITY" BANDWAGON. THIS IS UNDOUBTEDLY THE MAIN REASON FOR SENATOR KUBITSCHEK'S POSITION AS WELL AS THE SUPPORT OF SOME AMBITIOUS MILITARY AND POLITICAL LEADERS. SINCE THE LOTTS, KUBITSCHEKS, SUZANOS, ETC. ALL HAVE THEIR OWN FOLLOWINGS, IT IS UNDERSTANDABLE THAT THESE WOULD READILY SECOND ANY ATTITUDE

ASSUMED BY

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Control: 36
Rec'd: Sept. 1, 1961 5 59
3:29 a.m.

ACTION:
INFO:
RM/R FILES

FROM: CINCARIB

TO: Secretary of State

NO: CC 68472D, DTG 010114Z, SEPTEMBER (ARMY MESSAGE)

NIACT

ACTION JCS, WHITE HOUSE, DEPARTMENT STATE

THE CRISIS IN BRAZIL CONTINUES WITH WORSENING POLITICAL SITUATION. MILITARY LEADERS AND CONGRESS IN VIRTUAL IMPASSE OVER SUCCESSION OF VICE PRESIDENT GOULART. QUADROS HAS SAILED FROM BRAZIL FOR LONDON WITH STATEMENT THAT HE WOULD RETURN TO REVEAL WHO THE SCOUNDRELS WERE THAT FORCED HIS RESIGNATION. REPORTS INDICATE HE WILL POSSIBLY LINK UNITED STATES IN EXTERNAL PRESSURES HE ALLUDED TO IN STATEMENT OF RESIGNATION. GOULART HAS NOW ARRIVED IN BUENOS AIRES WITH APPARENT INTENTION OF ENTERING BRAZIL THROUGH URUGUAY AND RIO GRANDE DO SUL, HIS HOME STATE. GOULART'S BROTHER-IN-LAW BRIZOLA IS GOVERNOR OF STATE AND APPARENTLY HAS SUPPORT OF SOME ARMY AND AIR FORCE AGAINST MILITARY MINISTERS. THE POSITION OF THE THREE BRAZILIAN MILITARY MINISTERS APPEARS TO BE UNTENABLE. PUBLIC OPINION IS LARGELY AGAINST THEM; THE CONGRESS REFUSES TO FOLLOW MINISTERS DICTATES, GOULART GIVES EVERY INDICATION OF INSISTING ON CLAIMING HIS RIGHTS OF SUCCESSION; THE MILITARY ESTABLISHMENT SEEMS TO BE SERIOUSLY SPLIT; AND THE IMMINENCE OF BLOODY CIVIL WAR RUNS COUNTER TO THE TRADITION OF THE AVERAGE BRAZILIAN.

WHATEVER SOLUTION IS ADOPTED WOULD ALMOST CERTAINLY INVOLVE ALLOWING GOULART TO BECOME PRESIDENT--FIGUREHEAD OR EFFECTIVE; PERMANENT OR TEMPORARY. UNDER SUCH A SOLUTION, THE PRESENT MINISTERS WOULD SUFFER A MAJOR DEFEAT IN THE EYES OF PUBLIC.

(2)

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The Brazilian military, unlike the military of Spanish heritage in other Latin American countries, takes over only when the national security is threatened. There is no recent tradition of juntas or military dictatorships as such in Brazil. While Mr. Deseta is strongly opposed to rule by the military, in this instance, he admitted, there was no alternative, for Goulart is "a complete pro-Orbit socialist".

Goulart, he said, represents the extreme left wing of the Labor Party, and must be contained. The parliamentary device to render him a figurehead president, strongly backed by the Army and Navy until new elections, is the only means of avoiding civil war. Even under these conditions, Deseta asserted, there is no guarantee against an outbreak of civil war, incited by extremist elements and, above all, by subversive operations mounted against Brazil from Cuba. In Deseta's opinion, the continued existence of Communist Cuba poised at all times to instigate revolt in Brazil, aided and abetted by Bloc agents provocateurs based there and by indigenous Communist elements, constitutes a most significant threat to Brazil's security. Conversely, that the United States played no role in Quadros' resignation nor in the action taken by the Army, he said, is known in all responsible quarters in Brazil. Propaganda insinuating U.S. complicity has been launched from Cuba. Unfortunately, this propaganda will find some credence among students and many unthinking or uninformed Brazilians impatient for reforms.

For the Chargé d'Affaires ad interim:

Warren P. Blumberg
First Secretary of Embassy

0736

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FOREIGN SERVICE DESPATCH

FROM : Amembassy BERN

224 NO.

COPY NO. 1 SERIES A

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 1, 1961 DATE

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Talk: he action
ESB/G: Jo Wilson - Luce
9-18-61

SEP. 3 1961

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	REC'D 9/8			AIR	ARMY	CIA	NAVY	OSD	OCB NSC	USIA	NSA	SEP 13 1961			

SUBJECT: Comments Brazilian Embassy Officer on Situation Brazil

On August 31 Quintino S. Deseta, First Secretary and Chargé d'Affaires ad interim of the Brazilian Embassy, asked to speak with an Embassy officer. It developed that Deseta wanted to unburden himself of his personal views on current developments in Brazil. These are forwarded to the Department as a matter of possible interest as they are the views of an intelligent, knowledgeable Brazilian Foreign Service Officer:

He had followed Quadros for several years and was convinced that he was no Communist, nor had he any intention to deliver his country to Communism. Brazil for years had been faced with increasing economic difficulties, a vast relatively unexploited land mass, inadequate population, primitive farming and under-industrialization. Quadros had hoped, by opening trade relations equally with East and West and by pursuing an overt policy of non-alignment, to rectify some of these conditions. Proceeding on this platform, he had succeeded in winning over nine million votes -- an extraordinary feat in Brazilian elections. Through his program Quadros had hoped to contain the increasingly pro-Communist Labor Party and, at the same time, enjoy the support of more conservative elements in establishing necessary reforms. An impetuous man, he had overplayed his hand on two occasions: (1) by decorating Che Guevara, which the Brazilian Army and middle and right-wing elements in the country could not tolerate and, (2) by opposing Marshal Denys when on one recent occasion Denys was to deliver a speech before an honor guard at the Presidential Palace and, Quadros, on reading it before it was to be delivered, noted the recommendation that Brazil break diplomatic relations with Cuba. Quadros allegedly upbraided Denys for this and refused to permit him to make the speech. Furthermore, Quadros' sudden resignation and abandoning of the ship of state have ruined him politically, and he most probably cannot and will not return to office.

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V SOME CONCLUSIONS

A. The constitutional crisis is going to have profound repercussions for a long time. Because of our past dominance in Brazil, and because of our close relations with the Brazilian military forces through the Joint Military Commission, we must expect effective communist agitation against the United States on this matter for some time to come. This communist influence will be particularly important at non-commissioned levels of the military services. (See Curitiba D-26, 12/12/60, for other background information on this problem). CONF.

B. The political power of student organizers and agitators is more evident than ever. The communists, in recognition of this, have been stepping up their work among students. Unless we are willing to get in and work hard with the students ourselves, devoting a major effort to influencing them, we are going to wind up with the short end of the stick. (See Curitiba D-17, 9/1/61). CONF.

C. Perhaps the conservative classes which should be leading Brazil's progressive socio-economic evolution will finally realize that their traditional disdain of party politics is putting them on the losing side of a revolution. Unfortunately, the realization is more likely to produce a desire to flee from the situation, than to organize and fight to help it. L. O. U.

D. Police organization and control in Paraná are much more effective than they were in December, 1959. (See Curitiba D-26, 12/17/59). O.U.O.

E. If João GOULART gains effective control of Brazil's administrative apparatus, Parana PDC reform government is likely to suffer, especially in the sense that promised federal development funds may not be forthcoming. The United States should remain alert to genuine social and economic reforms instituted by Governor BRAGA, and should be prompt in encouraging aid for these projects from Alliance for Progress funds. Considering the despair and reactionism of conservative groups, the passivity of the masses, the impotence of the unions and the unreliability of the students, we are badly in need of open recognition by and cooperation with an active, respected, responsible politically orientated group such as the PDC. CONF.

F. If Goulart gains effective control, financial relations between Santa Catarina and the federal government may be very good indeed, especially since the state Vice Governor, Doutel de ANDRADE, has long been a staunch Goulart supporter. CONF.

Edward M. Rowell
American Consul

0734

across the country. The UNE leaders held comícios, prodded labor leaders into more positive action, and ran sound trucks back and forth through the city to campaign for "constitutionality." There is some evidence that the stepped up leftist activity pushed by these students may have contributed significantly to the inclination of small military units to support Goulart, which in turn was the main balance which convinced General Galhardo that he had to go with Goulart, Brizzola, and the Third Army commander.6/ CONF.

In spite of the noise made by the student agitators and Curitiba's mayor, the general populace remained quite calm throughout the consular district. One could hardly tell from the surface of the city's activities that life in Curitiba was anything but normal. When the banks reopened Tuesday afternoon (after having been closed since Friday night) there were substantial withdrawals at first, but by Wednesday morning banking activity was normal, except that no foreign exchange was being bought or sold. Food stores did a land office business as people laid in supplies against the possibility that all commerce might halt. Other retail business ceased almost entirely. The only visibly obvious military activity was the posting of guards at key points in the city (Bank of Brazil, national telegraph office, power stations). Interestingly, once General Galhardo decided to back the Third Army Commander, all overt agitation by the students and the mayor stopped almost immediately. There was a feeling of general relief over the relaxation of psychological pressure in Curitiba. O.U.O.

IV DISILLUSIONMENT AND DESOLATION

The crisis has shaken the confidence of thoughtful Brazilians in themselves and in their political maturity. For many, the sense of security based on the Army's role as "guardian of peace, order, and the constitution" has evaporated. The exposure of disunity within the military forces has been a grave shock to conservatives at all levels. L.O.U.

The man who plunged Brazil into this situation, Jânio QUADROS, is now a political zero in Parana and Santa Catarina. The voting masses were already restive with his politics before he resigned, and they resent the turmoil he produced. The conservatives who were backing him have lost their faith. Even more, they have lost their faith that democratic conservative government is possible in Brazil. Ky
L. O. U.

6/ Interestingly, the university students who comprise Parana's Reserve Officer Training Corps remained absolutely mum, taking no active part in the affair -- all on their commanding officer's orders. O.U.O.

0733

that it was better to risk the gradual destruction of the economy[4] than to lose the last vestiges of constitutional government and return to the military-clerical dictatorship typical of the Vargas era. Because the forces now favoring Goulart controlled the mass communications media, the general public began to positively support installation of Goulart. This general opinion was not the result of preference for Goulart the man, but a reflection of the feeling that procedure by unconstitutional means would destroy 30 years' progress. CONF.

Even so, thought among articulate groups was split. Among university students, especially, there were many who believed that Brazil could achieve more social and economic progress (and "economic democracy") under the restrictions of a Denys-sponsored government than under Goulart. Interestingly, the students were the ones who took the potential loss of constitutional government most lightly. L.O.U.

Finally, under the inspired flagellation of Curitiba's mayor[5] and of student leaders, the commander of the 5th Military Region (Parana and Santa Catarina), Major General Benjamin GALHARDO, decided to support Third Army Headquarters in Porto Alegre and back the "constitutionalists". L.O.U.

C. The Special Rôle of Student Leaders

Though generally favoring "legality" (i.e., Goulart), Paraná's own student leaders failed to engage in much public agitation until the arrival of some directors from the National /University/ Student Union (UNE). The UNE headquarters in Rio de Janeiro had been closed down, and the union's officers were fanning out

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(3/ cont'd) Americanism has been much less intense this week than it was when Getulio Vargas committed suicide, possibly because Jânio was much less explicit than Vargas about the interference of the US. L.O.U.

4/ Very early in the fight mayor Mattos campaigned tirelessly on the radio for Goulart's inauguration. One time, while it still looked as though a "legal" solution might without Goulart might be found, Mattos' radio privileges were taken away from him. On August 29 he set up a recruiting station for "Volunteers for Legality" in the city hall. He got about 5000 volunteers. He also scared the pants off the local citizenry who thought a hot war had arrived. In its own negative way this contributed as much as anything toward general support for Goulart. L.O.U.

5/ Galhardo said he took this step only after carefully sounding out his officers. He had probably discovered that his command was too divided to be militarily reliable, although even after his declaration some of his subordinate units opposed him. He may also have viewed himself as a latter day LOTT, especially since he has been compared physically with Lott ever since his arrival here in 1960. CONF

0732

This resentment was especially outspoken among Army and Air Force non-commissioned personnel.1/ But as conflicting statements about the resignation continued to flow, concentration centered on the domestic causes -- and it was obvious that no one really knew why Jânio had left. UNCL.

The mass of people continued to go about their business as usual. They wanted nothing to do with, and took no part in, any civil disturbances or demonstrations of any kind. UNCL.

The conservatives were thoroughly dismayed. UNCL.

The far left licked its lips and did everything in its power to generate a semblance of popular demand that Goulart be installed in the presidency unconditionally and immediately. However, the left was able to exert real pressure only through a few student and labor leaders, and through a tame politician, Curitiba's PTB Mayor Iberê de Mattos. The communist Secretary-General of the Federation of Industrial Workers appealed to all workers to go about their routine affairs and to engage in no demonstrations. There were no strikes (partly because the state intervened in all labor unions). Apparently the communists still are not strong enough in Parana and Santa Catarina to be able to conduct large scale, continuous agitation on their own regardless of the attitudes taken by law enforcement authorities. CONF.

B. The Balance Tilts to Favor "Constitutionality" (Goulart)

As long as it was thought that some legal and peaceful means might be found for keeping Goulart out of office, majority opinion favored doing so. Even as it became apparent that the Third Army in Rio Grande do Sul might promote a (counter-?)-revolution to help Goulart, people still didn't want him. L.O.U.

In Paraná efforts to solve the crisis centered on recalling Jânio (favored by almost everyone except the farleftists), or else on impeaching Jango Goulart. (Parana's PSD Senator Alô GUIMARÃES was one of the few to vote against Jango in the joint congressional committee of inquiry set up to review the War Minister's charges against Jângo.) Parana's governor only gave up trying to generate a movement to recall Jânio after Jânio was two days at sea on his way to England. (Santa Catarina discretely kept its mouth shut throughout the entire week's fracas.) O.U.O.

When it became clear that no legal and constitutional means could be found to keep Jango out of office, many conservative and middle class groups, including the forces controlling the press, began to call loudly for the inauguration of Jango. They believed

1/ All fanned by the communists. For example, Ultima Hora published a spurious notice claiming that the Voice of America had said called Jânio a traitor. In spite of this, however, anti-

0731

The politically active students consisted of two groups: (1) the relatively small but very noisy far left which holds a majority of student leader positions; and (2) the much larger but much less active body of moderate and conservative students. The left supported Jânio solidly, was relatively indifferent to workers' problems resulting from the economic reforms of the past six months, and was staunchly in favor of the ex-president's "independent" pro-Bloc policies. The center and right enjoyed Brazil's "independent" stature, but was disgruntled with some of the more extreme favoritism shown to Bloc countries. In the domestic field both student groups concentrated most of their attention on as yet unsolved (almost unattacked) problems, such as "agrarian reform". O.U.O.

At the bottom of the pile was the povo, lower and middle class people. These people were concerned almost entirely with the domestic aspects of Jânio's government. They are, however, completely passive, and almost perfectly inarticulate, and for this reason their views did not impinge heavily on the active balance of public opinion. So long as these people still receive a living wage, can play the "numbers game", go to soccer matches, and enjoy a good family get-together, they are quite indifferent to political problems. Hence, the fact that on the subconscious level they are convinced that "Communism is bad", also does not find too much expression in national politics. (The "people" do equate "communism" with the U.S.S.R.) O.U.O

By the time Jânio had resigned, the povo had become quite disturbed over continued inflation which was being blamed exclusively on Jânio's economic policies. And Jânio had failed to gain much public support from the obvious improved efficiency and honesty of the social security institutes (IAPS). UNCL.

B. Lighting the Fuse

Giving the Grand Order of the Southern Cross to "Che" GUEVARA revolted everyone. The communists were discretely silent. But even the more radical socialists objected vociferously. The businessmen, intoxicated by visions of millions of dollars of sales to Cuba (mostly in lumber), also were fairly silent. Even among themselves they kept trying to dream up some justification for Jânio's act, though they had little success. The rest of the people, students, politicians, military personnel and mmasses were shocked. In a sense, the reaction (to use Jânio's word) was general, and if anything, stronger among the proletariat than among the conservatives. O.U.O.

III EVENTS OF AUGUST 25-31 IN CURITIBA CONSULAR DISTRICT

A. General

Jânio's resignation dumbfounded everyone. In the first day and a half, there was considerable resentment against the United States, mainly on the part of lower and middle class people. This



The political power of active and articulate student organizations has been underlined by this crisis. It is more imperative than ever that we make a major effort to overcome our woefully inadequate contacts with university student groups. CONF.

As Brazil recovers from this trauma, we will have to take advantage of Alliance for Progress funds to demonstrate our interest in and cooperation with genuine reform movements such as that headed by Parana's PDC governor. Only if we can associate ourselves successfully with such people do we stand a chance to recover some of the sympathy and prestige which we have been steadily losing for the past 15 years. CONF/

II BACKGROUND

A. General Attitudes

Response in the Curitiba consular district to the current Brazilian political crisis should be viewed in terms of public opinion on Quadros just prior to his resignation. Thought had begun to crystallize among four main groups of people: the conservative, business-oriented economically influential upper classes; the politicians; politically active students; and the inarticulate and passive lower classes. L.O.U.

The conservatives were completely satisfied with Quadros' domestic economic policies. Though they had qualms about some of his foreign policies, pie-in-the-sky promises of vastly increased trade with Soviet Bloc1/ countries had virtually eliminated all resistance to pro-Bloc policies. O.U.O

The politicians, including many Labor Party (PTB) members, were far less satisfied with Quadros' policies. Though pleased with Brazil's growing international stature, they were concerned about their inability to consolidate party positions vis-à-vis Jânio in the domestic arena. Further, most politicians from this district were also uneasy about the political dangers (including subversion) of greatly expanded interchange with the Sovbloc. Except for the few extremist individuals in all parties (e.g., Haroldo Leon PERES, Parana UDN; Jose HOFFMANN, Parana PSD; Waldemar DAROS, Iberê de MATTOS, Carlos Alberto MORO, Parana PTB; Doutel de ANDRADE, Santa Catarina Vice Governor, PTB) most politicians here2/ favored a cautious approach to the Bloc which would permit valuable trade and at the same time would keep the Commissars at arm's length. They were also unenthusiastic about Castro. O.U.O.

1/ The "Bloc" includes Cuba which is viewed as a new "El Dorado" by Parana and Santa Catarina lumber producers. UNCL.

2/ Apparently even "leftist" politicians in this district tend to be more conservative than many of their confrères in Rio, São Paulo, and Rio Grande do Sul. O.U.O

0729

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FOREIGN SERVICE DESPATCH

FROM : Amconsul, CURITIBA — NO. 76

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE: September 1, 1961

REF : D-26 (12/12/60), D-50 (4/18/61), and D-66 (6/13/61)

SEP 4 11 1961

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF		EUR		CU	INR		P	IO	ICA
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SUBJECT: CURITIBA CONSULAR DISTRICT AUGUST 25-31, 1961 (JÂNIO QUITS)

732.00/9-161 CS

I SUMMARY

Paraná and Santa Catarina remained generally calm throughout the past week. This peacefulness was broken only temporarily in Curitiba on August 28 and 29 when officers of the National Student Union (UNE) came to Curitiba (fleeing their closed headquarters in Rio de Janeiro) and teamed up with Curitiba's PTB Mayor Iberê de MATTOS to campaign for "legality" and "constitutional succession" (i.e., for João GOULART). The students' campaign was a significant factor in swaying opinion among non-commissioned and junior officer Army personnel. The pro-constitutional attitudes of these persons convinced Maj. Gen. Benjamin GALHARDO (Commander, 5th Military Region) that his units would not back War Minister DENYS. Galhardo therefore announced his solidarity with Third Army Commander MACHADO LOPES in Porto Alegre. Once this decision was reached Wednesday night the city became much calmer. CONF/

The constitutional crisis has scarred the minds of all thoughtful Brazilians here. Conservatives have lost faith in the "protective" capacity of the Army and in their own ability to conduct a democratic conservative government in Brazil. Jânio QUADROS has been politically liquidated. The United States will suffer for some time because of communist efforts to blame us for Jânio's resignation, efforts which are more credible because they are combined with support of the constitution. The popular reaction against us will be extended because of our well known long association with Brazil's top military commanders, and with the conservative ("reactionary") elements who have been building the country's economy. CONF.

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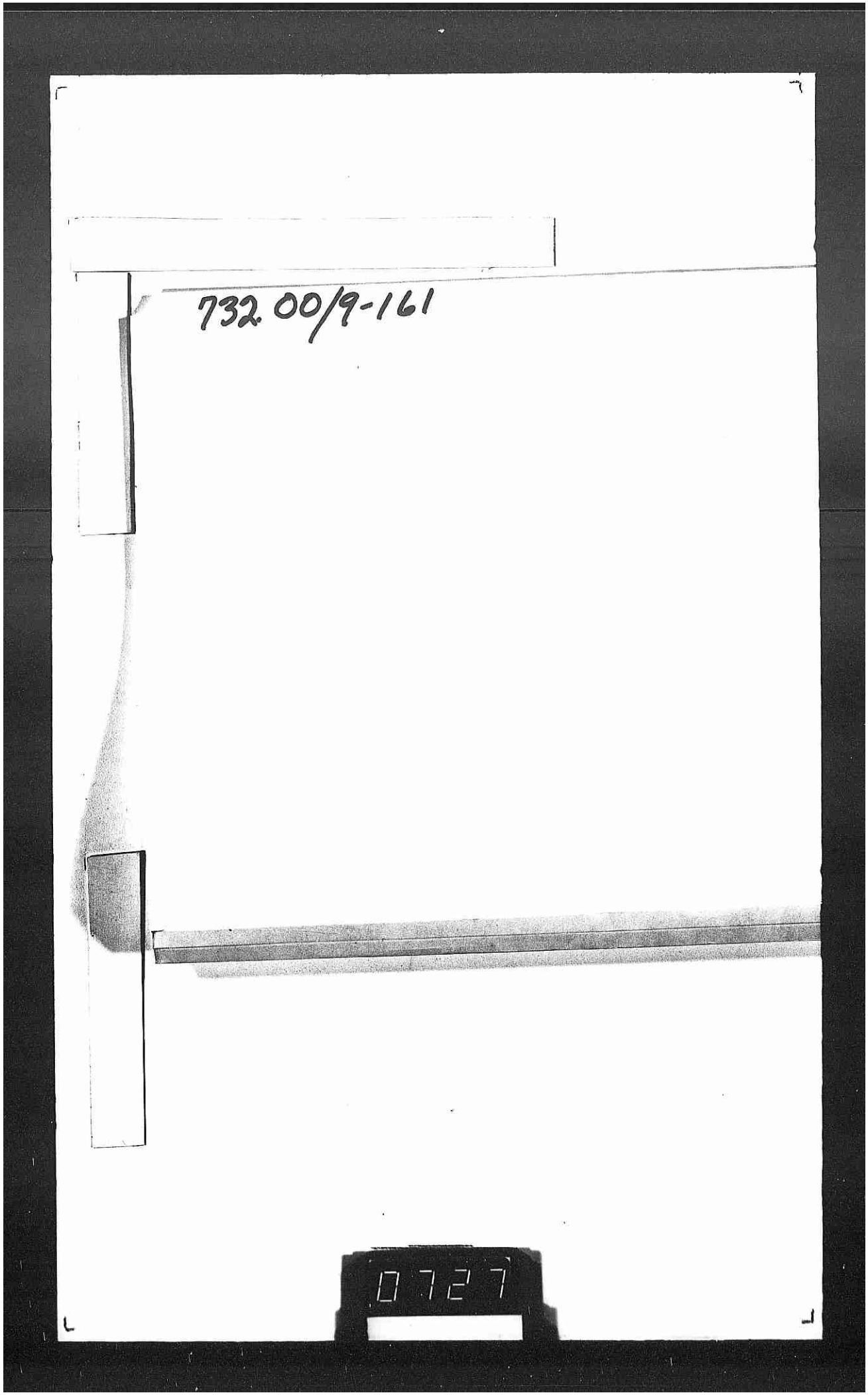
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BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 1 0 1961

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732.00/9-161
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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

719
DESP. NO.

FEB 21 1961
Febuary 17, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : ~~Embassy~~ Despatch 832, February 26, 1960

	ACTION	DEPT.
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Ref-1 Rmr-2 INR-7 E-5 ICA-11
Dia-10 Army-4 Com-10 FRB-3
USIA-10 TR-3 XHB-4

SUBJECT: KUBITSCHEK SELLS HIS PROGRAM TO THE BRAZILIAN PEOPLE: THE FINAL ACT

Enclosed are five copies of the January 28 issue of Manchete, whose major theme is extolling the virtues of President Kubitschek's "completed" five-year program of goals. As the Department will doubtless recall, (See Embassy despatch 832, February 26, 1960) a similar issue of this same magazine, in February 1960, pretty well epitomized the extensive (and successful) effort which President Kubitschek was conducting at that time to sell his program of fifty years progress in five to the Brazilian people. The same is roughly true of the present edition--which not only summarizes in one place the accomplishments of the Kubitschek Administration but gives an excellent example of the high pressure efforts which the President made during his final weeks in office. The success of this effort (with its implications for Kubitschek's future) may be gauged by the vigor with which Janio Quadros felt obliged to attack the past administration record almost immediately upon assuming office.

For the Ambassador:

Harry A. Quinn
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

Enclosures:
As stated.

DISTRIBUTION: Econ (2), USIS, CF (3), Pol (5)

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MAR 1 1961

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descent in Curitiba's population undoubtedly explains in part this U.A.R. cultural effort. ... In connection with press announcements of an exhibit put on by the National Campaign for Rural Education (CNER), the Curitiba press commented favorably on the USIS contribution to CNER.

Edward M. Rowell
American Consul

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39

0725

looked with alarm at the growing weakness of the U.N. ... The Laotian crisis has been completely forgotten, being outshadowed by several fine tributes to Dr. Thomas DOOLEY who died of cancer recently after having spent the past seven years establishing medical facilities in the interior of Laos. SOURCES: Local press, personal conversations. UNCLASSIFIED

COMMENTS: Although Lumumba's death made spectacular news, the great majority of citizens in Curitiba neither know nor care who are what Lumumba and the Congo are. Vaguely aware that Africa could be the spark plug of a new Holocaust or else a competitor for economic assistance, the subconscious reaction to African events is to blame the U.N and, hence, the U.S. (people consider the U.N. to be synonymous with the United States.), for any inconvenience African events may bring to Brazil. OFFICIAL USE ONLY

SUBVERSIVE

8. Recent Ultra-Leftist Activities

One of the collaborators of the "Teatro Popular do Paraná" (reported in D-35, 1/27/60), Walmor MACELINO, has announced that he is about to put on his first play, "The Agreements Reached Between Mr. John and God". ... after much looking around for an appropriate launching platform, a new "Movement to Support the Cuban Revolution" solemnly inaugurated itself on Curitiba's Radio Guairacá (ZYM-5, 10 Kilowatts), strongest station in southeastern Paraná, broadcasting on medium waves only. Several officers of the "Movement" also belong to the "Teatro Popular". ... The Curitiba campaign to enlist "volunteers for Cuba" fizzles out in late January, having collected at least three volunteers, one of whom was an illiterate truck driver and another of whom was an unemployed laundress. SOURCES: Local press. OFFICIAL USE ONLY

9. Miscellaneous Cultural Events: Polish Publication; Exchange Visitors to U.S.A.; USOM Audio-Visual Exhibit

Early in January a very slick Polish cultural magazine called "Polonia" began to appear in volume on the local newsstands, joining Soviet and Chinese Communist publications already in evidence. It is printed in Spanish. The magazine is tastefully illustrated with both black and white and very high quality color photographs. Prior to newsstand display, "Polonia" was distributed through the local mails on a "subscription" basis. ... In January the United Arab Republic Consul in Curitiba extended 15 invitations to local personages for all-expense paid tours to Egypt and Syria. Among those accepting were the Mayor of Curitiba, Iberê de MATTOS. The high proportion of persons of Levantine

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there is no flavor of "me-tooism" in orienting foreign policies. SOURCES: Local press, personal conversations. OFFICIAL USE ONLY

COMMENT: The new outspokenly independent approach has made it possible for some columnists to openly favor Brazilian policies compatible with overall Western interests whereas under earlier administrations they would have been disinclined to do this because of a fear of being accused of being "Yes men" for the U.S. This is a hopeful sign. OFFICIAL USE ONLY

6. The New U.S. Administration

Local comment on President Kennedy's first weeks in office has concentrated mainly on U.S.-Latin American relations. Although a great deal in the way of material assistance for Latin America is expected of the new administration as a right, thus far U.S. foreign policy actions have fully met local expectations. Particularly well liked were the "Food for Peace" plan, and the establishment of a "Special Task Force for Inter-American Affairs" which has sub-cabinet rank. SOURCES: Personal conversations, local press. UNCLASSIFIED

COMMENTS: In a too-obvious display of objectivity, the leftist press blamed all pre-inaugural errors of U.S. policy on the "Big Business Eisenhower administration". Shortly afterwards, however, the local rea-liners began to do their best to smear the "Food-for peace Program" by playing up Argentine and Mexican refusals and to emphasize Kennedy's inability to escape the clutches of "Big Business". ... In a surprising display of private candor, informed local leaders in Curitiba said they hoped that the Task Force on Inter-American Affairs would not produce just another study of the situation, adding that they doubted that the Task Force's leadership would get to the rural roots of Latin American problems. ... Showing healthy realism, most Curitiba reporters have displayed cautious hope for improvement in U.S.-Soviet relations while at the same time noting that lasting improvement is unlikely so long as basic Soviet aims of world domination remain unchanged.

7. Miscellany? Lumumba, Laos and Dr. Dooley

Patrice LUMUMBA's grisly demise drew banner headlines for about a week. However, editorial comment on this event was almost non-existent until the past ten days when most writers deplored the situation, condemned colonialism and interventionism (the leftists blamed the U.N., and, implicitly, the U.S.), and

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39



Quadros in hopes of getting substantial federal aid. But with Santa Catarina's pro-Goulart PTB so strong in the Government, and the state's relative unimportance, such aid is doubtful.
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PSYCHOLOGICAL EVENTS

4. Local Reaction on Domestic Issues: Quadros' Appointments, Inauguration Address

Response to Janio QUADROS' ministerial nominations has been mixed. Although many persons believe that Quadros' Ministers were named on the basis of certain political necessities, and though some of the Ministers are approved as being highly qualified (such as Foreign Minister Afonso ARINOS, War Minister DENYS), there is disappointment at the "excessive attention" paid to the Northeast of Brazil in the Cabinet. However, in spite of doubts there is a "wait-and-see" atmosphere. ... Press comment on Quadros' speech was generally favorable except for the leftist papers which have gone out of their way to find fault with Quadros and warn again "Fronsizi-like anti-nationalist measures." UNCLASSIFIED

COMMENTS: There have been great expectations that Quadros will see that Paraná gets its share of federal consideration because of its importance as a coffee producer and as a rapidly growing state. As the list of federal appointees grows and continues without Paraná representation, local doubts are increasing concerning Janio's statement that "Paraná needs no ministries because he himself is Paraná's chief minister". If the federal government does not satisfy some of Paraná's development needs (See Item 2), or if it fails to give Paraná greater voice in coffee policy (especially with regard to the competition between Santos and Paranaguá), strong anti-Janio reaction could set in . ... It is interesting that leftist public figures and the leftist press have consistently attacked Janio on almost all of his policies (except some foreign affairs) since he took office. Janio owes Paraná's leftists nothing. OFFICIAL USE ONLY

5. Local Thoughts on New Brazilian Foreign Policies

Initial foreign policy pronouncements and actions by Quadros and Foreign Minister Arinos have pleased just about everybody, including the leftists. Although a few conservatives have warned against the subversive dangers of Iron Curtain missions in Brazil, most editorialists believe Brazil is sufficiently mature to be able to contain those dangers and at the same time take advantage of new trade opportunities thereby opened. Generally speaking, what pleases everyone is that Quadros' pronouncements seem to be independently Brazilian, and

0722

allegedly corrupt county officials involved in southwest Paraná's notorious land wars; (2) halted new appointments, transfers and promotions of civil and military state employees; (3) canceled mandates of 59 county mayors placed in office in the second half of 1960; (4) obtained a loan of 200,000 bags of cotton seed from São Paulo; (5)requested a federal loan of 20% of the prospective annual income in order to pay current salaries; (6) requested federal assistance with highway construction, expansion of electric power, improvement of the Port of Paranaguá; (7) prepared to launch a five year development plan. SOURCES: Personal Conversations, local press.
UNCLASSIFIED

COMMENTS: The State Bank has more than $10 million of unfunded debts when the new officers took over. ... The former director of the state planning commission (PLANEP), now secretary of Public Works, has told me that the activities of all state secretariats will be carefully coordinated regarding the new five-year plan, and that the plan includes current USG projects in Paraná, plus proposals for certain other U.S. assistance. ... Although Governor Braga has paid weekly visits to Janio Quadros and Quintanilha Ribeiro, federal help for Paraná so far has been limited to the ~~[illegible]~~ transfer of a dredge to Paranaguá to dredge the port, and a declaration that work will proceed on federal highway BR-35, Ponta Grossa to Iguaçu Falls.
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3. The New Santa Catarina Government

In contrast to the new Paraná government where policy and discipline are firmly in the hands of Governor Braga, the new Santa Catarina secretariat was rubber stamped by Governor RAMOS on the advice of the political coalition which elected him. However, most of the individuals named are highly reputed and technically competent. SOURCES: Personal conversations and observations.
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COMMENTS: Ramos is viewed even by his opponents as "a progressive capitalist" leader who has discarded anachronistic concepts of "marxism" and "rugged individualistic capitalism". However, some of his secretaries hold highly "ultra-nationalistic" ideas and are at least "socialistic" in their outlook. ... Ramos is expected to take a "shotgun" approach to pressing problems (illiteracy, lack of power and transportation, aid for depressed areas), launching a series of programs and measures operated independently by the various government departments. He has already asked for USG cooperation in several fields, mostly in education and agriculture. ... Ramos is going out of his way to be nice to Janio

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FOREIGN SERVICE DESPATCH

FROM : Amconsulate, CURITIBA

DESP. NO. 39

FEB 28 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE February 24, 1961

REF : ARA: EST/B JW Wilson (ltr) 4-20-61

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	RM/R-2 INR-7 ICA-11
REC'D 3-8-61	INFO OTHER	CIA-10 USIA-10 NSA-4 OSD-5 ARMY-4 NAVY-4 AIR-6

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD JANUARY 31 TO FEBRUARY 15, 1961

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAR 16 1961

CONTENTS

1. The New Paraná Government
2. New Paraná Government's First Actions; USOM
3. New Santa Catarina Government
4. Local Reaction On Quadros' Appointments, Inaugural Address
5. Local Thoughts on New Brazilian Foreign Policies
6. Local Comment on New U.S. Administration
7. Miscellany: Lumumba, Lacs and Dr. Dooley
8. Recent Ultra-Leftist Activities
9. Cultural Miscellany: Polish, U.A.R. Activities; USOM

732.00/2-2461

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POLITICAL EVENTS

1. The New Paraná Government

The new Paraná government which took office on January 31 is young (all under 50 except for Secretary of Finance and President of State Bank), hard working and dedicated to improving the operation of government and promoting social welfare and economic development in Paraná. The secretariat is expected to show a very high degree of coordination and discipline, being responsible primarily to the governor and not to the parties which elected him. Only three of Rey ELLIA's chief assistants are important politicians in their own right. SOURCES: See Curitiba D-3" (2/9/61). OFFICIAL USE ONLY

2. New Paraná Government's First Actions -- Help Needed and Requested from Federal Government, USOM

In its first two weeks the new Paraná administration (1) imprisoned

cc: AmEmbassy, Rio de Janeiro

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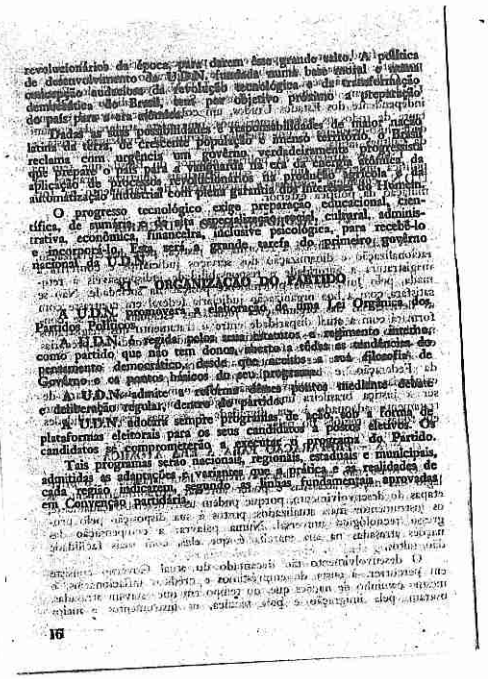
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SEDE: RUA DO MÉXICO, 3 - 4. ANDAR
FONES: 22-3477, E 52-4312
RIO DE JANEIRO

0719



revolucionários da época, para darem seu grande salto. A política de desenvolvimento da UDN, ajustada numa base social e numa concepção audaciosa da revolução tecnológica e da transformação democrática do Brasil, tem por objetivo próximo a preparação do país para uma eleição [illegible] responsabilidade de dirigi-lo. Dadas as suas possibilidades e a responsabilidade de [illegible] reclama com urgência um governo, verdadeiramente progressista que prepare o país para a vanguarda da era da ciência atômica, da aplicação de processos revolucionários de produção agrícola e [illegible] automação industrial com plena garantia dos interesses da nação.

O progresso tecnológico exige preparação educacional, científica, de sumária especialização regional, cultural, administrativa, econômica, financeira, inclusive psicológica, para recebê-lo e incorporá-lo. Esta será a grande tarefa do primeiro governo nacional da U.D.N.

II — ORGANIZAÇÃO DO PARTIDO

A U.D.N. promoverá a elaboração, dentro da Lei Orgânica dos Partidos Políticos, [illegible] e regimento interno.

A U.D.N. é regida pelos seus estatutos e regimento interno como partido que não tem donos, aberta a todas as tendências do pensamento democrático, desde que aceitos a sua filosofia de Governo e os pontos básicos do seu programa.

A U.D.N. admite as reformas dentro [illegible] e deliberação regular, dentro dos partidos [illegible] A U.D.N. adotará sempre programas [illegible] plataformas eleitorais para os seus candidatos [illegible] candidatos se comprometerão a executar o programa do Partido.

Tais programas serão nacionais, regionais, estaduais e municipais, admitidas as adaptações e variantes que a prática e as realidades de cada região indicarem, segundo as linhas fundamentais aprovadas em Convenção partidária.

técnico, da preferência à manutenção onerosa de grande número de organizações ineficientes, destituídas de flexibilidade, desprovidas de material adequado e dispostas de armamento obsoleto.

Estabelecidos os quadros permanentes de comando e treinamento, tratar-se-á de generalizar a preparação militar básica para a Defesa Nacional, que abranja todos os cidadãos.

O Conselho de Segurança Nacional deve ser transformado em órgão permanente de planejamento e de consulta, no quadro da organização nacional.

VIII — POLÍTICA EXTERIOR

O Brasil afirma a sua presença de nação autônoma com uma vocação de paz, contrária às manifestações de domínio, de qualquer natureza, de uma nação sôbre outra.

Sofrente à necessidade de prestigiar organizações mundiais e regionais que possibilitem a solução pacífica dos conflitos sôbre os quais não tem influência direta.

Defende uma política de oportunidade, aberta para as nações e a promoção da paz pelo intercâmbio de idéias, pessoas e produtos.

Não ignora os perigos que atormentam o mundo atual. Dessa, porém, não resulta uma política internacional de alianças por isso, mais concorre para a estabilidade internacional, para a distensão da paz mundial e da própria soberania nacional.

Reconhece a inutilidade do neutralismo sistemático e a inconveniência do alinhamento de uma nação que, renunciando as suas vantagens de livre negociação, se arrisca a ser envolvida em alianças, nem por isso estará livre de pressões e de ingerências.

Há quatro séculos formada, politicamente autônoma há mais de cem anos, alçada hoje à condição de maior nação latino-americana, o Brasil tem uma crescente responsabilidade entre as nações decisivas do mundo. Falta-lhe ainda desenvolver sua riqueza de modo a dar músculo à grandeza territorial e ao crescimento demográfico, falta-lhe também homogeneizar o desenvolvimento profundamente desigual da riqueza no seu vasto território. Mas já não pode o Brasil situar-se no rol dos países que ainda não realizaram as suas aspirações mínimas de independência política e até mesmo de simples integração demográfica e econômica. O Brasil é nitidamente uma nação ocidental, com tudo o que isto significa. Parte da comunidade das nações formadas sob a inspiração de uma filosofia cristã de vida e de uma concepção democrática da sociedade, o Brasil participa da mesma concepção ética que, respeitadas as vicissitudes nacionais e as peculiaridades históricas de cada qual, tem como traço distintivo o respeito à pessoa humana.

O seu atraso material, em relação, a algumas nações ocidentais, não se desfaz pelo ressentimento e sim pela emulação, através de uma política de cooperação e de afirmação de seus objetivos nacionais.

Os fundamentos inarredável da política exterior do Brasil são, portanto: afirmação da soberania e cooperação internacional.

O Brasil não será, nos planos da U.D.N., nem dos Estados Unidos nem "satélite" da Rússia. Será um aliado cordial e independente dos Estados Unidos, um colaborador fraternal e consciente de todos os países americanos, uma parte atuante da comunidade luso-brasileira e um membro ativo da civilização cristã e da Cultura latina.

Estas as diretrizes da política exterior do Brasil que tem na U.D.N. condições essencial a participação do Parlamento na formulação da política exterior.

IX — REORGANIZAÇÃO JUDICIÁRIA

A U.D.N. realizará a reforma da justiça pela descentralização, racionalização e dinamização dos serviços judiciários e conferirá à magistratura a autoridade e responsabilidade indispensáveis à retomada, pelo Juiz de seu independente papel na sociedade. Não se satisfaz com a boa organização judiciária federal em contraste com as deficiências das organizações judiciárias estaduais. Nem se conformará com a atual disparidade entre o tratamento dos magistrados na União e nos Estados, cujos últimos reduzidos a condições precárias em muitas das unidades federativas.

A justiça deve ser descentralizada, para atender às imperativos da Federação, e especializada, para corresponder às crescentes exigências de sua complexa missão. Mas, nem por isso deixará de ser a justiça brasileira una e homogênea, merecedora do mesmo tratamento adequado à sua dignidade e às suas responsabilidades em todas as regiões do país.

X — PREPARAÇÃO PARA A ERA ATÔMICA

O Brasil não está subdesenvolvido. Está atrasado. E o privilégio das nações atrasadas é poder abreviar, acentuadamente, as etapas do desenvolvimento, porque podem usar, à disposição pelo progresso tecnológico universal. Numa palavra: a compensação das nações atrasadas na sua marcha é que elas, com mais facilidade dão saltos.

O desenvolvimento tão decantado do atual Govêrno consiste em percorrer, à custa de empréstimos e créditos inflacionários, o mesmo caminho de nações que, no tempo em que estavam atrasadas, usaram, pela imigração e pela técnica, os instrumentos e meios

técnicos, de preferência à manutenção onerosa de grande número de organismos ineficientes, desprovidos de flexibilidade, desguarnecidos de material adequado e dispendiosos de arrendamento absoluto. Estabelecidas as diretrizes e processos de preparação militar básica para a Defesa Nacional, que abrange todos os cidadãos, o Conselho de Segurança Nacional deve ser transformado em órgão permanente de planejamento e de consulta, no quadro da organização nacional.

VIII — POLÍTICA EXTERIOR

O Brasil afirma a sua crença de nação autônoma, com uma vocação de paz, contrária às manifestações de domínio, de qualquer natureza, de uma nação sôbre outra.

Soberania e igualdade de direitos, organizações mundiais e regionais que possibilitem a solução pacífica dos conflitos, Defesa, uma política de oportunidades iguais para as nações e a promoção da paz pelo intercâmbio de idéias, pessoal e produtos.

Não ignora os perigos que atormentam o mundo atual. Espera, porém, a criação de uma ordem internacional sôbre princípios de justiça, para a estabilização da paz mundial e da própria soberania nacional. Para tanto, não pode aceitar a inutilidade do neutralismo absoluto e a ilusão perigosa do isolamento de uma nação que, politicamente, tem sido livre de pressões e de alianças, nem por isso deixou, historicamente, de participar, há mais de quatro séculos formada, politicamente autônoma há mais de cem anos, alçada hoje à condição de maior nação latina e ibero-americana, o Brasil tem uma crescente responsabilidade entre as nações de decisiva do mundo. Falta-lhe ainda desenvolver sua riqueza e de muito [illegible] grandeza territorial e o crescimento demográfico, falta-lhe também homogeneizar o seu desenvolvimento profundamente desigual da riqueza no seu vasto território. Mas já não pode o Brasil situar-se no rol dos países que ainda não realizaram as suas aspirações mínimas de independência política e até mesmo de simples integridade territorial e econômica. O Brasil é altidamente uma nação ocidental, com tudo o que isto significa. Parte da comunidade das nações formadas sob a inspiração de uma filosofia cristã de vida e de uma concepção democrática da sociedade, o Brasil participa da mesma concepção ética que, respeitadas as vicissitudes regionais e as peculiaridades históricas de cada qual, tem como traço distintivo o respeito à pessoa humana.

O seu atraso material em relação a algumas nações ocidentais não as deixa pelo ressentimento e sim pela emulação, através de uma política de cooperação e de afirmação de seus objetivos nacionais.

fundamentos inseparáveis da política exterior do Brasil são, portanto: afirmação de soberania, e cooperação internacional.

O Brasil não está, nos planos da U.D.N., nem mais nos Estados Unidos nem [illegible] em Roma. Será um aliado cordial e independente dos Estados Unidos, um colaborador frutuoso e constante de todos os países americanos, uma parte atuante da comunidade luso-brasileira e um membro ativo da civilização cristã da Cultura latina.

Estas as diretrizes da política exterior do Brasil, que tem na política interna um dos seus principais objetivos práticos. A U.D.N. considera essencial a participação do Parlamento na formulação da política exterior.

IX — REORGANIZAÇÃO JUDICIÁRIA

A U.D.N. realizará a reforma da justiça, pela descentralização, racionalização e dinamização dos serviços judiciários e conferirá à magistratura a autoridade e responsabilidade indispensáveis à retomada, pelo Juiz, de sua preeminente posição na sociedade. Não se satisfará com a boa organização judiciária federal em contraste com as deficiências das organizações judiciárias estaduais. Nem, se conformará com a atual disparidade entre o tratamento dos magistrados na União e nos Estados, estes últimos reduzidos à condição precárias em muitas das unidades federativas.

A justiça deve ser descentralizada, para atender aos imperativos da Federação, e especializada, para corresponder às crescentes exigências, de sua complexa missão. Mas, nem por isso, deixará de ser a justiça brasileira una e homogênea, merecedora, do mesmo tratamento adequado à sua dignidade e às suas responsabilidades em todos os recantos do país.

X — PREPARAÇÃO PARA A ERA ATÔMICA

O Brasil não está subdesenvolvido. Está atrasado. E o privilégio das nações atrasadas é poder abreviar, gradualmente, as etapas do desenvolvimento, porque podem usar, desembaraçadamente, os instrumentos mais atualizados, postos à sua disposição pelo progresso tecnológico universal. Numa palavra: a compensação das nações atrasadas na sua marcha é que elas, com mais facilidade dão saltos.

O desenvolvimento tão decantado do atual Govêrno consiste em percorrer, à custa de empréstimos e créditos inflacionários, o mesmo caminho de nações que, no tempo em que estavam atrasadas, usaram, pela imigração e pela técnica, os instrumentos e meios

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A U.D.N. incentivará a criação, em todo o país, de escolas de enfermagem do grau médio e do grau superior, bem como promoverá o incremento do Serviço Social, com base nos princípios cristãos, através de cursos e estabelecimentos de ensino destinados à formação de assistentes e auxiliares sociais.

Promoverá também um plano de saúde pública que coordene a União, o Estado, o Município e as entidades privadas, de tal modo que não haja dispersão de recursos na assistência ao homem brasileiro. Nesse planejamento estará sempre presente a importante contribuição das organizações religiosas, confrarias e Santa Casas, que atuam há tantos decênios em favor da saúde pública no Brasil.

A U.D.N. incentivará financiamento e prática da Eugenia, através de serviços que a tornem acessível a tôdas as classes sociais.

VI – REORGANIZAÇÃO ADMINISTRATIVA

A U.D.N. defende o sistema do mérito no serviço público. Combaterá, portanto, o empreguismo e o "pistolão".

A U.D.N. pretende restabelecer o contribuinte como centro de interesse e destinatário dos serviços públicos. Reprimirá, assim, a tendência à execução direta, que hipertrofia a máquina administrativa, dilata o campo do empreguismo e dificulta a administração do contribuinte.

A U.D.N. é pela descentralização executiva. Promoverá, por conseqüência, a criteriosa delegação das funções executivas e da autoridade necessária ao seu desempenho. Com isso as decisões administrativas poderão ser tomadas por quem esteja habilitado a formar juízo objetivo sôbre os fatos e assumir responsabilidade pelas decisões.

A U.D.N. é pela dignificação e profissionalização efetiva do servidor público. Sendo assim, combaterá a sinecura e o "bico". Assegurará ao funcionário público as condições indispensáveis à satisfação de suas legítimas aspirações, justa remuneração e progresso na carreira.

Para a execução dêsses pontos, a U.D.N. tomará, entre outras, as seguintes providências:

1 – Redução do mínimo dos cargos de livre confiança. Fixação de requisitos mínimos, objetivamente aferíveis, para o provimento de funções de chefia e assessoramento superior. Aumento progressivo da exigência de concurso público de provas.

2 – Independência e neutralidade política dos quadros permanentes da administração pública.

3 – Generalização progressiva do regime de tempo integral, ressalvadas as exceções de conveniência do próprio serviço público.

4 – Justiça salarial. Tratamento harmônico do problema de remuneração, condenada a adoção de medidas isoladas.

5 – Redução gradual da área de execução direta e, conseqüentemente, da máquina administrativa. Salvo nos casos de evidente contra-indicação, preferir-se-á o contrato ou outros meios de execução delegada, desde que viáveis e eficientes. Desonerando-se a administração da operação direta de muitas tarefas executivas, poderá ela melhor exercer os encargos de orientação e fiscalização e dedicar mais atenção aos interêsses do contribuinte.

6 – Reforma da estrutura administrativa federal, com vista à descentralização executiva e à especialização de funções.

7 – Máxima racionalização das posições que envolvam responsabilidade pela formação da política de govêrno a cargo do Poder Executivo.

8 – Supervisão e controle efetivo das autarquias, entidades paraestatais e sociedades de economia mista, mediante a definição, em cada caso, do Ministério responsável pela supervisão, pela medida em qualquer hipótese a descentralização executiva e a flexibilidade de organização.

9 – Estabelecimento de uma jurisdição contenciosa especial e autônoma para o julgamento dos dissídios entre o Estado e seus servidores. O interêsse público e o da própria função estarão melhor resguardados se confiados a julgadores, obrigatoriamente, familiarizados com as técnicas da administração pública e especializados em direito administrativo.

10 – Incorporação dos cartórios ao serviço regular do Estado. Revogação da faculdade de doar cartórios, ato agora utilizado na República.

11 – Ampla publicidade dos atos da administração, possibilitando-se aos interessados e ao público em geral, conhecê-los, fiscalizá-los e contra êles reclamar.

12 – Punição exemplar dos crimes contra a administração.

VII – DEFESA NACIONAL

A U.D.N. atualizará a organização das fôrças armadas, tendo em vista o progresso tecnológico, como vem fazendo as grandes potências.

As despesas militares devem cingir-se às adaptação das Fôrças Armadas às novas circunstâncias criadas pela introdução de armas que modifiem as condições da guerra moderna.

A tendência é pela manutenção de reduzido número de Unidades, altamente instruídas e aparelhadas, e de quadros de elevado nível

previdência exclusivamente das aplicações de caráter social;

b) a descentralização executiva dos serviços de benefícios e assistência médica, de modo a permitir, quando possível, para cada caso existente, a utilização dos serviços do médico de sua preferência mediante condições e tabelas previamente acordadas.

12 – Reforma dos métodos e processos de tratamento dos problemas de família, aparelhando-se a justiça e os órgãos policiais com setores de assistência médico-social, destinados a promover a prevenção e cuidar dos desajustes nas suas múltiplas modalidades.

IV – A REVOLUÇÃO PELA EDUCAÇÃO

A U.D.N. promoverá a revolução pela educação, preparando inteiramente duas ou três gerações para o advento da automatização industrial, da mecanização agrícola e de suas conseqüências culturais.

Para tanto deverão ser concentrados recursos na solução do problema mais urgente do Brasil: tornar suficiente e eficiente a Educação Primária.

A educação primária suficiente e eficiente libertará o Brasil, ao mesmo tempo, da miséria econômica e da tutela demagógica.

A educação primária sem qualidade realmente obrigatória e gratuita. Conseqüentemente, há de ser efetivamente assegurada a todos.

A eficiência será atingida pela adequação da educação primária ao meio em que é ministrada e aos fins a que se destina.

A alfabetização de adultos será igualmente adequada à formação profissional, tendo em vista a absorção do alfabetizado no mercado de trabalho. Atualmente é impressionante o número de alfabetizados que voltam ao analfabetismo e de "letrados" que se tornam desajustados.

Os alunos bem dotados intelectualmente devem ser apoiados pelo Estado.

O ensino secundário se caracterizará como ensino de formação, sendo o primário de informação. Sem prejuízo do aspecto vocacional, visando a melhor preparação do brasileiro para o surto de livre iniciativa e o progresso da técnica, não deve o ensino secundário perder o seu caráter humanístico, dado que o valor essencial da Educação é a formação do Homem.

O ensino superior deve libertar-se do sentido meramente decorativo ou estritamente profissional para acentuar a preparação de líderes da comunidade e de pesquisadores e verdadeiros especialistas.

A U.D.N. instituirá a descentralização e a flexibilidade do ensino, inclusive de programas, respeitada uma diretriz básica, estabelecida de órgão colegiado – o Conselho Nacional de Educação.

O Estado não deixará em nenhuma indiferente a formação moral dos cidadãos. Por isso, facultará o ensino religioso e entrosará a Escola com a Família.

Na aplicação de tais princípios, serão adotadas, entre outras, as seguintes medidas:

1 – Convocação anual para o ensino primário, de acordo com o ato de nascimento.

2 – Financiamento do programa de centralização da educação primária, mediante o lançamento de empréstimo público (Bonus de Educação).

3 – Envio de missões de professôres ao interior.

4 – Transformação da Escola no mais importante Centro da comunidade.

5 – Concessão de bôlsas de estudo de nível secundário para os que se demonstrarem capazes e não dispuserem de recursos.

6 – Utilização da orientação e seleção profissional.

7 – Intensificação dos cursos de aperfeiçoamento, no país e no exterior, para estudantes e professôres excepcionalmente capazes. Contrato de professôres estrangeiros, sempre que conveniente e necessário.

8 – Estímulo à criação de institutos de pesquisas científica e tecnológica, de cultura desinteressada.

9 – Formação de sedes de especialistas nos quadros das Universidades.

10 – Dilatação do campo de ação das Universidades, mediante a instalação de unidades de ensino e pesquisa fora das respectivas sedes.

11 – Disseminação de escolas domésticas e artesanais.

12 – Assistência, em bases educativas, à infância desajustada e ao menor delinqüente.

V – SAÚDE PÚBLICA

Conforme a doutrina política adotada pela U.D.N., fundamentada na dignidade da pessoa humana, os problemas concernentes à saúde do povo merecerão especial cuidado. Uma campanha de esclarecimento popular no que toca à alimentação será feita, aliada aos programas de redução do custo de vida. A gestante e a criança serão especialmente atendidas, mediante a instituição de serviços de higiene pré-natal, pós-natal, de maternidades, postos de puericultura e creches. Será intensificada a luta contra as grandes endemias e a campanha contra a tuberculose, a lepra e a doença de Chagas, etc.

III — ORGANIZAÇÃO SOCIAL

A U.D.N. nasceu e vive da concepção de "uma sociedade na qual os ricos sejam menos poderosos e os pobres menos sofredores".

A U.D.N. não é um partido de classe. Luta pelo bem estar de todo o povo e pelo direito dos fracos. Em defesa do povo como um todo, não é um partido "populista", e um partido *popular*.

A U.D.N. adota a concepção cristã do trabalho e defende o direito que tem os trabalhadores de progredir socialmente e ter efetiva participação na liderança da comunidade.

A U.D.N. sustenta a necessidade de preservar as classes médias, cuja insubstituível função estabilizadora é tanto mais importante hoje no país quanto menor o nível de proprietários donos de sua terra e de seus meios de produção, de um patrimônio para a família. Qualquer política que, em proveito de certa coletividade, atente contra a propriedade pequena, especialmente a pequena propriedade, é política anti-humana e, portanto, anti-social.

Na aplicação desses princípios a U.D.N. adotará, entre outras, as seguintes medidas:

1 — Luta contra o parasitismo em todas as classes: o especulador, o sinecurista, "o pelego".

2 — Reajustamento periódico dos salários, em razão do custo de vida (escala móvel de salário). Com isso, se assegura a capacidade aquisitiva necessária à consolidação do mercado interno, capaz de absorver e fomentar o progresso agrícola e industrial.

3 — Fortalecimento dos grupos intermediários entre o indivíduo e o Estado, nomeadamente:

a) a família, cuja estabilidade moral, jurídica e econômica deve ser defendida;

b) as igrejas e comunidades religiosas, cuja liberdade será assegurada;

c) os sindicatos, mantidos autônomos e livres, isentos do poder público, o intervencionismo paternal, direto ou indireto, e a ingerência político-partidária;

d) as cooperativas, cuja propaganda e difusão deverão estender-se às zonas rurais;

e) toda a sorte de associações de fins lícitos, sobretudo as que visem à educação, à defesa dos interêsses coletivos e ascenção do homem à plenitude de seus direitos e responsabilidades.

4 — Integração do trabalhador do campo na política social, para garantir mão-de-obra na lavoura, desafogar as cidades, evitar o êxodo rural e incorporar as classes agrícolas ao mercado consumidor. Humanizar as condições de vida e de trabalho na roça, como recurso eficaz para evitar-se o agravamento do problema das favelas.

5 — Participação dos trabalhadores nos lucros das emprêsas (preceito incluído por proposta da U.D.N. na Constituição de 1946).

6 — Atuação do Ministério do Trabalho para a superação da luta de classe por meio de uma política de associação de interêsses do capital e do trabalho, em vez do nutrimento de ressentimentos e atritos. Criação de órgãos da Justiça do Trabalho nos grandes centros operários.

7 — Instituição do Crédito Profissional para compra de instrumentos essenciais ao trabalho pelos profissionais autônomos e aquisição de casa própria.

8 — Desproletarização do trabalhador pelo seu aprimoramento profissional e intelectual.

9 — Medidas tendentes ao aumento de produtividade e aproveitamento dos lucros. Emprêgo da melhoria dos índices de produção, na indústria e na agricultura, a fim de elevar a produtividade, permitindo a majoração de salários, sem acréscimo de preços e até com a sua redução.

10 — Criação do Ministério da Previdência Social.

11 — Reforma do atual sistema de previdência social, visando:

a) a sua desvinculação de interêsses políticos;

b) um plano de benefícios que cubra os riscos de vida, enfermidade, velhice, desemprêgo, maternidade e reclusão;

c) a participação dos contribuintes, empregadores e empregados, na gestão das instituições em condições que permitam efetiva administração de seus bens e serviços;

d) a incorporação à previdência social das classes ainda não atendidas, principalmente trabalhadores rurais, domésticos e profissões liberais;

e) a inclusão, no Orçamento Federal, do plano de custeio anual da Previdência Social, em condições que garantam a necessária flexibilidade de movimentação, mas assegurada a fiscalização constitucional pelo Congresso;

f) a reforma total dos serviços de assistência médica, articulando-os, inclusive com os demais serviços públicos, das esferas federais, estaduais, municipais e entidades privadas, com o objetivo de impedir o paralelismo de ação e a dispersão de recursos;

g) a organização de planos de aplicação de reservas, em moldes bancários, incumbindo-se as instituições de

A U.D.N. não se deixará iludir pelo dilema "estatismo – iniciativa privada". Ante a evidente transformação por que passam presentemente tais conceitos, a U.D.N. adota uma posição programática, que consiste em escalonar objetivamente, em face de cada situação de fato, a solução que melhor atenda às exigências do bem comum.

A U.D.N. estabelece prioridade aos planos de desenvolvimento econômico. Mas considera a moralidade pública condição inseparável de qualquer programa de governo.

O desenvolvimento econômico, no exercício sadio e progressista de mobilização dos recursos necessários e mais rápida exploração e democratização da riqueza. Não pode, assim, servir de pretexto para o enriquecimento ilícito de alguns à custa do esforço de todos.

Em consonância com esses princípios, a U.D.N. promoverá, entre outras, as seguintes medidas:

1 – Utilização produtiva e racional dos recursos humanos e materiais do Estado, a fim de assegurar o *pleno emprego*, favorecer o *desenvolvimento econômico* e aumentar a *renda nacional*.

2 – Planejamento, da economia de base, ao qual se define a área de atuação direta do Estado e aquela em que este funciona como estimulador e articulador da atividade privada.

3 – Adoção de providências que possam contribuir, por meio de uma redistribuição social e econômicamente justa da renda nacional, para a elevação do nível de vida e, ao mesmo tempo, para maior produtividade da economia do país.

4 – Manutenção da Petrobrás, que deve ser preservada das interferências políticas e governamentais. (O monopólio estatal do petróleo é obra da U.D.N., que o introduziu no projeto da Petrobrás).

5 – Legislação complementar do artigo 148 da Constituição (abuso do poder econômico).

6 – Preservação da propriedade nacional dos materiais radioativos e minerais atômicos.

7 – Promoção de uma política de energia nuclear mais adequada ao interêsse à segurança nacionais.

8 – Estímulo ao capital estrangeiro, condicionado a um plano de prioridade ditado pela conveniência do desenvolvimento econômico nacional.

9 – Alívio gradativo dos sistemas de controle estatal que impeçam o desenvolvimento harmônico das fôrças de produção.

10 – Política alfandegária e cambial que promova:

a) facilite o desenvolvimento econômico nacional;

b) seja compatível com o balanço de pagamentos;

c) tenha em vista o alto nível de consumo interno;

d) não locuplete imerecidamente grupos de produtores beneficiados pela tarifa.

11 – Criação do Banco de Emissão e Redesconto e autonomia do Banco do Brasil em relação ao Estado.

12 – Criação do Banco Rural.

13 – Controle das emissões através de órgão tecnicamente orientado (Banco Central de Emissão e Redesconto), a fim de contê-las nos limites das conveniências da produção nacional, impedindo-as, através da legislação vedem a ser instrumento para cobertura de despesas governamentais.

14 – Disciplinação do orçamento como plano de governo, pela articulação de alvos do Congresso e do Executivo. As propostas orçamentárias deverão ser racionalizadas por fôrça estranha aos interesses da repartições, órgão que tenha a seu cargo avaliar as necessidades reais de todos os departamentos governamentais, a fim de restringir as despesas supérfluas e liberar verbas para empreendimentos que visem ao progresso econômico e ao bem-estar da população. Restrição dos créditos extraorçamentários e eliminação dos saques de verbas e despesas sem autorização ou acima do limite desta.

15 – Nenhuma impopularia cobrada pelo Estado ao particular poderá deixar de constar do orçamento.

16 – Contabilidade nacional, como base do orçamento econômico, da política de equilíbrio conjuntural e dos programas de planificação e desenvolvimento.

17 – Preferência pelos impostos diretos de incidência progressiva.

18 – Revisão automática do limite de isenção do imposto de renda, de tal maneira que a resguarde da taxação o salário real, necessàriamente ajustado aos aumentos no padrão de vida.

19 – Exame dos sinais exteriores de riqueza, como critério válido para incidência do impôsto de renda.

20 – Tratamento fiscal benigno para as pequenas indústrias e a pequena propriedade rural, em especial a pequena lavoura.

21 – Coordenação dos serviços de arrecadação, no interior, de tributos da União e dos Estados e Municípios.

22 – Reconhecimento da propaganda e do seguro como instrumentos do progresso econômico; nacionalização do seguro, na medida do possível, para poupar divisas ao país.

23 – Coordenação dos serviços de fomento agrícola atualmente prestados pela União e pelos Estados. Preenchimento do Ministério da Agricultura no Município, mediante convênios, assistidos com associações rurais locais, organizadas com inteira independência do Ministério.

UNIÃO DEMOCRÁTICA NACIONAL

O PREÇO DA LIBERDADE É A ETERNA VIGILÂNCIA

PREÂMBULO

O principal dever do partido na oposição é o de evidenciar perante o povo, permanentemente, o contraste entre o que faz o govêrno e o que fará o partido quando fôr Govêrno.

O programa da U.D.N. é, portanto, essencialmente, a formulação de seu plano de govêrno.

Um programa partidário não deve restringir-se à reafirmação de teses incontroversas, nem pode alongar-se na enumeração de providências de aplicação imediata e circunstancial. Há de consistir numa lista de opções fundamentais, decorrentes de posições doutrinárias claramente enunciadas.

Cada capítulo dêste programa apresenta-se assim, sob a forma de uma tomada de posição doutrinária, que serve de fundamento à indicação de determinadas medidas de caráter primordial e permanente.

I — ORGANIZAÇÃO POLÍTICA

A estruturação política não se substitui nem se sobrepõe à *pessoa humana*, objetivo e fator supremo da vida social. A base da organização política nacional é o *município*, e sua expressão regional é o *Estado*. A U.D.N. vai assegurar o funcionamento do *sistema federativo*, gravemente debilitado pelos erros e contradições do centralismo ditatorial. O Poder Central é órgão de coordenação e não de dominação. Na diferenciação federativa está a garantia da unidade na diversidade — princípio histórico e dinâmico da coesão nacional. A U.D.N. descentralizará as tarefas executivas do Govêrno e conferirá o mínimo de iniciativa às unidades da Federação, com a dotação dos respectivos recursos.

Os três podêres do Estado, conquanto independentes, integram-se na responsabilidade indivisível pela promoção do bem comum. A especialização de funções não autoriza a ruptura de harmonia entre a atuação dêles e demais podêres.

Em harmonia com êsse princípio, a U.D.N. promoverá, entre outras, as seguintes medidas:

1 — Instituição do govêrno de gabinete (parlamentarismo), nos têrmos da moção aprovada pela Convenção.

2 — Lei Orgânica dos Partidos Políticos, visando à fusão e confluência da opinião pública em grandes partidos, garantida em cada qual a representação das respectivas minorias.

3 — Adoção da cédula oficial para todas as eleições, processadas sempre de forma que assegure a representação proporcional.

4 — Combate à fraude, à corrupção e à influência do poder econômico na política.

5 — Livre acesso da Oposição a todos os instrumentos e recursos de informação e propaganda.

6 — Fortalecimento dos municípios em todas as esferas, notadamente na competência tributária e na ação administrativa.

7 — Desenvolvimento dos Territórios, introduzindo-se neles, progressivamente, a autonomia local, a par do mais severo contrôle da aplicação dos fundos.

8 — Emprêgo crescente das Comissões Parlamentares, cujas atribuições devem ser reforçadas, para aliviar a atividade dos trabalhos do plenário.

II — ORGANIZAÇÃO ECONÔMICA E FINANCEIRA

A U.D.N. sustenta que há uma revolução democrática em andamento no mundo, com a superação do capitalismo liberal, do comunismo marxista e do socialismo reformista.

UNIÃO DEMOCRÁTICA NACIONAL

O PREÇO DA LIBERDADE É A ETERNA VIGILÂNCIA



PROGRAMA

APROVADO PELA VI CONVENÇÃO NACIONAL EXTRAORDINÁRIA REUNIDA EM 24 DE NOVEMBRO DE 1957

1958

UNIÃO DEMOCRÁTICA NACIONAL

O CAMINHO DA LIBERDADE E À SEGURA INDEPENDÊNCIA

A. U. D. N.,

consciente da realidade nacional,
vem oferecer ao povo brasileiro
a perspectiva de dias mais felizes
em futuro próximo.

PROGRAMA

APROVADO PELA [illegible]

1958

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UNCLASSIFIED

Enclosure 2
Despatch 741
Rio de Janeiro

Enclosure 2
Despatch 741
Rio de Janeiro

UNIÃO DEMOCRÁTICA NACIONAL

O PREÇO DA LIBERDADE É A ETERNA VIGILÂNCIA

PROGRAMA

APROVADO PELA VI CONVENÇÃO NACIONAL, EXTRAORDINÁRIA REUNIDA EM 24 DE NOVEMBRO DE 1957

"A U.D.N., consciente da realidade nacional, vem oferecer ao povo brasileiro a perspetiva de dias mais felizes em futuro próximo".

1958

UNCLASSIFIED

"p) support for Eletrobras; alteration of the legislation of taxes on electricity so that the state investment plays a greater role; intensive exploration of atomic energy for peaceful ends;

"q) stimulation of scientific research;

"r) support for culture; free interchange of publications; combat against illiteracy; democratization of education;

"s) simplification of budgetary procedures; obligatory establishment of periodic plans of application."

—— Diario Carioca
October 27, 1960

Translated by:

Thomas M. Tonkin

0707

"f) establishment of basic industries, as soon as possible in diverse geo-economic regions of the country, having in view not only the present demand but also the hidden demand resulting from under-consumption; stimulating legislation for underdeveloped regions, including financing of industries in the public interest or of special significance in those regions, stimulus to national industry, not subsidy to foreign industry;

"g) disciplinary patent and 'royalty' laws, so that they depend ultimately on the permission of the public power in each case;

"h) regulation of foreign capital; control of the remission of profits; obligatory nationalization of investments, independent of expropriation and after a period of reasonable duration; special legislation concerning Brazilian juridical entities; priority of national capital for the financing of state banks; nationalization of deposits;

"i) new labor statutes; labor union independence; prohibition of state intervention; review of labor elections by the labor courts;

"j) a new discipline in the relations of employment; institution of compulsory and nominative social reserves as a substitution for the principal of stability; application of the funds for the Institute of Popular Habitation; attention to all the inscribed and contributing workers in chronological order; amplification of the institute for family welfare and generalization of the inability of the house itself to be mortgaged, except to the financial backer;

"l) reform of electoral legislation, with the extension of single ballot to all types of elections; compulsory registration of party acts as a condition of their validity; combat to fraud; reduction of the time gap between the election and the assumption of office;

"m) simplification of the Administration of Justice; suppression of costs; rapid justice for the poor and judgment through popular tribunals of parity composition and with completely oral instruction; effective criminal and civil responsibility of the judge convinced of bad faith, who acts fraudulently or commits a gross error;

"n) protection of Brazil's mineral riches; combat against the formation of trusts and effective government stimulation of mineral production; decentralization of the organs of control;

"o) simplification of export legislation; liberation of exports;

0706

"BOSSA NOVA" IDEOLOGY
(as given to the press by Federal Deputy Ferro Costa)

". . .

"a) a definite position in favor of diplomatic and commercial relations with the entire world; political support to the new African and Asian nations; an effective policy of conquest of the Latin American market and of the new African and Asian markets;

"b) agrarian reform which realizes: limitation of maximum area; prohibition of the acquisition of rural areas by non-resident foreigners; reduction of the term of 'squatting' in rural areas to five years; judicial protection of rural leasing, with the restriction of the system of 'halves' and 'thirds,' assurances to the homesteaders of good faith, right to compulsory renovation of leasing, safety from direct exploitation by the owner; control over the utilization of vacant land; right to credit, not as a personal favor but on a basis of effective production; technical assistance and furnishing of implements and fertilizer;

"c) strengthening of the state monopoly of petroleum, with the monopoly of the importation of petroleum and derivatives specifically by Petrobras; integration of the private refineries into the national net of refineries /by way of/ intervention and by expropriation and consequent elevation of the capital of Petrobras; decisive support to the expansion of national petro-chemical /industry/; granting of /petroleum/ distribution to Petrobras, enabling it to grant concessions to private companies in special cases and until a national net of distribution can be formed;

"d) systematic combat against parallel institutions and those that import to the detriment of the public resources; integral reform of the legislation of SESC, SENAC, SESI, SENAI and the channeling of /their/ present resources exclusively into primary and secondary professional instruction with a view to the formation of skilled labor; establishment of technical universities in the principal centers of the country;

"e) a basic law of public service concessions so as to assure active intervention of the state; permanent attention to national necessities, including the growth of demand; obligatory reversion of concessions /to the state/; and supervision of their accounts by delegates of the public power;

0705

Enclosures:

1: Bossa Nova's "ideology"
2. UDN Program

DISTRIBUTION: All Consulates in Brazil, Service Attachés, USIS, Econ (2), Pol II, Brasilia, CF (3), Pol (5).

0704

the President in solving its problems. Indeed, the exact opposite is more likely to be the case, since Quadros has always tried to sell himself to the people as a populist and as constitutionally opposed to the "reactionary" UDN.

V. Prognosis for the Future

The above analysis of the history, problems and weaknesses of the UDN, though in some instances contradictory, would seem to furnish a basis for several conclusions as to the party's future. (1) The UDN will provide, for the time being at least, the government leadership in the Federal Chamber of Deputies (though probably not in the Senate). It will not, however, command a majority. (Indeed, it will be lucky at first to muster one-third of the membership in either house.) Quadros has, in fact, deliberately maneuvered to prevent the formation of such a UDN-led majority bloc, which might in the end be used against him. (As an alternative, Quadros appears to be working for the formation of an occasional de facto majority via agreements arranged by his Minister of Justice, Pedroso Horta). (2) On a purely party level, Magalhães Pinto, Cid Sampaio and Juracy Magalhães will probably remain the three strongest figures in the party for the immediate future. Pinto, as the most prestigious "Udenista" may be successful in arranging a "compromise" solution of the party president fight (though his chances are not too good). (3) There will be no shift in the UDN platform in the foreseeable future: no faction is strong enough to impose one. This being the case, the UDN will continue to exist as before--a congeries of competing groups and personalities who battle internally for dominance but always manage to compose beautiful compromises of their differences in public. The UDN will continue to offer little that is meaningful to the average voter. (4) In these circumstances, any increase in party growth must perforce rely upon the organizational efforts of its newly-elected governors. That these can--if willing--organize for effective action has been amply proven by the political reformation of Pernambuco accomplished at the hands of Cid Sampaio in the last two years. This type of organization, however, requires ruthless determination, of which few UDN leaders are capable. Whether they will follow his example remains to be seen.

For the Ambassador:

Harry A. Quinn
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

CONFIDENTIAL

0703

his preference for Pedro Aleixo (UDN Minas Gerais) to replace Agripino as Government Leader in the Chamber of Deputies. Since Aleixo was reportedly a prime mover, during the early, confused days of the 1960 campaign in Minas Gerais, of the "dump Magalhães Pinto" movement[27] (and, at one time, did force Pinto to resign from the race--albeit temporarily), his indication to this post (which is not yet confirmed) would be even more galling than the Arinos appointment. Reportedly Pinto is quietly fuming.

As party president (and currently the UDN's most prestigious figure), Magalhães Pinto has obviously been singled out for special attention. Others in the front ranks have not been forgotten, however. Pernambuco governor Cid Sampaio was not permitted to name his brother to a cabinet post (though the new minister of Agriculture is reportedly a close friend).[28] Paradoxically, Juracy Magalhães (or, at least, the state of Bahia) has fared much better. The Finance Ministry, the Presidency of Petrobras and the Presidency of the National Petroleum Council have all gone to Bahians. All these appointments have apparently met with the approval of Juracy--who has come out publicly to state his approval of them.

And what of São Paulo, where, presumably, the sounds of satisfaction should be louder than anywhere else. Instead, the UDN is caught squarely in the middle of the controversy (which, again, is largely of Quadros' making) over the São Paulo municipal succession. As the Embassy has already reported (Embassy Despatch 713 of Feb. 15, 1961, Weeka 7), the UDN has just voted to defy Quadros (whose candidate is PTN national president Emilio Carlos) and back Prestes Maia. Thus, this controversy (which is reliably reported to have been generated by Quadros with an eye to cutting down Governor Carvalho Pinto's prestige) has split the São Paulo UDN down the middle.

These few instances, it can be fairly confidently predicted, are only the beginning. In short, the UDN can expect little help from

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27 Aleixo is also a die-hard member of the UDN's intransigent wing; he can obviously be counted on not to negotiate deals with the PSD (unless, of course, forced at some later date to do so by Quadros himself).

28 It should be noted in this regard, however, that the other "Nordistino," João Agripino, is anything but a Sampaio man. Indeed, it is reportedly at Sampaio's insistance that he (Agripino) was not given the UDN vice-presidential nomination in 1959.

0702

(and perennial UDN enfant terrible) Carlos Lacerda; the attitude of Bahia governor Juracy Magalhães; the attitude of President Quadros. Thus, an open clash at the forthcoming convention--with resultant intra-party dissension and bitterness--is not unlikely.

IV. The UDN and the Quadros Administration

The above, then, are the more important divisions and resultant problems facing the UDN in this post-electoral period. Related to--and probably more important than--all of them is the question of the UDN's relations with the new Quadros administration. For it is obvious that, given the basic difficulties the UDN faces, the president can do much to either help or hinder its finding a solution to these dilemmas. And, though Quadros has been in office only a few weeks, his first actions give at least an indication of what his attitudes are in this regard.

The most important indication of Quadros' intentions is, of course, his cabinet. Though a few rash commentators rushed into print with claims that the cabinet was either "strongly UDN" or one upon which the UDN would look with particular favor, this is not, in fact, the case. Only two of the new ministers are members of the UDN and neither one of these is a front-rank leader of the party or an individual strongly tied to any such UDN leader. The selection of Senator Afonso Arinos de Melo Franco as Foreign Minister (and, from a regional standpoint, the "Minas Gerais" representative--in fact Arinos has long tied his political and personal fortunes to the city of Rio de Janeiro) is being widely (and apparently correctly) interpreted as a direct slap at Minas Gerais governor and UDN party president Magalhães Pinto, inasmuch as Arinos reportedly went out of his way in order not to help Pinto in his gubernatorial effort. The other UDN cabinet appointment--that of Minister of Mines and Energy João Agripino--also involves Magalhães Pinto, albeit indirectly. Agripino, it will be recalled, was the principle UDN figure involved in the negotiations with the PSD for a new party of the center. Furthermore, he was generally believed to be personally an advocate of such a move. Inasmuch as under certain conditions such a powerful centrist grouping might well be used to thwart Quadros' will (particularly in Congress, where a UDN-PSD combination would command almost two thirds of the vote), Quadros obviously kicked Agripino upstairs into the cabinet in order to prevent his negotiating some sort of deal with the PSD at some future date.[26] At the same time, however, Quadros has indicated

26 He also thereby kept his election promise to name two "Nordestinos" to his cabinet, the other being Minister of Agriculture Romero Cabral de Costa.

0701

from the UDN's improved position at the state level) would bring more adherents of this point of view into the UDN's congressional ranks. Indeed, this hypothesis is reinforced by recurrent stories in recent months of Bossa Nova gains in various state UDN organizations. Furthermore, the Bossa Nova has to date received support and encouragement from Pernambuco governor Cid Sampaio, whose importance in party affairs has increased considerably since the 1960 elections. And, last but not least, it has from time to time received the blessings of President Quadros. Thus, though hardly in a position to dictate UDN policy, the Bossa Nova is young, vigorous, vocal, and growing.

3. The Regional Schisms

Like Brazil, the UDN has for some time been in the throes of a "Northeast" crisis--or, to put it in blunt political terms, the impasse created by the clashing demands of its "Northeast" wing (led, in the case of the UDN, by Pernambuco governor Cid Sampaio) and its Southern wing (whose spokesmen are the several articulate leaders of the São Paulo UDN). Its position considerably strengthened by the 1960 elections (see Embassy Despatch 561 of January 4, 1961), the Northeast Bloc obviously hopes to place one of its own in the UDN party presidency when this position falls vacant in April.[25] Indeed, there are not a few indications that Sampaio wants this job for himself, as a stepping stone to a larger rôle in national affairs and, possibly, the presidency of the Republic. The post, however, is just as ardently desired by the "Paulista" wing of the party--which has advanced as its two principal candidates State Deputy Abreu Sodré and Federal Deputy Herbert Levy. So far, an open clash has been avoided only at the urgent behest of current party president, and Minas Gerais governor, Magalhães Pinto, who pleaded that any speculation prior to the naming of Quadros' cabinet would be "premature." With this event now past, however, the struggle is certain to come into the open. Past party history, of course, would suggest an ultimate behind-the-scenes compromise of the party presidency question (with a Mineiro or Carioca getting the job) followed by a firm, though transitory, display of public unity. Indeed, Magalhães Pinto, whose personal prestige in the UDN is at an all-time high following his own and the party's successes in 1960, is reportedly attempting to find just such a formula. The stakes, however, are higher than in past years, what with the UDN's increased prestige and prospects. Too, the situation is complicated by the presence of several as yet unknown factors: the attitude of Guanabara governor

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25 By party statute the president serves for a two-year term. That of the current president, Magalhães Pinto, comes to an end this year.

0700

program to the Brazilian public, the Bossa Nova at first got bogged down in a secondary controversy as to the worth of Kubitschek's development philosophy (and, as a consequence, temporarily submerged in the conflicting currents of the campaign). Since the elections, however, the leaders of this group have several times rather clearly defined its tenets. In brief, they are as follows: (1) the traditional liberal, anti-Vargas appeals are dead letters: (2) to continue as a viable political entity, the UDN must adopt a leftist, populist program; (3) principal points in such a program should be (a) call for diplomatic and commercial relations with all countries, (b) agrarian reform (c) expansion and strengthening of Petrobras by turning over to it all refining and distribution activity, plus the petro-chemical industry (d) strengthening of state control of private concessionaires in the public utility field (e) creation (presumably by the state) of more basic industries (f) "discipling" of foreign capital (g) a new labor law (h) strengthening and expansion of social welfare activities (i) judicial reform, with a view to giving free and effective legal aid to the poor. Obviously, this program is considerably more radical than anything the UDN has essayed to date--despite the claims of UDN party leaders that all the Bossa Nova proposals are already contained in the UDN program.[22] Just as obviously, the Bossa Nova still constitutes a distinct minority of UDN opinion. Noisily (and sometimes ably) led by Federal Deputies Ferro Costa (Pará), José Sarney (Maranhão) and Edilson Tavora (Ceará), the Bossa Nova claims a following of 20 UDN federal deputies--which, if true, would imply the support of over one-fourth of the party's parliamentary representation. The Embassy, however, has been able to discover no more than seven fairly consistent followers of the tenets of Messrs. Costa, Sarney and Tavora in the Federal Chamber,[23] a figure which reduces their presumed strength to approximately 14 percent of the party's representation. This is not to say that the group can be dismissed as either insonsequential or transitory. Inasmuch as its leadership is drawn from (and presumably representative of) the new federal deputies in the UDN (e.g. those elected for the first time in 1958), it would seem logical to assume that any future increase in the party's congressional representation (such as might well result

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22 For comparative purposes, a translation of the Bossa Nova's "ideology", as expounded by Federal Deputy Ferro Costa, is enclosed with this despatch as is a Portuguese-language copy of the UDN's program (Enclosures 1 and 2 respectively).

23 Gabriel Passos (Minas Gerais); Seixas Doria (Sergipe); Aluisio Alves (now governor of Rio Grande do Norte); Emival Caiado (Goias); Adail Meneses; Alves Macedo (Bahia) and Aroldo Carvalho (Santa Catarina).

0699

Obviously, too, there are those within the UDN who support this thesis. Principal proponent of this viewpoint has been Bahia Governor Juracy Magalhães (who was quick to rush into print with an endorsement of the Kubitschek senatorial candidacy). Others, though less vocal, were just as enthusiastic. Prominent among them were Chamber Opposition leader Agripino and--most importantly from the tactical point of view--the entire Goias UDN leadership, headed by Senator Geronimo Coimbra Bueno. As explained above, however, the "intransigents"--headed in this instance by Federal Deputy Adauto Lucio Cardoso[21]--were quick to create a "crisis" at the national party level by denouncing state UDN support of Kubitschek as part of an unsavory deal. In the end, of course, the whole thing was typically smoothed over with a declaration to the effect that the Goias UDN had not "officially" declared its support for Kubitschek and that therefore there was no basis for national party action. Such sophistry, of course, does nothing to change the de facto situation of UDN support for Kubitschek (who, most observers believe, will be thunderously victorious in his forthcoming senatorial bid). It does, however, serve once more to underline the UDN position vis à vis one of the more important long-range trends in Brazilian politics, which may be summarized as follows: (1) the UDN is, and will continue for the foreseeable future, to be divided as to the advisability of adopting a centrist, basically conservative platform and policy, with a view, possibly, to forming a new party and/or coalition of the center; (2) as long as such a policy is represented principally by ex-president Kubitschek, UDN lines of battle will continue to be drawn on the lines of the classical anti-Vargas/collaborationist struggle with neither side likely to seize the upper hand for long enough to force a decision (and the result therefore likely to be continued, and meaningless, compromise). Thus, though the "center-party" solution continues to command the attention and respect of some of the UDN's leading figures (and, concomitantly, a goodly section of the rank and file) it is unlikely to be adopted as party policy in the near future. Therefore, a firming up of the party's program along clearly-drawn conservative lines is unlikely to occur in the near future.

On the other hand, there are those who feel that the UDN should opt for the other--or leftist/nationalist--side of the ideological coin in searching for a new platform. Styling themselves the "Bossa Nova" (or "New Look") this group also formed during the 1960 electoral campaign. Coming into being as it did at the height of President Kubitschek's drive to "sell" the achievements of his development

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21 Lacerda, himself, as governor of Guanabara, could not afford to become publicly envolved in this factional brawl--though he nonetheless managed to publicize his anti-Kubitschek position.

0698

have hoped to gain from this legislative battle was a propaganda victory (inasmuch as Kubitschek was reportedly quite anxious to secure congressional approval). Nonetheless, the UDN deputies entered the fray with all their energies--instead (as one might logically assume) of devoting their efforts to maneuvering for the formation of a UDN-led parliamentary majority for the Quadros administration.

Much more significant, however, has been the "crisis" which recently developed as a result of the Kubitschek candidacy for a senate seat from the state of Goias--inasmuch as it not only illustrates the continuing vitality of the intransigent--collaborationist dispute but also bears directly on the question of the party's future program and policies. It has been evident since the early stages of the 1960 campaign that Kubitschek was interested in creating a coalition of the center which would be largely (though not entirely) based on an alliance between the moderate elements of PSD and UDN. This desire first found expression in the moves to promote Juracy Magalhães as a "unity" candidate for the presidency of the republic and, later, in the Kubitschek-inspired negotiations (conducted by Armando Falcão with Opposition leader João Agripino) for the creation of a new center party. Though neither of these maneuvers bore any immediate fruit, Kubitschek has obviously not abandoned this scheme, as his senatorial candidacy clearly demonstrates. For one of his "conditions" for acceptance of the nomination was that he be the only candidate (i.e. that he have the support of all parties). He thus appears to be using his Goias candidacy as a testing ground for his ability to lead a center coalition of the type he has concluded is necessary to his future political plans (an hypothesis which is reinforced by the fact that he insisted upon UDN support as a sine qua non of his candidacy.) Kubitschek, of course, is primarily interested in promoting his ambitions to return to the presidency in 1965. And, like many another observer, he has concluded that the basis for such a conquest of power should be a centrist coalition--whether that coalition be cast in terms of a new party or merely in terms of a party alliance between the two basically centrist political forces in Brazil, the UDN and the PSD.[20]

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20 Kubitschek, though a PSD politico since his entry into politics, has not been solely a "PSD president", as both his friends and his PSD critics are quick to point out. Instead, he attempted (particularly in the later years of his presidency) to play a rôle "above party politics" to the extent that such was possible. A shrewd political observer, he was apparently one of the first to note the continual downtrend of his party's electoral fortunes (in the face of the urbanization of the Brazilian electorate) and to attempt (with considerable success) to divorce himself therefrom, with a view to achieving greater future tactical flexibility.

0697

electoral corruption, of which the UDN traditionally made so much, has been largely, if not entirely, eliminated--due both to remedial legislation passed in recent years and (in flagrant contradition of UDN doctrine) the actions of Kubitschek himself during the 1958 and 1960 campaigns.

Of course, it may be argued (as many within the party doubtless will) that the present doctrine is good enough--that, indeed, it is on the basis of these appeals that the UDN reached its present position of relative eminence in the national scheme of things.[19] Why not, then, merely chop the more obvious absurdities and carry on much as before. In fact, this current of opinion--given the party's proven genius for compromise--may even prove to be victorious (particularly in the short run). The forces advocating change, however, are growing.

2. The Doctrinaire Schisms

There presently exist several divisions of opinion within the UDN as to the party's future program. Most obvious of these is the long-standing split between the intransigent oppositionists and the advocates of a more flexible position which was discussed at length in previous sections. Though the reasons for this polemic would seem at first glance to have passed into history with the victory of Janio Quadros, it continues to divide the party--both because many of its members are finding it difficult (if not impossible) to adapt themselves to the responsibilities of power and because the attempt of President Kubitschek to build a coalition of the political center in support of his ambitions for re-election in 1965 provides a continuing focus for dispute. The inadaptability of a large part of the UDN is illustrated by the campaign of the party's membership in the Chamber of Deputies to prevent the congressional approval (during the recently-concluded extraordinary session) of expenditures made by President Kubitschek. Inasmuch as these expenditures were legally made, the most the UDN could

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19 Such a hypothesis is correct only in that the UDN, as the party out of power, benefited (both in 1958 and 1960) from a strong desire for change on the part of the Brazilian electorate--to say nothing of the fact that, in some areas at least, it was helped to power by Quadros' coattails. That these regional triumphs had nothing to do with party doctrine is illustrated both by the generally downward trend in party fortunes over the years and by the fact that, where the UDN was in power, it too received the back of the voter's hand in 1960.

0696

divisive pressures that are all too likely to be brought to bear on it by the President. To reach these objectives, however, the UDN must overcome formidable obstacles in the form of its own constitutional resistance to change, potential or existing schisms of both ideological and regional natures, and, finally, the probable hostility of President Quadros toward any attempt to build the UDN into a more powerful organization.

1. A Party in Search of a Program

The UDN does, of course, have a program or platform--most recently revised in 1957. Like most everything else about the party, it is essentially middle-class, but, at the same time, is full of the contradictions necessitated by the desire to reconcile conflicting points of view. Thus, it (1) calls economically for a measure of planned development, but places the emphasis on incentive to private enterprise; (2) proposes stimulation of foreign private investment, but under a plan of government priorities; (3) proposes a tariff policy which "facilitates national economic development" without spelling out what is thus meant; (4) supports Petrobras and the state monopoly of atomic minerals; (5) calls for "benign fiscal treatment" to small industry and the small farmer; (6) asserts that the UDN is a "popular" but not a "populist" party; (7) supports an autonomous labor movement, salary increases tied to the cost of living and profit sharing; (8) calls for integration of the rural worker into the "social policy" of the nation but says nothing of the steps necessary to carry out such a program; (9) proposes free and compulsory primary education but advocates that this be carried out not by public schools but effected via government support of private schools; (10) asserts that Brazil's foreign policy must be neither that of a "yes man" to the United States or a "satellite" of the USSR, but at the same time insists Brazil be a "cordial ally" of the United States; and (11) finally and most naturally takes a variety of verbal swings at the excesses of the development policy of the Kubitschek administration, electoral and political fraud, and the (then) lack of opposition access to radio and TV. Such a program is, of course, out of date. In the past it has served merely to indicate the party's essentially middle-of-the-road philosophy and thereby limit its appeal. The UDN's rather half-hearted attempt to court labor support (as reflected in the pro-labor measures cited above) has never had any measure of success. Henceforth, of course, its attacks on the alleged errors of the Kubitschek administration will be electorally useless.[18] Too, the

18 Indeed, as the largest party supporting the Quadros Administration the UDN may soon find itself in the uncomfortable position of defending some of these same policies.

0695

Campos, contrary to earlier reports (which were based on incomplete returns), actually lost ground this year--though the same was true of his victorious rival, Goulart.[16]

These factors noted, the trends are clear. The UDN gained ground this year only in the gubernatorial races where, having reversed a downward trend in 1958, it now occupies a potentially dominant position. The trend in Senate strength is an interesting one, since it runs consistently upward--contrary to all other indexes of UDN strength since the party's founding. The trend in the Chamber Deputies, however, is exactly the opposite--and the Chamber is by far the more important of the two national legislative bodies. The presidential results for 1960 must be largely discounted both because (as outlined in the section above) Quadros comes into office owing but few of the spoils to the UDN, and because the size of Quadros' popular victory is so large (and, conversely, the percentage of Campos' share of the vice-presidential vote sufficiently small) that the UDN cannot successfully press any claim to have been the deciding factor in Quadros' victory.

C. The 1960 Elections: Epilogue

The UDN, then, has clearly improved its position--though not to the extent that its propagandists would have us believe. Its future course of action, if it is to capitalize upon this position, is equally clear. First, it must find a new party program, or ideology, to replace the anti-Vargas mystic which has been its one unifying force since its creation, but which--with the defeat of the Vargas succession in the 1960 elections--has lost most, if not all, of its validity as an electoral force.[17] Second, it must consolidate its newly-won regional basis of power, making its own party machines dominant in the states it now controls and thus placing itself in a position to elect a majority of its members to the national Congress in 1962. And thirdly, it must maintain its present second-ranking position in the Congress (and its newly-dominant position in the states, too) intact in the face of the

16 In 1955, Goulart got 39.4 percent of the vote (compared to the 37.2 percent of Campos), while in 1960 his percentage was 36.1 (compared to 33.6 for Campos). Thus, Goulart's percentage of superiority remained the same.

17 Indeed, it has been slowly losing it ever since the death of the dictator himself in 1954.

0694

now becomes potentially the strongest party in Brazil at the state level. Its vice-presidential candidate, Milton Campos, however, did no better against João Goulart than he did in 1955. Its representation in Congress, of course, remains the same as it has been since 1958, but, as the Embassy noted at that time, the UDN held its own in the 1958 elections for the Chamber of Deputies and made slight gains in the Federal Senate. The overall position of the UDN is perhaps best illustrated by the following table, which shows comparative strength in all these categories:

UDN Party Strength

	1945	1947	1950	1954	1955	1958	1960
No. of Governors	-	6	5	-	4	5	8 (/2)
No. of Federal Deputies	77	-	76	76	-	73	-
No. of Senators	10	-	12	13	-	17	-
Percentage of Presidential Vote	34.7	-	29.7	-	28.7	-	44.8
Percentage of Vice-Presidential Vote	-	-	33.3	-	37.2	-	33.6

A few explanatory notes anent the above are essential. First, the UDN, as previously reported, now controls outright eight state governments,[14] in addition to which it exercises strong, if not predominant, influence in two more, São Paulo and Parana, whose governors are nominally PSD. The same is true, though to a lesser degree, of Paraíba, whose governor is a dissident member of the PSD elected with UDN support. Second, the 77 UDN deputies in the 1945 Chamber of Deputies represented a considerably higher percentage of the total (which was then 286) than do the 76 deputies the party had in 1950 when the total membership rose to 326.[15] Thirdly, the presidential vote of Janio Quadros can in no way be equated to that of the three previous UDN presidential candidates who were, above all else, UDN party men. And fourth, the UDN vice-presidential candidate, Milton

14 Rio Grande do Norte, Pernambuco, Alagoas, Bahia, Minas Gerais, Guanabara, Mato Grosso and Sergipe.

15 It is worthy of note that this number will increase again, probably prior to the 1962 elections, in accordance with a constitutional provision fixing the number of deputies at one to every 250,000 population. This subject will be reported on more fully when final census figures are available.

0693

Ferrari, though less of an evil than Goulart, was also the "enemy". They therefore insisted that the UDN nominate its own candidate (thereby increasing the chances for reelection of Goulart--the most blatant living symbol of all they loathed in Vargas) and, furthermore, demanded that Quadros agree publicly to support the UDN nominee to the exclusion of all others (a stipulation obviously aimed at Ferrari). Such a gambit could only have worked had the UDN been able to put up a first-rate politician of wide popular appeal. Instead, it nominated a party hack[12] whose candidacy was so weak that it fell of its own weight within six months (thus liberating Quadros from his commitment to the UDN, as he himself was the first to declare).[13]

Even after the fiasco of Maciel's resignation in April 1960, however, the UDN persisted in its demand for a separate vice-presidential candidacy--coming up (after much wrangling and dissent) with the name of Senator Milton Campos (of Minas Gerais), who had already been beaten by Goulart in the 1955 race. Thus, the UDN ended up with a presidential candidate who now publicly gloated that he owed it nothing, and a vice-presidential entry who had already lost a similar race five years previously.

The Campos candidacy, however, did serve a very useful, if not essential, purpose: it restored a real measure of unity to a party which had been rapidly disintegrating into warring factions since the Quadros nomination. Thus, though Campos doubtless contributed greatly to Quadros' campaign strategy, his entry in the race also strengthened to a degree the UDN's morale and thereby contributed to its several regional victories.

B. Victory at Last?

As the Embassy has previously reported (Embassy Despatches 407 and 561 of November 16, 1960 and January 4, 1961, respectively), the UDN did relatively well in the 1960 elections. The presidential candidate which it supported was thunderously victorious. And in the gubernatorial races the UDN did better than ever before. In fact, it

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12 Leandro Maciel, ex-governor of Sergipe.

13 There were, of course, a variety of tactical reasons for the UDN nomination of Maciel (Embassy Despatch 620, 12-16-59). In sum, the UDN had so exhausted its strength and divided its forces in the presidential nomination fight that it was unable to agree on a strong candidate and therefore accepted the lowest common denominator.

0692

III. The 1960 Elections

A. The 1960 Elections: Prologue

Having thus engineered the beginnings of a comeback for his party (and in the process gotten himself elected governor of Bahia), Juracy obviously saw himself as the UDN's presidential candidate. The situation, however, quickly got out of his control. The Quadros candidacy--with its hopes of ending the hated Vargas succession--had not only galvanized the disaffected of all stripes, but had so heartened and strengthened the intransigents (led by Lacerda and the São Paulo section of the party) as to soon make them the dominant voice in the UDN. Juracy fought skillfully and well--winning a draw in the first encounter and going down to defeat only after proving that almost 30 percent of the UDN still supported his candidacy.[9] In the end, Juracy lost because he could offer only the alternatives of either once again going it alone to almost certain defeat[10] or joining hands with the PSD (a course which Kubitschek and his supporters had been openly hinting they would much prefer to the dead weight of the Lott candidacy).[11]

In thus rejecting one of its own in order to leap on the Quadros bandwagon, however, the UDN committed an egregious tactical blunder. It would be logically assumed by the disinterested observer that, having gone outside its ranks to pick what it considered to be a "winner" for the presidency, the UDN might do likewise with its vice-presidential nomination by giving it to Fernando Ferrari--dissident PTB leader and arch enemy of Jango Goulart. The intransigents, however, were in control and, in their frequently myopic view,

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9 These two conventions--in March and November 1959--were discussed in Embassy Despatches 1256 of April 22, 1959, and 620 of December 16, 1959.

10 The UDN had run its own candidate in all three previous presidential elections, polling 34.7 percent, 29.7 percent and 28.7 percent of the votes in 1945, 1950 and 1955, respectively.

11 A course which the party, with the "Bacharels" in the ascendency, obviously would not countenance. Indeed, intransigent opposition sentiment was running so high that Juracy himself never openly admitted this implication of his candidacy though the "Bacharels", with Lacerda in the van, taxed him heavily and effectively with it.

0691

refused to participate in running Congress, and generally behaved as though Kubitschek and Co. would soon be tossed out of office by a military coup.7

C. Realism and Limited Gains

By April 1957, however, the "collaborationist" wing of the party had revived sufficiently to elect one of its chief proponents, Senator Juracy MagalhÃes, to the party presidency. Nonetheless, the intransigents were still strong enough both to force MagalhÃes to make fiery declarations of undying opposition to the Kubitschek administration and to force the party to elect its leader, Carlos Lacerda, as head of the UDN forces in the Chamber of Deputies. In short, the usual uneasy compromise (Embassy Despatch 1153, April 16, 1957). Nonetheless, the "Bacharéis" were soon forced to a realization of the Administration's underlying strength (and their own inherent weakness) when the Administration came within an ace of lifting Lacerda's immunity in the Chamber of Deputies.8

Thus armed with the near downfall and resultant chagrin of their opponents, Juracy and his supporters pushed the party into adopting the policy of "realismo" (or realism). "Realismo" consisted basically of (1) the admission that Kubitschek was there to stay and that therefore the UDN should concentrate on electoral means as the only feasible way of ousting him; (2) a policy of regional alliances with the PTB (which, because of the claim of its president, Jango Goulart, to be the inheritor of the Vargas mantle, had long been the "bête noir" of the "Bacharéis") for the purpose of weakening the PSD and, concomitently, strengthening the UDN's regional base in preparation for the 1960 presidential elections (Embassy Despatch 1158, April 16, 1958).

As Juracy himself pointed out, "realismo" was a tactical program which looked for limited gains, And, as the Embassy noted (Embassy Despatch 877, February 3, 1959), it was successful in a limited fashion--increasing the party's representation in the Senate, giving it control over two important states (Pernambuco and Bahia) and generally increasing the UDN's self confidence and electoral prospects.

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7 A judgement shared by many observers at the time.

8 After Lacerda, in a typically reckless maneuver, compromised the Foreign Office's telegraphic code in an attempt to revive a long-standing scandal involving Vice President Goulart.

0690

for opposition's sake to the opposite pose of (as the Brazilians so aptly put it) being "more holy than the Pope."[3]

In the states, too, the UDN local organizations made alliances with whatever party best suited their own interests, while the national organization gave its tacit consent by pretending that these alliances did not exist. Not unnaturally under these circumstances, the UDN's pose of lofty-minded protest began to sound a bit hollow in the electorate's ears and the party's electoral fortunes gradually declined, both on a national and state level.[4]

In addition, the long years out of power[5] made the UDN's "Bacharels" even more intransigent--and unrealistic--than might otherwise have been the case. It can be said with some justice, of course, that it was the exposés of this group in the Congress (labelled "the band of music" by its opponents and led at the time by Carlos Lacerda) which led to the discrediting and early fall of the Vargas administration in 1954. It may be said with equal truth, however, that it was the miscalculation, naiveté and blindness of this same group which--when once the reins of power were within its grasp under the Café Filho presidency--led to the UDN's failure to exploit its position in the 1955 presidential elections and, subsequently, to the creation of a public image of a party intent upon retaining power illegally--thus creating the justification for Marshal Lott's counter-coup of November 1955.[6]

Having been cast once again into outer darkness by Lott's tanks, the UDN was dominated by the intransigent wing for the first eighteen months of the Kubitschek administration. Thus, during this period, it loudly (and almost to a man) denounced the Kubitschek regime as "illegal" (though he had, in fact, won the elections),

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3 An excellent example of the latter was the UDN's scramble to climb on the Petrobras bandwagon when the state oil monoply was being debated by Congress in 1953.

4 See table in subsequent section for statistics.

5 1945 - 1954

6 It will, of course, probably never be known whether or not the UDN and its military supporters intended to keep Kubitschek from taking office. That they helped create such a public impression, however, is undeniable.

0689

democracy and reform, the party was not--nor has it ever become--possessed of a meaningful program. It has frequently been labelled a champion of the liberal or laissez faire economic school (and, in fact, the UDN contains many professional and business proponents of this viewpoint), but it has never followed a consitent policy in this regard because such tenets frequently run afoul of the objections of either the party's right wing of conservative landowners or its left wing of nationalist-statist proponents.

B. The Years in the Wilderness

Thus possessed of a program and a party which embraced both some of the conservative rural elements and the professional and business classes in the cities (to say nothing of the sprinkling of statists of the right and left), the UDN quickly became the second largest party in Brazil: it controlled six governorships and the second largest representation in the national congress. It was unable, however, to achieve its principal objective: the ousting from power of Vargas and his heirs.[1] These, first through the instrumentality of General Dutra and later of Vargas himself, continued to hold the reins of power. Under the circumstances, the UDN had perforce to play the rôle of perennial opposition. The classic internal stresses and resultant dissidences of such a position soon set in. The party developed a group advocating collaboration with Vargas--protesting that it could not continue to exist without jobs and patronage[2]. The internal struggles between the "Chapa Branca" (as the collaborationist wing came to be known) and the "Bacharéis" (as the proponents of intransigent opposition were called) vitiated the party's energies and the uneasy truces to which they led (which were essential to a public facade of unity) prevented the party from evolving a consistent and dynamic platform. In such circumstances, the UDN acted--both on the regional and national level--in an inconsistent and vacillating manner. Particularly in the national congress, the UDN was likely to swing from the extreme of opposition

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1 Some observers have unkindly asserted that the UDN lost its raison d'être with the overthrow of the Vargas dictatorship. This is obviously not true since the Vargas succession remained in power, with the exception of the Café Filho interregnum, until 1961.

2 The classic illustration of this attitude is offered by the present governor of Bahia, Juracy Magalhães, who, after his defeat in the 1950 gubernatorial elections, accepted, successively, the posts of head of the Cia do Vale do Rio Doce and Petrobras, and finally the appointment as Military Attaché in Washington. There are, however, many others.

real and lasting philosophy since the party's founding. Thus, the UDN must evolve a new party program, attain party unity (in the face of both doctrinal and regional schisms), and learn to operate effectively as a government party if it is to exploit the potential it now possesses. Since neither the UDN's history of fifteen largely footless years in opposition nor its peculiarly unskillful handling of its relations with Quadros suggest that it will be able to accomplish these goals, it would seem much more likely that the UDN will continue on the path of vacillation and compromise. In the face of the pressures likely to be exerted upon the UDN by the Quadros administration, such a course will inevitably result in a frittering away of its present position and decay and decline of its long-term electoral prospects. The possibility that a situation may develop wherein Quadros may be forced (as he was in 1959) to go to the UDN for support--or alternatively strengthen it for his own ends--cannot be entirely dismissed. Nonetheless, the UDN seems at the present time to have reached its peak of power and influence.

II. The UDN: Party of the Brigadeiro

As is the case with any of Brazil's major parties, the UDN dates from the founding of the present Republic. It is essential, therefore, to understand the UDN's background if any reasonably accurate picture is to be drawn of its present position and future prospects.

A. In the Beginning: Eternal Vigilance

It is often said that the UDN is, in essence, a conglomeration of the Brazilian political elements opposed to the late Getulio Vargas. In fact, the UDN was originally just that. Growing out of the "Manifesto dos Mineiros" of 1943, a document calling for re-establishment of democratic liberties and signed by many prominent anti-Vargas leaders, the UDN existed prior to the overthrow of the Vargas dictatorship as a movement comprised of the entire spectrum of anti-Vargas elements. When the National Democratic Union (União Democratica Nacional-UDN) was founded as a legal party soon after the end of the Vargas dictatorship in 1945, it quite naturally lost its most disparate elements of right and left, which became, respectively, the Liberator Party (PL) and Socialist Party (PSB). Nonetheless, the UDN remained largely a congeries of political elements of differing regional and political outlooks whose one binding mystic was its opposition to Vargas or, specifically, the suppression of constitutional forms, lack of civil and political liberty, and general aura of political corruption for which the dictatorship stood: a philosophy most admirably summed up in the party's motto "Eternal vigilance is the price of liberty." Other than this drive for

0687

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February 24, 1961
DATE

REF : EmbDesps 1888, 7-15-53; 1153, 4-16-57; 1158, 4-16-58; 1246, 4-22-59; 620, 12-16-59; 268, 9-26-60; 407, 11-16-60; 561, 1-4-61

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SUBJECT: THE UDN AFTER THE ELECTIONS: A Victorious Party Looks to a Dubious Future

Outline

		Page
I.	Summary	1
II.	The UDN: Party of the Brigadeiro	2
A.	In the Beginning: Eternal Vigilance	2
B.	The Years in the Wilderness	3
C.	Realism and Limited Gains	5
III.	The 1960 Elections	6
A.	The 1960 Elections: Prologue	6
B.	Victory at Last?	7
C.	The 1960 Elections: Epilogue	9
1.	A Party in Search of a Program	10
2.	The Doctrinaire Schisms	11
3.	The Regional Schisms	15
IV.	The UDN and the Quadros Administration	16
V.	Prognosis for the Future	18

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAR 6 1961

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I. Summary

Having made substantial electoral gains and--thanks to President-elect Quadros--largely wrecked the Vargas succession, the UDN now finds itself in the anomolous position of being a victorious party seeking a new, electoral raison d'Être, for anti-Vargism has been its only

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1961 PARANÁ PTB EXECUTIVE COMMITTEE

BEGIN UNCLASSIFIED

President: Senator Nelson MACULAN

1st Vice President: Amaury de Oliveira e SILVA 1/

2nd Vice President: General Ibere de MATTOS

3rd Vice President: Domício SCARAMELLA

4th Vice President: Miguel DINIZO 2/

Secretary General: Léo de Almeida NEVES

1st Secretary: Wilson CHEDID

2nd Secretary: Rubens de Mello BRAGA 2/

3rd Secretary: Luiz Alberto DALCANALLE 2/

Treasurer General: José CAMPELLI Filho

1st Treasurer: Miran PIRIH

2nd Treasurer: Jorge Miguel MASSAR 3/

3rd Treasurer: Marino PEREIRA

END UNCLASSIFIED

1/ Since Senator Maculan will be spending most of his time in Brasília, Amaury SILVA will be the real Head of the party. Amaury is moderate in his general political attitudes, was against a formal alliance with the Ney Braga government for operational reasons, but is not expected to oppose Braga generally in the state legislature. LIMITED OFFICIAL USE.

2/ These people are pretty far left in their views, though not always outspokenly so. It is worth noting, though, that the worst of the crypto-communists, Waldemar DAROS and Carlos Alberto MORO, were not elected to the executive committee. This may have been a matter of choice on the part of the individuals in question. CONFIDENTIAL

3/ One of the most blatant of Paraná's ultra-nationalists. Regardless of the fact that his personal convictions are not nearly as strong as his speeches, he is a source of constant anti-Americanism. CONFIDENTIAL

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CONCLUSIONS

The Paraná PTB is far from a united party. The only position on which virtually all of its members agree is that it should be a cooperative organization for the political aggrandizement of its members. L.O.U.

The Paraná PTB also is not an especially leftist organization (though it has some strong leftist elements), and it most certainly is not just another state appendage to João GOULART's national PTB. It has no love for the PSD, either locally or nationally, and it contains strong streams of sympathy for Janio QUADROS. L.O.U.

Dissention (but not formal dissidence) can be expected to continue within the PTB's ranks. Unless Ney BRAGA should idiotically make a frontal attack on the state PTB, he can be assured that for the next year at least, the party will be unable to put up any coordinated opposition to him or his programs, and there is a good chance that he will receive some substantial support from various PTB state deputies. L.O.U.

At the national level, Paraná's PTB legislators can be expected to be neutral (or may neutralize each other) in any QUADROS-GOULART conflict, and anti-pathetic toward moves for making a solid PSD-PTB opposition to Quadros. And unless the leftists in Paraná keep extreme nationalist emotions steamed up over various federal projects, the Paraná PTB bench will probably be something less than super-hyper-nationalist. CONF.

Edward M. Rowell
American Consul

Enclosure: 1/

Paraná PTB 1961 Executive Committee

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Evidently, the large majority of the PTB directorate agreed with the second thesis, preferring to risk failure in capturing the state executive, to outspoken dissidence within the party. The position of the "Souza Naves" group 6/ was strengthened by Braga's refusal formally to promise any cooperation in return for support. CONF.

POSITIONS ADOPTED

The conflict was solved by electing an executive committee favorable to the "independent Souza Naves" line, and at the same time formally refusing to take any preconceived position vis-a-vis Ney Braga. A motion to allow the executive committee to establish a party position later was defeated. This may be considered a victory for the politically "moderate" elements, in view of the number of leftists (including pseudo-leftists) on the executive committee. The composition of the committee is a compromise between leftist forces and non-leftists. (Enclosure 1). Abeyance of the question of support for the state government prevented the formation of a dissident group. L.O.U.

In like manner no formal vote of adherence to the policies of the national party directorate was taken, and no agreement was reached on attitudes toward the Janio QUADROS administration by the Parana bench in Brasilia. (Quadros, after all, was a PTB federal deputy from Parana from 1958-1960 while he was campaigning for the presidency). The far leftists (DAROS, MORO, MELO BRAGA, et. al.) wanted to pledge absolute solidarity with the national directorate and João GOULART. But the rest (including those who supported QUADROS 1958-60) were unwilling to go this far. L.O.U.

About the only points on which positive agreement could be reached, were: (1) continued antipathy toward the Parana PSD and its leaders; (2) nomination of Leo de Almeida NEVES to succeed Iberê de MATTOS as mayor of Curitiba; (3) possible nomination of Iberê to be senator in 1962 (this was in exchange for Ibere's support of the "Souza Naves" group); (4) probable nomination of Nelson MACULAN, titular head of the party, to succeed himself as senator in 1962. L.O.U.

CONCLUSIONS

6/ Named after the party's very popular president and pro-Quadros champion, Senator Abilon de Souza Naves, who died of a heart attack in December, 1959 (Curitiba D-23, 12/15/59). UNCL.

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The divergences coalesced around two groups. One 3/ wanted the party to give all-out support to the new Ney BRAGA government. The other (the "Souza Naves" group) 4/ insisted that for the time being the state PTB must take no formal position regarding Ney BRAGA. UNCL.

Thos who wished to support Ney Braga expected that Braga would grant some quid pro quos, presumably a certain amount of patronage and financial help for their municipalities. Further, they believed that the Parana PTB will not be able to command a sufficient portion of the state electorate over the next five years in order to win the governorship on its own. Hence, they thought an alliance with Braga's "reform" government would be the best way to increase the party's political power. 5/

Those who oppose all-out support for Ney Braga did so on the grounds that such an alliance, if maintained, would accentuate personal conflicts and divergences within the PTB by creating loyalties to an alliance and a state executive whose interests were foreign to the party. In the long run this would probably promote the development of formal dissident groups and maintain the party in a state of weakness, if not partial dissolution. L.O.U. Evidently

3/ Led by Federal Deputies Calil Maia NETTO and Jorge de LIMA, and by 1960 Parana PTB President, Antonio ANIBELLI. In addition State Deputies Libanio CARDOSO, Julio Rocha XAVIER, Divonsir Borba CORTES, Dagoberto PUSCH, Orlando de MATOS, Valdemar ANIBELLI, Pedro LIBERTY and Elias NACLE supported this position to the end of the convention. Curitiba Mayor Ibere de MATTOS backed this group for three weeks prior to the convention, until it was clear that the second group would have its way, at which point he changed sides. Party secretary-general Leo de Almeida NEVES also vascillated before joining the "Souza Naves" side. O.U.O.

4/ Led by Waldemar DAROS, Carlos Alberto MORO, Miguel DINIZO, Rubens de Melo BRAGA and Amaury de Oliveira e SILVA. Later supported by all of the newly elected executive committee (Enclosure 1), and 69 of the 100 party directors. UNCL.

5/ They were able to propose such an alliance because for the past five years the Parana PTB has been almost intransigeantly opposed to the former incumbent PSD. Thus, in one respect it was allied with the other "outs" (UDN, PDC, PL, PR), although it had its own candidate for governor in 1960. Also, in 1950 the Parana PTB allied with the UDN and PR to elect Bento MUNHOZ DA ROCHA governor. O. U. O.

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THE OCCASION

On January 14 and 15 the Paraná PTB held its regional convention in Curitiba. Credentials of the 100 party directors representing various localities throughout the state were confirmed, and a new executive committee was elected (Enclosure 1). In addition, the convention attempted to answer the following major questions:

(1) What is the official party position toward the new Ney BRAGA UDN-PDC-PL government in Paraná?

(2) What is the official position of Paraná PTB Federal Deputies and Senators towards the Jânio QUADROS federal government?

(3) What is the party's future relationship to the Paraná PSD?

PROBLEMS

Achieving an agreed position on the questions listed above was made difficult by the diverse interests of various leaders, by the lack of an accepted party ideology 2/, by the need of the party to obtain some executive influence at the state level, and by the need to maintain sufficient party unity to provide a viable platform for individual political careers. C.U.O. The

2/ It has been said that the national PTB, as THE Labor Party of Brazil, is ideologically more cohesive than the other major parties, PSD and UDN. This is not true of the Paraná PTB which has been a Maverick organization for some time as far as the national directorate is concerned. (Curitiba D-35, 2/16/60)

Except for a few individuals who are crypto-communists, such as State Deputy Waldemar DAROS and Curitiba Alderman Carlos Alberto MORO, most members of the Paraná PTB are either middle-of-the-road or generally conservative in their basic outlooks and interest. (DAROS and MORO are two of very few Paraná PTB-ers who supported Henrique LOTT throughout the 1960 presidential campaign). Perhaps the strongest common denominator among this state's PTB-ers is the retention of political office and the benefits that it brings. To this aim they are willing to subordinate upbringing, class ties, personal ideological orientations (if any exist), and personal and family relationships. Included in this group are such present Paraná PTB leaders as Senator Nelson MACULAN, Curitiba Mayor General Ibere de MATTOS, regional party secretary general and candidate (1962) for Curitiba mayor Leo de Almeida NEVES, State Deputies Miguel BUFFARA, Jorge NASSAR, Antonio ANIBELLI, and Amaury da SILVA, and Federal Deputies Jorge de LIMA, and Calil Maia NETTO. CONFIDENTIAL.

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DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
MAR 15 1961

SUBJECT: PARANÁ PTB CONVENTION, January 1961.

SUMMARY

Because of conflicting personal interests among its members and a lack of ideological cohesion, the Paraná PTB failed to agree upon a formal position vis-a-vis the governments of Ney BRAGA (UDN-PDC-PL) in Parana, and Janio QUADROS at the federal level. This "independent" stance (meaning party members are free agents in the legislatures, provided they maintain some unity on certain purely party questions) makes it most unlikely that the PTB will effectively oppose any of Ney Braga's legislative measures. Further, continuing internal dissention combined with a history of support for Janio QUADROS (1958 and 1960) and lack of confidence in Joao GOULART make it likely that in any QUADROS-GOULART fracas the Parana PTB would be neutral. CONFIDENTIAL

The January 14-15 convention did elect Senator Nelson MACULAN regional president for 1961, and indicated that it would support him for re-election in 1962. MACULAN has remained aloof from the party's internal bickerings. Also, a new executive committee was elected which contains several leftists and pseudo-leftists. 1/ These are balanced by a number of moderates, however. Candidacy of state party Secretary-General Leo de Almeida NEVES for mayor of Curitiba in 1962 was endorsed, and it appears that present Curitiba mayor, General Ibere de MATTOS, may be the other party candidate for senator in 1962. L.C.U. THE OCCASION

1/ Pseudo-leftists are persons who blow the hyper-nationalist horn for demagogic reasons. Included in this group are Jorge NASSAR and Miguel DINIZO. CONFIDENTIAL.

cc: Amembassy, Rio de Janeiro

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São Paulo

Contributors:

Pyle, Shea, Mason/Carvalho

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CONFIDENTIAL

0679

blood awakening grudges and calling for revenge." "A Murder Threatens the World" was Correio Paulistano's title and attitude toward the unhappy killing which, in the opinion of the editorialist, will give a strong hand to the "Soviet Union demand for (Dag Hammarskjold's) head." According to the paper, Lumumba's death "Might even jarr the United Nations"; however, "In other circumstances, Lumumba's assassination would not even scratch the world's skin. But as the cold war now focuses on Africa", it is otherwise. Ultima Hora, leftist Red-tinged mouthpiece, said. "Let Patrice Lumumba's assassination serve as a warning for all peoples." Shaking the dusty scarecrow of the influence of foreign trusts before the eyes of its readers, Ultima Hora warned. "In order that we do not have in the future any white Lumumbas to cry for, let's keep up our decision of not opening our doors to the trusts. (Lumumba) is an example for the whole world." In another editorial, the paper blamed the United Nations, the Belgian government, the United States, and the whole West for his death. "They are, in fact, the murderers. Let the wrath of all peoples fall on them. They are guilty of an odious crime." Saying that the Congolese people now have the right to revenge, the writer warned: "Very soon, Africa - if not the world - will be a huge fire. The fate of Civilization is at stake."

Miscellaneous

10. List of Substantive Despatches

302 Acceptance Company Has Good Year
303 Some Results of the Fishing Industry and Trade in São Paulo in 1960
304 Annual Report of the Banco Mercantil de São Paulo S.A. Discusses Activities in Brazil in 1960.
305 Fishing by Brazilian Vessel
306 Information on Foreign Lines Receiving Continuing or Revolving Credit from Export-Import Bank
307 Annual Report of the Banco Sul Americano do Brasil S.A. Whose President Now is President of Brazil
308 São Paulo Center of Industries Discuss Industrial Deve and Credit Plan
309 Communists Set Sights on Union Elections
310 Santos Weekly Report
311 São Paulo Weekly Summary No. 86

William P. Cochran, Jr.
Minister Consul General

0678

description given by that paper to Lumumba's killing, adding: "that nationalistic leader...was doomed to be trapped in the hoax of international Communism." Saying that Lumumba's death transformed him into a martyr, O Estado warned (that it represents)... "a dangerous symbol. The 'massacre'...seriously disturbs the prospects for peace and international reconciliation. It represents a terrible disaster... Katanga's government should have weighed the international echo that Lumumba's killing would get", speculated O Estado. "...The crime itself, the circumstances, and the responsibilities are relegated to a secondary plane if we consider the serious international difficulties already surrounding the explosive situation of the Congo". O Estado and Correio Paulistano were in accord that the Soviet Union is after Dag Hammarskjold's head - the price that the Secretary General of the UN must pay for his impartial and honest conduct which frustrated the USSR's expansionistic plans for the Congo. Analyzing President Kennedy's answer to the virtual ultimatum of the Soviet Union to the United Nations, the paper applauded the United States' attitude, saying: "The answer...was the very one that all clear minded men, responsible and true 'peace lovers', expected." O Estado described as "revolutionary" the new approach of the American government as expressed by President Kennedy in his press conference. "The attitude adopted by the new American government...breaks with... all the traditional policy of power, the equilibrium policy...applied by the big powers from time immemorial..." Summing up, the paper said that "The greatest merit of American diplomacy...is that of having understood the meaning of the Soviet game, thus being unlikely to fall victim to the 'siren song' letters of Nikita Khrushchev - while his delegate at the Security Council launches violent attacks against the (United Nations)". Warning that the Congolese crisis might lead to "A civil war of the Spanish brand", the paper concluded that such strife would serve "perfectly...the interests of international Communism. That is the reason (behind) the Communist leaders' effort to destroy the United Nations." Said Diario de S.Paulo, star of Assis Chateaubriand's newspaper chain; "...Like the Duke of Guise, (Lumumba) is greater dead than alive!" his disappearance "threatens to transform (Kasavubu's hopes (of forming a new government) into the most terrible deception for the whole world." The paper blamed Belgium for not seeing that the Congo was too immature for independence; in granting it, "Belgium committed a serious political blunder with the best of intentions..." Diario further warned that "...the Red bloc...almost certainly will use Lumumba's murder for its strongest bid to conquer ideologically part of Africa (the Congo)." Under the title "Crime and Stupidity", Folha de S.Paulo claimed: "Profoundly fair and opportune is the generalized clamor that rises all over the world against the brutal sacrifice of Lumumba. However, it is deplorable that (we don't see) such widespread...condemnation when killings occur - in larger numbers - in Communist Cuba." Folha added that with Lumumba's death, we shall see "...the power of

0677

8. Labor Appointments (Confidential)

President Janio Quadros has appointed Gabriel Greco, veteran São Paulo trade union leader, to his civil household as a special advisor on trade union matters. Greco, a member of the board of directors of the São Paulo local union of typographical workers, worked for Dr. Paulo Marzagão, São Paulo state Secretary of Labor, during recent years and devoted full time and attention to partisan political activity for the presidential candidate Quadros. Greco is not and has never been a member of the Communist Party. However, he has had a history of collaboration with the Communists. He was president of the typographical union, a union which has always been under considerable Communist influence, for a number of years. He was also president of the extinct Communist-dominated Unity Pact, and played a leading role in major São Paulo strikes during 1953 and 1954.

During the past week President Quadros announced the appointment of Dr. Luis Roberto Rezende Puech to the important post of Regional Delegate of Labor for the state of São Paulo. Dr. Rezende Puech is a labor lawyer and a former judge of the São Paulo Regional Labor Court.

COMMENT: (Confidential) The appointment of Greco in general was favorably received by both left-wing and conservative trade union leaders. Nevertheless, many trade union leaders believe that Dante Pellacani, secretary-treasurer of the São Paulo State Trade Union Council, could have had the position if he so desired. However, they believe for personal and political reasons Pellacani did not want to move to Brasilia. They also believe Greco is considerably influenced by Pellacani and the latter will be able to exert a good deal of influence on trade unionn matters during Quadros' administration.

Psychological

9. Lumumba's Death (Unclassified)

The news of Patrice Lumumba's death was given top billing in all São Paulo newspapers this past week. A "block buster" reaction in the editorial sections followed the announcement of the Congolese escape and "assassination", overshadowing even the successful Venus probe launched by the Soviets. There was some disagreement as to where responsibility for Lumumba's death should rest; however, the virtual "Pandora's box" it represents for Africa and the whole world was stressed in most editorials from conservative to leftist papers. Leading O Estado de S. Paulo was emphatic in pointing out the dangers that the killing represents for the United Nations as an organization. "...Barbaric and futile" was the

0676

Consul in São Paulo, Emile Weckx, received a few threatening anonymous telephone calls.

COMMENT: (Confidential) Preoccupation of the populace with carnaval doubtless helped to provide a restraining influence insofar as public demonstrations were concerned. The manifesto issued by the São Paulo State Student's Union was said to have been issued by a few left-wing student members, who released the declaration in the name of the Student's Union, but without consulting the membership. Many of the students are unavailable since all schools are closed and the students on vacation.

Labor

7. National Trade Union Meeting (Confidential)

Left wing supporters of President Janio Quadros and Communist Party trade union leaders from some 16 states met in São Paulo over the past weekend to draft and approve a manifesto expressing their views on labor policies for the new administration. The meeting was to last two days and was held at the headquarters of the São Paulo local union of metalworkers. Labor Minister Francisco Carlos de Castro Neves was scheduled to attend and address the closing session. Dante Pellacani, secretary-general of the São Paulo State Trade Union Council (CST) who is held in high regard by President Quadros, was in charge of all the preparations (see Item 3). Deocleciano de Hollanda Cavalcanti, president of the National Confederation of Industrial Workers (CNTI), Brazil's largest labor confederation, put in an appearance. A large number of Communist Party trade union leaders and fellow travellers, led by veteran Communist Party trade unionist Roberto Morena from the state of Guanabara and Rio de Janeiro, were on the scene. Almost all São Paulo Communist trade union leaders were conspicuous at the opening session. The non-Communist majority of São Paulo trade union leaders in the most part stayed away from the meeting. The most heatedly debated issue at the first day's session was a proposal to eliminate the imposto sindical (compulsory union dues collected by the governments and apportioned out to the unions), which was overwhelmingly rejected by the estimated 200 delegates in attendance.

COMMENT: (Confidential) The Communists came to the meeting prepared to openly attack the new administration. However, informed sources report that they were bluntly told by Pellacani that they could either accept an already prepared manifesto with no criticism of Quadros or openly fight it out during the meeting. Faced with this threat to their "unity" plans they are reported to have gone along with Pellacani. However, they are also reported to have jammed through the meeting a number of anti-U.S. resolutions. (A complete report will be sent on this meeting.)



local elections scheduled for March 26 to refrain from painting political campaign propaganda on the walls of public buildings and monuments, trees, or anywhere else where such activity would tend to detract from the aesthetic beauty of the city.

COMMENT: (Official Use Only) In this connection it is interesting to note that mayor Adhemar, a few days before he took leave of absence, removed Alberto da Silvio Gordo from his position as chief of the division of Public Cleaning and designated João Batista Pinto in his place. It was said that mayor Adhemar removed Silvio Gordo because he was over-zealous in removing the political propaganda painted in various places throughout the city. Mayor Adhemar was reported to have been particularly disturbed that Silvio Gordo removed the signs favoring Cantidio Sampaio, the mayoralty candidate of the mayor's PSP party. Silvio Gordo's actions in harassing street vendors was also said to have been considered prejudicial to the interests of the PSP candidate.

5. São Paulo's Força Publica (Official Use Only)

During this past week 25 officers and 22 officer candidates of São Paulo's Força Publica (state military police) who have been under detention since the recent crisis in the corps, were released from custody. Some of those released were assigned to the positions held prior to the recent crisis; others were given new assignments in the capital city or the interior of São Paulo. Since 64 or 68 officers (both figures have been announced) were reported to have been detained (see São Paulo despatch 296, February 2, 1961), it appears that only 17 or 21 members of the corps still have charges pending against them.

COMMENT: (Confidential) The additional salary increase of 10 to 20% (in addition to the approximately 30% granted recently to all state employees) proposed by the governor for members of the Força Publica and the Guarda Civil, which was approved by the São Paulo state Legislative Assembly, plus the release of all but a few officer personnel, appear to have allayed the corps, at least for the present.

6. Lumumba's Death Arouses Little Public Protest (Official Use Only)

While the death of former prime minister Patrice Lumumba this past week resulted in only one demonstration by less than a dozen students who paraded through downtown São Paulo, it did arouse considerable newspaper comment. All papers published factual articles and his death caused a spate of editorials (see Item 9). The São Paulo State Student's Union issued a manifesto blaming Belgian colonialism and North American imperialism for Lumumba's demise. The Belgian

0674

within local UDN circles. The statements made by Padre Calazans, a respected man with considerable prestige among the local UDN electorate, will not aid Prestes Maia's candidacy. It is also said in São Paulo that the divergency of opinion between federal UDN deputy Herbert Levy, who supported the candidacy of Prestes Maia at the municipal convention, and Abreu Sodré, president of the São Paulo State Legislative Assembly, who was a prominent participant on behalf of Emilio Carlos (see despatch 301), may adversely affect consideration of Herbert Levy for the national presidency of the UDN.

3. Brazilian Labor Party (PTB) Initiates Action to Expel Dissidents (Confidential)

The São Paulo Regional PTB, racked with dissension, initiated action this past week to expel eight dissident members of its metropolitan board of directors for inter alia deliberate refusal to carry out party directives. The dissidents included Dr. Roberto Herbster Gusmão, former regional delegate of Labor for the State of São Paulo, Dante Pellacani, secretary-treasurer of the São Paulo State Trade Union Council (CST), and Benidito Lucas Salles, reportedly a member of the Communist Party who has been at odds with Communist Party leadership for some time. Gusmão and Pellacani were both active in the Janio-Jango movement during the presidential elections, and are now reported to be backing Emilio Carlos in the mayoralty elections. Salvador Romano Losacco, PTB federal deputy and a consistent fellow traveller, has been appointed as chairman of a committee which has been assigned to try publicly, and if convicted, to expel the dissidents.

COMMENT: (Confidential) Communist Party fellow travellers led by PTB federal deputy Ivette Vargas were victorious in elections held on January 28 for the party's regional directorate (see São Paulo despatch 288, February 1, 1961). Since that time they have been attempting to consolidate their positions and infuse new life into the São Paulo PTB which has suffered substantial losses in recent years. Pellacani, a former Communist Party member, and Losacco are bitter personal enemies. They have been endeavoring for years to obtain a controlling position in the São Paulo trade union movement. However, both Pellacani and Gusmão appear unconcerned with the PTB's decision and will probably completely ignore Losacco and his committee.

4. Mayor Figueiredo Ferraz Urges Care in Painting Political Campaign Signs (Official Use Only)

São Paulo mayor Manuel de Figueiredo Ferraz, who is serving as mayor during Adhemar de Barros' leave of absence (see São Paulo despatch 301, February 15, 1961) appealed this past week to the various candidates seeking office in the

0673

Ribeiro) would vote for Emilio Carlos, the candidate "connected with the president of the republic and with governor Carvalho Pinto".

2. São Paulo UDN Senator Refuses to Support Prestes Maia (Official Use Only)

Toward the end of this past week São Paulo federal UDN senator Padre Calazans criticized the action of his party's recent municipal convention in endorsing the mayoralty candidacy of Prestes Maia. In a letter to deputy Ernesto Pereira Lopes, president of the paulista session of the UDN, Padre Calazans, who supported the nomination of the PTN candidate Emilio Carlos (see despatch 301, February 15, 1961), stated that he would not participate in UDN activities on behalf of the candidacy of Prestes Maia; that the party's nominee was "highly compromised" with the Communist movement and that Prestes Maia had taken "political positions against the governments of Janio Quadros and Carvalho Pinto, candidates of the UDN". Padre Calazans quoted statements made by Pope Pius XI and XII in condemnation of Communism. Padre Calazans, while indicating that he does not intend to leave the UDN, stated that he does not feel bound to accept the party's decision to support Prestes Maia. The UDN senator declared this was not a breach of discipline, but an act dictated by his conscience. He admitted that he had supported Prestes Maia on two previous occasions, but at a time when Prestes Maia was not supported by Communists. Padre Calazans deplored the presence of "Communists, cryto-Communists and strange elements" at the UDN municipal convention, whose sole object was to disrupt the proceedings and jeer those expressing opposition views. He recalled that his own election to the federal senate resulted from the opposition of the people of São Paulo to Communism.

Pereira Lopes, who supported Prestes Maia's nomination during the UDN municipal convention (see despatch 301), stated in reply to Padre Calazans that Prestes Maia was not a Communist and hever had been; that the UDN had supported Prestes Maia in the past because of his "democratic convictions"; that the pontifical condemnations against Communism were not applicable to this case; that "harmony" had existed between governor Carvalho Pinto and Prestes Maia for many years; that any disturbance that had occurred during the municipal convention had been caused by UDN supporters of Emilio Carlos and not by the presence of "strange elements".

COMMENT: (Confidential) It remains to be seen how many other São Paulo UDN leaders will follow Padre Calazans. Other local UDN leaders are said to have somewhat similar views; it is reported that a number of UDN leaders in São Paulo are going to support Emilio Carlos despite the municipal convention's endorsement of the candidacy of Prestes Maia. Such a contingency could precipitate a crisis

0672

attempt to avoid an internal fight, may take no further action on the choice of a mayoralty candidate, but, as reported earlier, limit its choice to a nominee for the vice-mayor (see São Paulo despatch 301, February 15, 1961). Another possibility reportedly under discussion by members of the municipal convention of the PDC, is to continue the candidacy of the PDC mayoralty nominee, Franco Montoro. While Montoro sent a letter to the PDC municipal convention several weeks ago withdrawing from the mayoralty race (see São Paulo despatch 296, February 8, 1961), the municipal convention has not formally withdrawn his candidacy with the Regional Election Tribunal (TRE). At the end of this past week the regional and metropolitan directors of the PRP resolved to continue the mayoralty candidacy of José Cirilo.

The candidacies of Prestes Maia and Rio Branco Paranhos, the São Paulo "commie-line" city councilman who was nominated for vice-mayor by the PTB (see despatch 301), were formally registered with the TRE by the PTB this past week. Several recently formed organizations, including the Movimento Popular Janista Pro-Prestes Maia, will help to inaugurate Prestes Maia's mayoralty campaign within the next few days. The Acao Socialista, during a meeting held at the end of the past week, endorsed the candidacy of Emilio Carlos. São Paulo UDN senator Padre Calazans, who supported the candidacy of Emilio Carlos at the UDN municipal convention two weeks ago (see despatch 301), declared this past week that he would not be bound by the convention's endorsement of Prestes Maia (see Item 2).

The various political parties are also giving increased attention to the choices to be made for vice-mayor, in view of the fact that February 24 is the last day to register candidates for the March 26 elections. A number of party meetings are scheduled to be held this coming week to nominate candidates for vice-mayor.

COMMENT: (Confidential) Emilio Carlos is seemingly trying to secure more definitive support for his mayoralty aspirations from president Janio Quadros. During this past week Emilio Carlos met with Castro Neves and Pedroso Horta, federal ministers of Labor and Justice respectively, as well as Quintanilha Ribeiro, chief of the president's Civil House. The two ministers and Quintanilha Ribeiro, who were visiting their native state, are all close to Janio. Emilio Carlos may be attempting, in view of Janio's reported disapproval of Prestes Maia's candidacy, to get the president, either directly or indirectly, to participate more actively on behalf of his candidacy. Quintanilha Ribeiro stated, however, that the president was preoccupied with national problems, but added that he (Quintanilha

0671

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PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 311 DESP. NO. — February 21, 1961 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : PER-2

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	AKA-4 REC'D 2-28	INFO REP-1 RM/R-2 E-7 G-1 EUR-5 INR-7 IO-4 OTHER CIA-15 USIA-10 OSD-5 Army-4 Navy-4 Air-6 NSA-4 Com-6 Lab-6

SUBJECT: São Paulo Weekly Summary No. 86, Week Ending February 18, 1961

Index:

Political
1. São Paulo's Mayoralty Race
2. São Paulo UDN Senator Refuses to Support Prestes Maia
3. Brazilian Labor Party (PTB) Initiates Action to Expel Dissidents
4. Mayor Figueiredo Ferraz Urges Care in Painting Political Campaign Signs
5. São Paulo's Força Publica
6. Lumumba's Death Arouses Little Public Protest

Labor
7. National Trade Union Meeting
8. Labor Appointments

Psychological
9. Lumumba's Death

Miscellaneous
10. List of Substantive Despatches

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAR 2 1961

732.00/2-2161 HBS

Political

1. São Paulo's Mayoralty Race (Official Use Only)

The carnaval season and the absence of many local political figures from the capital city tended to reduce the tempo of São Paulo's mayoralty race this past week. Nevertheless, the various mayoralty candidates, especially the leading ones, i.e. Prestes Maia, the PTB-UDN nominee, Emilio Carlos, the PTN candidate, and Cantidio Sampaio, the PSP aspirant, made plans to intensify their campaign activities in the weeks remaining before the elections on March 26. Prestes Maia and Emilio Carlos continued to compete for the support of the parties as yet uncommitted. In both the PR, whose municipal convention is scheduled for February 22, and the PDC, which is expected to meet within the coming week, there are factions supporting Prestes Maia and Emilio Carlos. Most of the PR São Paulo state deputies are said to be favorable to Emilio; however, other members of the PR municipal convention, reportedly a larger group, are said to support Prestes Maia. The municipal convention of the PDC, in what would seem to be an

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page 4, encl 1 Sao Paulo A-310

3. Laundrymen's Strike Ends (UNCLASSIFIED)

On February 13 the 4 day general strike by the Santos laundrymen (see Weekly Comment of February 9) ended with the laundrymen being awarded the back pay and increases they demanded, but without their gaining any new raises in their wages.

III ECONOMIC - Negative.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE

1. Consulate Conducts Wage Survey (UNCLASSIFIED)

On February 11 the Consulate sent to the Embassy in Rio de Janeiro the data gathered from a local wage survey conducted by the Principal Officer. The data show that local wages and fringe benefits have outstripped the salaries currently in force for the Consulate's local employees.

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0669

make energetic representations to the Labor Ministry". All these union officials are communists or fellow travellers.

On February 10 the dockworkers shut down the port for two hours in protest against the "crime" and in sympathy for the dead stevedores.

On February 11 the reporting officer was told by an official of the Belgian Line that the hydrofluoric acid, contrary to the account of the explosion which appeared in O Estado de São Paulo, was in fact properly amnifested and legally imported with the full knowledge of the Dock Company and local customs officials, and that each drum was plainly marked with danger signs. This information was subsequently confirmed by a notice this week in the local press inserted by the Santos Dock Company as well as by a more lengthy explanation in the press from the Santos Centro de Navegação. The Belgian Line informant added that further shipments of hydrofluoric acid from Belgium were scheduled, and that the stevedores already had signified their intention not to unload them.

Nevertheless, true to their promise, by the end of this week six unions connected with port operations addressed a spirited memorial of protest to the President and Vice President of Brazil, to the Minister of Labor and to the Federal Chamber of Deputies. The communists were also trying to keep the issue alive by having dockworkers enter the local hospitals complaining of poisoning from the acid more than a week after the accident occurred.

2. Nurses vs. Santa Casa Plus Politics (UNCLASSIFIED)

Camila de Almeida, President of the Santos Nurses Union, has charged the local Santa Casa de Misericordia, the largest hospital in Santos, with serving spoiled meat to its patients and the hospital's administrator, Jose Sadí Neto, with mismanagement. Miss Almeida brought the matter before the Santos Forum Sindical de Debates, which took the unusual step of resolving that the São Paulo State Government and the Santos Municipal Government order an inquiry and, if justified, remove the hospital's board of directors.

Comment: (OFFICIAL USE ONLY)

For years Miss Almeida and Sadí have been feuding. The Forum's action has raised many eyebrows, since the Santa Casa is a private hospital which, although it receives some public funds, is actually an independent institution free of State or local government control.

The Forum's action may be linked to the fact that Luiz La Scala, Sr. is the Santa Casa's board chairman and father of Luiz La Scala, Jr., front-running candidate for mayor. The principal officers of the Forum (notably João de Morais Chaves) have indicated their support for Athié Jorge Coury, the "orthodox" janista-carvalhista mayoralty candidate, and this attack at the father may be a somewhat underhanded argumentum ad hominem to discredit the son.

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page 7, enc 1 Sao Paulo A-310

Comment: (OFFICIAL USE ONLY)

The reporting officer has commented before that São Vicente has endured not decades, but centuries of corruption, and the first 13 months of Mayor Andraus' administration seems to have provided no exception. São Vicente, the oldest (1532) city in Brazil, is an attractive town of 75,000 inhabitants and full of ultra-modern apartment houses, but lacks water, paved streets and an efficient telephone system. The City Hall is demoralized, its functionaries restive and the city's residents disgusted with Andraus' mismanagement. Andraus himself is a successful real-estate promotor and builder from São Paulo who does not even maintain a residence in the city of which he is chief magistrate.

Although Janio Quadros regards São Vicente as his #1 vacation retreat (he visited there February 10-15 to enjoy carnival in the apartment of Abreu Sodré, President of the São Paulo State Legislature) Mayor Andraus has long been feuding with him (Andraus backed Marshal Lott for President) and has been unable to obtain any significent State aid from Governor Carvalho Pinto. Reportedly Andraus has belatedly initiated ineffectual efforts to get into Quadros' good graces.

The reporting officer would not be surprised if Andraus eventually will be forced to resign, but doubts if such action would fundamentally alter the chaotic inefficiency and dishonesty which perennially afflicts São Vicente.

II LABOR

1. Acid Kills Stevedores (UNCLASSIFIED)

On February 9 the polyethylene lining of one of a lot of 17 drums containing hydrofluoric acid, a powerful corrosive, exploded after being unloaded from the Belgian freighter "Lufira" at warehouse # 30 in Santos. Three stevedores were killed and a score injured. The acid was consigned to a São Paulo chemical firm and was produced by the Union Chimique Belge S. A.

Comment: (OFFICIAL USE ONLY)

The communists immediately rushed to exploit the incident, crying that the Santos dockworkers were being sacrificed to the indifferance of capitalistic importers to human life, that the acid drums were improperly manifested and that the stevedores were unaware of the cargo's danger. Declared Antônio Rodrigues, Secretary General of the Port Administration Workers Union, "the fradulent cargo manifest resulted in this real crime". Opined Oswaldo Lourenç o, First Secretary of the same union, "this happening will not be the last". Added Domingos Garcia, Secretary General of the Stevedores Union, "we are going to get the other port unions to

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page 1, encl 1 Sao Paulo D-310

FORM DS-582
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OPERATIONS MEMORANDUM

TO: American Consulate General, Sao Paulo Date: February 17, 1961

FROM: American Consulate SANTOS, Brazil VPR III

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Carnival in Santos (UNCLASSIFIED)

During the period February 11-14 the consular district gave itself over body and soul to the pleasures of carnival. Santos, São Vicente and adjacent beach resorts were packed with the influx of over 300,000 visiting revellers, mostly from the city of São Paulo. There was dancing in the streets, gala parties in the cities' many clubs, noise, confetti and confusion and, by Ash Wednesday, many hangovers. A good time was had by (nearly) everybody.

Comment: (UNCLASSIFIED)

During carnival port and local business activity was suspended. Observers agree that the 1961 Santos Carnival, promoted by Santos Tourist Council Chief Atila Cazal, was a success, despite high prices for costumes, perfume squirters, noise-makers, serpentinas and other necessaries.

2. Federal Intervention Sought Against Mayor of São Vicente (UNCLASSIFIED)

The inefficient regime of São Vicente Mayor Roberto Andraus, for months the target of increasing criticism, has burst forth in demands for his resignation or impeachment. The São Vicente monthly newspaper São Vicente Jornal has accused Andraus of absenteeism, corruption, mismanagement and failure to keep his campaign promises to develop the city and attract industry. The paper asserts that Andraus has said he spent Cr$6.000.000,00 in order to be elected and that he wants it back. The paper charges that Andraus is trying to extort it from the municipal government and that if he succeeds, he will resign. The paper declares that an unnamed Santos lawyer is preparing a documented request for federal intervention in order to remove the mayor.

/Comment:

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SAO PAULO, BRAZIL



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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

310
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 20, 1961
DATE

REF :

55 For Dept. Use Only	ACTION	DEPT.
	ARA-4	Rm/R-2 INR-7 REP-1 PER-2
	REC'D 2/25	OTHER CIA-10 USIA-10 army-4 Navy-4 OSD-5 air-6 MAB-6 NSA-4

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated February 17, 1961.

William P. Cochran, Jr.

William P. Cochran, Jr.
Minister Consul General

732.00/2-2061 HBS

Enclosure:

Santos Weekly Report
dated February 17, 1961

cc: Amembassy, Rio

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAR 2 1961

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5. Important Visits

In addition to former President Kubitschek, Belo Horizonte received the visit of the Japanese Ambassador to Brazil, Yoshiro ANDO. There has been of late a rash of awards of honorary citizenships, either of Belo Horizonte or the State. The Japanese Ambassador came to Belo Horizonte to receive the title of "Honorary Citizen" of Minas Gerais, which the Legislative Assembly awarded him and which he received at the Palace of Government from the hands of Governor BIAS FORTES. The scroll of award stressed the Ambassador's long-time interest and actions in the promotion of Japanese capital investments and industrial development in the State of Minas Gerais.

Edmund A. da Silveira

Edmund A. da Silveira,
American Consul

0664

President Kennedy's declaration in relation to the balance of payments to the effect that the United States must attract investments of foreign capital was pointed out in one editorial as a good example for Brazil to follow. The editorial in question commented that the United States did not feel that an increase in foreign capital investments would impair the exercise of its sovereignty and advanced the opinion that if an industrialized country like the United States could profit from foreign investments, a country in urgent need of economic development as was the case with Brazil could benefit proportionately on a much larger scale.

Not much has been heard or seen concerning U.S. relations with Cuba. Fidel CASTRO's excesses, however, have been criticized. One noted exception was the quoted statement the honorary Uruguayan Consul, president of the consular corps in Belo Horizonte, gave to a newspaper reporter in which he was critical of the U.S. break of diplomatic relations with Cuba. According to the quotation, which appeared on January 9, he said: "The break of relations with Cuba was a precipitate action on the part of the United States. In the last analysis, they never combatted Batista's dictatorship which also committed crimes. The manner in which Castro rules is reprehensible, but the U.S. action brought about the disintegration of the Pan-American convention and unity [of the Americas], a disintegration that may bring on unpleasant consequences. This is my personal opinion, which means that it is not an official opinion, since I have no knowledge of the attitude or thinking of my Government, which has not yet pronounced itself on this matter." A couple of days later the papers were filled with reports of the troubles the Uruguayan Government had with demonstrations by Castro sympathizers in Montevideo.

4. Personalities of the Year

The Associated Dailies, the Chateaubriand chain of newspapers, promoted a big ceremony for the award of medals to personalities from the State of Minas Gerais who, according to the judgment of a committee of journalists, performed distinguished services to the community or the nation, whether in public or private enterprise, during 1960. Heading the list was President Kubitschek who was present at the ceremony as "Man of the Year" and also received a diploma as "Champion of Democracy" for his leading role in upholding and furthering the country's democratic institutions and regime. The list was a mile long and included the outgoing Governor and Belo Horizonte's Mayor in the field of public administration, the incoming Governor in the field of political activities, Vice Governor-elect Clovis SALGADO in the field of education, and the newly appointed Secretary of Education in the field of parliamentary activities.

0663

2. Municipal Incident

Municipal affairs were stirred for several days as a result of a vote by Belo Horizonte's City Council to give its members a 90-percent increase in the amount of their allowances for official expenses, in reality a euphemism for salary. The very critical public reaction stemmed in part from the obvious financial straits affecting the municipal administration and in part from the subterfuges the aldermen have employed to bypass the State Constitutional provision that aldermen shall serve without financial remuneration.

A clause in that provision stipulates that aldermen may receive allowances for official expenses. On this clause aldermen throughout the State have based their case for receiving what amounts to actual compensation for their services, even though they have full-time jobs outside the municipal government.

The public furor in Belo Horizonte was motivated by the evident abuse of this stipulation. In this particular case the allowance is to be increased from Cr$ 20,000 (U.S. $1.00 equals approximately Cr$ 220.00) to Cr$ 38,000 per month. Apparently, not only the voted increase but the entire remuneration is in jeopardy for the Federal Supreme Court has at least in one instance declared the unconstitutionality of financial compensation for aldermen. Seemingly, however, each case, because of subtle legal intricacies and individual subterfuges employed, has to be taken through the courts until it reaches the State or Federal Supreme Court. A relevant case, also arisen in Belo Horizonte, is already going through the courts at a snail's pace.

3. Changing Attitude Toward the United States

The Consulate has observed a favorable change in the attitude of the people in this area toward the United States. This change has been evident in some editorial comment in the daily press, many spontaneous conversations with the reporting officer by Brazilian citizens, and a number of written communications on the inauguration of President Kennedy addressed to the Consulate.

What is noteworthy about this reaction is its evident spontaneity and sincerity. A number of people, for example, in high positions in the cultural and government life of the community, have sought out the reporting officer to express their appreciation of President Kennedy's inauguration speech. The subjects that have specifically attracted the most favorable comments have been, in addition to President Kennedy's inauguration speech, his State of the Union Message, Latin American policy, and intensified food-for-peace-program. His domestic policies have also elicited praise.

0662

might weaken further the PSD position in the State. In addition, Senator Valadares was reported not only as not having asked for a cabinet post for his Party but even as consenting to having the PSD dissidence represented in the cabinet. The composition of the new cabinet fully supports these reports.

In assessing the factors that influenced the Governor, one must take two main considerations into account. One is that the PSD has by far the largest delegation in the State Legislative Assembly. The other is that although the PR split contributed to the Magalhães Pinto's election, that Party was officially in the opposition, and the split did not stem in any way from commitments made by the new Governor. It was influenced mainly by the electoral position and directives of the PR National Committee.

The PSD has been showing increasingly signs of reaching an accommodation with the new Administration in the Assembly. To antagonize the PSD by favoring the PR would lose more than gain for the Government since the PR representation in the legislature is considerably smaller than that of the PSD. Special deferential treatment of the PR would also irritate the PTB whose State committee president, Federal deputy San Tiago DANTAS, is a personal friend of the Governor. Moreover, the PR is not likely to choose lightly a policy of opposition or obstruction to Government measures in view of the doubtful outcome of such a position.

Therefore, the reasoning may have been that since the three Parties had been officially in the electoral opposition, political harmony would be better served if no discrimination between them were made. The upshot was the formation of a cabinet that consisted entirely of representatives of parties or individuals who officially and openly stood throughout the electoral campaign against the coalition backing the outgoing Administration. In fact, if one makes a qualified reservation for the PSD dissident who was given the Secretariat of Transportation in the new cabinet, it may be said that a qualification common to all cabinet members is their individual or party support of the Governor's campaign.

The question of cabinet posts may be revived if and when plans for additional posts materialize. Although there has been some unfavorable public comment on the creation of new Secretariats because of the presumed additional financial burden, the Governor seems determined to go ahead with their establishment. At least two PSD State deputies have come out strongly against the establishment of new cabinet posts, with the possible exception of a Secretariat to deal with administration. This PSD position is understandable since the larger the number of cabinet posts that are created, the greater the chances of the PR or PTB getting one.



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FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, Belo Horizonte DESP. NO. 27

TO : THE DEPARTMENT OF STATE, WASHINGTON. DATE February 17, 1961

REF : Consulate's Despatch No. 26 of February 10, 1961 17 FEB 1961

For Dept. Use Only	ACTION	DEPT.
	ARA-4	INFO R-2 E-7 FE-4 ICA-11 INR-7 REP-1
	REC'D 2-25	OTHER WH-7 M-G-1 CIA-10 USIA-10 OSD-5 Army-4 Navy-4 AEC-6 NSA-4 FRB-3 SLF-7 TR-Com-8

SUBJECT: POLITICAL SUMMARY FOR JANUARY 1961 - STATE OF MINAS GERAIS

732.00/2-1761 HBS

Table of Contents

1. Developments in the Electoral Opposition Parties
2. Municipal Incident
3. Changing Attitude Toward the United States
4. Personalities of the Year
5. Important Visits

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
FEB 28 1961

The central political event in January was the inauguration of the new Government which was reported in the despatch under reference. The political climate remained unsettled as the October electoral opposition parties -- Social Democratic Party (PSD), Republican Party (PR), and Labor Party (PTB)-- continued to jockey for the best possible position in the new Administration. PR hopes that it would get a cabinet post were all but dashed, at least for the time being. None of the opposition parties were represented in the cabinet.

1. Developments in the Electoral Opposition Parties

Out of the continuing maneuvers of the October electoral opposition parties to gain the most advantageous position possible, the PSD appears to have gained a relatively significant victory. This victory can be seen in retrospect after the formation of the new cabinet.

It transpired from conversations that took place in January, prior to the inauguration, between the Governor-elect and Senator Benedito Valadares, head of the Minas Gerais section of the PSD, that a modus vivendi had been reached between the PSD and the incoming Administration. In return for PSD support of the Magalhães PINTO Government, Senator Valadares allegedly asked for an assurance that neither the PR nor the PTB would get cabinet posts. According to political circles, the reason for this condition was to prevent those two Parties from reaching centers of power from which they

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the true nationalism; nationalism that does not mean being against this or that but in favor of the Brazilian. The fight has begun. We have courage to love the truth with generosity and grandeur. We have the ideal. To live and fight for it is the objective."

The members of the organization have been advised to strive to attain these goals through active participation in the work of the PDC. A member must be at least sixteen years old. Voting age in Brazil is eighteen. At this early stage it is difficult to decide whether this new group is intended by its designers to further the interests of the PDC as a party or whether they have more ambitious things in mind.

Significantly, Diario de Noticas, whose publisher and international editor often reflect neutralist ideas as to its international politics, sponsored the meeting, which was held in the paper's auditorium.

For the Ambassador:

Thomas M. Tonkin

Thomas M. Tonkin
Third Secretary of Embassy

APPROVED:

Philip Raine

Philip Raine
Counselor of Embassy
for Political Affairs

DISTRIBUTION: All consulates in Brazil, Service Attachés, USIS, Econ (2) Pol II, Brasilia, CF (3), Pol (5).

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FOREIGN SERVICE DESPATCH

718 — DESP. NO.

FEB 21 1961

FROM : Amembassy RIO DE JANEIRO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 16, 1961 — DATE

REF : Embassy Despatch

Info. ltr action EST/B: J Wilson: lms 4-18-61

	ACTION	DEPT.
For Dept. Use Only	ARA-4	INFO RMR-2 CU-5 P-3 ICA-11 INR-7
	REC'D 2-25	OTHER CIA-15 USIA-10 OSD-5 Army-4 Navy-4 Air-6 NSA-4

SUBJECT: FORMATION OF CHRISTIAN DEMOCRATIC YOUTH

(3)

January 6, 1961, saw the beginning of the first national assembly (held in Rio de Janeiro) of an organization known as the Christian Democratic Youth (Juventude Democrata Cristã), created primarily by the efforts of the Christian Democratic Party (PDC) for the study, by youth, of great national problems and the application to them of the "solution of democratic Christianity." The organization claims some 10,000 members in Brazil and is linked to similar groups in other countries. At the time of the assembly, a representative, José de Lucena, was reported to be visiting Europe in an effort to arrange a possible World Congress of Christian Democratic Youth in Brazil. At their first meeting the assembly elected the following slate for a two year term: President--Paulo Lacerda, Vice Presidents--Germano Machado, Ricardo Bogé, Adelmo Café, Nei Castro Alves, J. Coutinho and Lucio Pontual.

The group, according to the press, has the support of Governor Carlos Lacerda, Marshal Juarez Távora, PDC National President Queirós Filho, PDC State Assembly leader of Rio de Janeiro State Dail de Almeida and other notable figures of a less-than-radical bent.

The political orientation of the organization seems pointedly neutralist. The press quotes the following several slogans from the walls of the organization's headquarters: "Toward the defeat and substitution of the economic systems of Individualistic Capitalism and Communist Socialism by a Human Economy in which production will be ordered by the common good and whose end represents the satisfaction of the material necessities of the human person"; "Christian Democracy, a third force for the construction of a better world", and "Neither Communism which denies liberty nor Capitalism which denies justice, but Christian Democracy which realizes justice without destroying liberty." The manifesto adopted by the group speaks of repudiating all forms of oppression in dictatorial, colonialist, Capitalist and Communist systems and closes thusly: "We encompass

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dismantled. This gesture, no doubt, will have favorable repercussions in inter-American relations since the two bases in the past, and even in the present, are a permanent cause for misunderstandings between the North and the South of our Hemisphere". A Hora commented that Mr. Kennedy's administration is doing well: "After a month of government, Kennedy's government proved it is not headed by a precipitate or stubborn man or one obsessed with a fixed idea."

8. Activities of Political Exiles (Unclassified)

Fôlha de S.Paulo said that "if the Brazilian government has not yet done so, it must soon warn Captain Galvão and his group that Brazil cannot constitute an operations base for them against the Portuguese government". O Estado de S.Paulo, commenting on the incidents in the Portuguese colony of Angola, said "it is too soon yet to analyze the repercussions on Portugal's foreign policy of Galvão's brave deed and the future evolution of the Portuguese African empire".

9. Red China's Agricultural Failure (Unclassified)

Diário de S.Paulo said that the "USSR and Red China's agricultural failures have surprised even Western observers". After commenting that "Russian and Chinese authorities give explanations that don't convince", the paper stated that "it is a disaster with the proportions of a public calamity, affecting about one billion people". It is in great contrast with the "Western people, the free nations... which harvest tremendous production, can answer to the needs of their consumers and even help those who are fighting them economically and politically.

Miscellaneous

10. List of Substantive Despatches

297 License Opportunities to Foreign Firms Maquinas Moelesa, S.A.
298 Bi-Weekly Economic Review
299 Santos Weekly Report
300 São Paulo Municipal Account for 1960
301 São Paulo Weekly Summary No. 85

William P. Cochran, Jr.
Minister Consul General

Contributors: Pyle, Mason/Silveira
Distribution: INS/RAR, Embassy Rio 3, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife, Salvador, Santos

0657

demand", it is not possible that "their authorities will increase the consumption of Brazilian goods merely to please Brazil". The proposed measures, said O Estado, are reason for "real concern...especially because they may be intended to serve less Brazil's economic interests than immediate demagogic efforts (to pacify the extremists)". Brazil must have a policy of relations with all the world in order to attain a position of leadership, concludes O Estado, "but are we in a position to become leaders without endangering our already weak internal situation?" Two days later, in commenting on Janio's cables to President Kennedy and Nikita Krushchev (thanking them for their congratulatory messages on his inauguration), O Estado said, the texts "seemed to indicate that Brazil's President is on the right track now. Brazil belongs to the community of Western nations, but its exceptionally good historical, political, geographic, economic and cultural conditions reserve (for our country) a specific role in international assemblies and conferences". That is, a role of leadership. Continuing, the paper declared, "as we mentioned the other day, that is the only positive aspect of our reestablishing relations with the USSR. It would be difficult for Brazil to take the leadership it deserves (in the international scene, helping to decrease international tensions) without regular relations with one of the two big poles of those tensions: the Soviet Union". O Estado ended by saying it hoped Brazilian authorities would follow President Kennedy's example, "breaking in a short time old taboos and prejudices--which are the biggest enemies of human freedom".

Folha de S. Paulo said "the new government's disposition toward establishing diplomatic relations with all nations (including Russia) is praiseworthy. Even if we know, beforehand, that the Soviets are going to use and abuse their diplomatic façade to continue and increase their propaganda aimed at destroying our institutions, there is no way to escape that inconvenience--faced and suffered by other nations". But simultaneously, added Fôlha, Brazil "must fight the Communist plague, so we won't lose civilization's supreme gift after life itself, respect for the human being". Leftist Ultima Hora was enthused with the idea of relations with the USSR and Communist satellites: "The people give Janio their greatest applause".

7. United States' Foreign Policy (Unclassified)

O Estado de S. Paulo said Kennedy's administration apparently "is changing even the philosophic foundations of United States foreign policy". A result of it may be the returning of military bases in foreign lands to their own governments. Since military strategy and weapons have suffered a complete change too, bases like "the Panama Canal and Cuba's Guantanamo, pieces of some of the more or less obsolete conceptions of the Monroe Doctrine, will certainly be among the ones to be

the month of February has only 28 days, the last day that the TRE will accept registration of candidates for office for the election on March 26 was fixed as February 24.

The TRE stated that 1,230,133 electors were registered in the capital city of São Paulo. It will be recalled that this is less than the 1,271,323 who were eligible to vote in the election of October 3, 1960 (see São Paulo despatch 39, August 3, 1960). The TRE explained that the registrants in an adjoining comarca (a judicial district) had been included with the capital city of São Paulo in the election held on October 3. Electors in the comarca will not vote in the São Paulo election scheduled for March 26.

The total cost of the two elections in March was estimated by the TRE at about 8 million cruzeiros (approximately $35,555 US at the current rate of exchange).

5. Mayor Adhemar de Barros Takes Leave (Official Use Only)

São Paulo's mayor Adhemar de Barros took 20 days leave of absence from his office this past week. Much to the surprise of even his closest friends, who had been told that he was going to visit another country in South America, the mayor departed for Paris. It is expected that he will also visit Switzerland and London. Vice-mayor Cantidio Sampaio, who would have been ineligible to continue his mayoralty aspirations had he accepted the position, submitted his resignation. Mayor Adhemar's son-in-law and the recently elected chairman of the municipal chamber, Manuel de Figueiredo Ferraz (see São Paulo despatch 228, December 13, 1960) was sworn in as mayor during Adhemar's absence.

COMMENT: (Official Use Only) Many people in the capital city of São Paulo expect mayor Adhemar to be absent from the city for much of the remainder of his term. The activities of acting mayor Figueiredo Ferraz would seem to support this view; he is taking a great deal of interest in municipal affairs.

Psychological

6. Brazil's Foreign Policy (Unclassified)

O Estado de S. Paulo saw "no reason why the Brazilian government wishes to reestablish relations with those Iron Curtain countries", when the "USSR itself did not go above a US$ 25 million-a year trade agreement (with Brazil)". The paper added that even if the "Communist countries' market decreases or increases according to their political convenience and not according to the common law of supply and

0655

governor appears to have been motivated, in part at least, by the desire to secure additional support should there be a deterioration in the relationship between him and PTN national president and São Paulo mayoralty candidate Emilio Carlos.

During this past week at an extraordinary session of the state Legislative Assembly, PTN deputies heard a rumor that the governor intended not only to substitute the PTN representative in the state secretariat, Fauze Carlos, Secretary of Health and brother of Emilio, but also ~~is~~ would refuse to support a member of the PTN for the chairmanship of the state Legislative Assembly (see São Paulo despatch 296, February 8, 1961). The subsequent retirement of the PTN state deputies from the Assembly prevented further discussion of important financial measures which it was considering. PTN deputies called upon the governor the next day in accordance with an appointment arranged by the president of the state Legislative Assembly, Abreu Sodré. The governor told the group that he was not thinking of any substitution "at the moment" for Fauze Carlos; that he was sympathetic to the proposal that the chairmanship of the Assembly be rotated. (By a reported agreement among the parties the chairmanship was to go to the PTN in 1961, see despatch 296). The members of the PTN in turn, assured the governor of their continued support.

COMMENT: (Confidential) Both the governor and the members of the PTN are seemingly distrustful of the other. The PTN, however, has no place to go; in the event that Fauze Carlos is removed and the party fails to get the chairmanship of the Assembly, it would probably confine itself to howling. It will be interesting to see how Janio reacts to the governor's reported intention of bringing the PSD and the dissident faction from the PTB into the state government. Both parties opposed the candidacy of Janio in the recent presidential election; their inclusion in the São Paulo state administration might serve to exacerbate the relationship, which already appears strained, between the president and the governor.

4. Elections in São Paulo Municipios (Official Use Only)

The Regional Election Tribunal (TRE) announced this past week that plans had been completed to hold elections for local offices in 16 interior municipios (a division of local government corresponding roughly to a county) of the state of São Paulo on March 5, 1961. According to the TRE, a total of 32,671 registrants are eligible to vote in the 16 municipios. The TRE also announced that plans were being completed to hold the regularly scheduled local elections in 50 additional interior municipios of the state, as well as in Santos and the capital city of São Paulo on March 26. The TRE stated that the names of prospective candidates are ordinarily required to be registered not later than 30 days prior to the date of election. However, in view of the fact that

0654

record is generally regarded as good; he is not considered to be one of Adhemar's corrupt henchmen. At the same time his candidacy should benefit from the support of the city administrative machine. The other mayoralty candidates are not regarded as serious contenders. At the present time there are indications that José Cirilo (PRP); Juvenal Rodrigues de Moraes (PSD), and Hugo Borghi (PRT), will withdraw their respective candidacies.

2. Janio Quadros Visits São Paulo (Official Use Only)

Janio Quadros, accompanied by his wife and mother, arrived in a presidential plane at Cumbica airport at the end of this past week enroute to the beachside apartment of Abreu Sodré, president of the São Paulo state Legislative Assembly, at São Vicente. The president and his family, who continued their trip from Cumbica to São Vicente by helicopter, are expected to remain in São Vicente during the carnaval holidays. This is the first visit of the president to São Paulo since his recent inauguration. The president was also accompanied as far as Cumbica by Araripe Serpa, PTN São Paulo state deputy and a sub-chief of the president's civil household (see São Paulo despatch 296, February 8, 1961), and brigadier Faria Lima, São Paulo state Secretary of Public Works. The president was informally attired, carried two small airplane bags from one plane to the other like any other ordinary traveler, and avoided the press.

COMMENT: (Official Use Only) The president, obviously on a holiday, apparently had only a limited number of political contacts. He talked to Paulo Marzagão, São Paulo state Secretary of Labor, in addition to his host Abreu Sodré. Janio's initial reaction to the PTB-UDN endorsement of the candidacy of Prestes Maia (see Item 1) was reported to be one of disappointment.

3. Carvalho Pinto's New Cabinet May Reflect New Political Alignments (Official Use Only)

São Paulo governor Carvalho Pinto during this past week departed for a vacation at the interior town of Amparo. It is expected that he will announce the composition of his new cabinet, which recently resigned en masse (see São Paulo despatch 281, January 24, 1961), sometime after his return about February 19. There was some indication this past week that his new secretariat will include political parties not heretofore represented. It was stated that quiet negotiations were being conducted with state deputies from the PSD and dissidents from the PTB with a view to obtaining their support of the state administration. In return, it was said, the governor would appoint one member of each of the two parties to his cabinet. The

0653

COMMENT: (Confidential) Prestes Maia would now appear to be a formidable candidate. The impetus given by the PTB, the indications of support from other party factions, and the somewhat surprising endorsement by the UDN (where Emilio Carlos was generally believed, prior to the municipal convention, to have the advantage), plus the practically unanimous support now given to Prestes Maia by the São Paulo press, have certainly enhanced his position. There would appear to be several reasons for the belated support of Prestes Maia's candidacy. With the abandonment of the governor's quest for a mayoralty candidate for pro-administration forces, the members of the various parties not sympathetic to the candidacy of Emilio Carlos or the other nominated aspirants, sought an apolitical public figure around whom they could rally. Prestes Maia seemed to have the qualifications. He is well known, generally respected, considered honest, and he showed administrative ability during his tenure as mayor. He is acceptable to many people; there is a feeling that he would complete his full four year term as mayor, and not compete for the governorship in 1962. There is also a feeling that he would be acceptable to, and work in harmony with, governor Carvalho Pinto; in fact there are those in São Paulo who hope that an appeal to the governor to reconsider his decision after his return from the interior of the state (see Item 3), will result in the governor's official "blessing" of Prestes Maia's candidature. Prestes Maia's wife is reported to be a member of the Communist Party. Her connection with the Communists appears to be generally known. Prestes Maia's alleged closeness to the Communists, already publicly bandied about, may prevent many people from supporting him. He was quick to deny the rumor this past week that the Communist Party of Brazil (PCB) intended to support his candidacy. Although PCB secretary-general Luiz Carlos Prestes, who visited São Paulo for three days this past week, declared that the PCB had not yet decided to support any mayoralty candidate, other sources close to the PCB leader were reported to have stated that the PCB would support Prestes Maia (see despatch 296).

The winner of the mayoralty race in São Paulo, it is generally believed, will be either Prestes Maia, Emilio Carlos, or Cantidio Sampaio, the PSP candidate. Emilio Carlos has campaigned aggressively, has a good organization, is supported by the dissident PTB group, a considerable faction of the PR, and may be given support by UDN members who disagree with the endorsement of Prestes Maia by the municipal convention this past week. Emilio has a considerable following among the working class; he should secure some benefit at the polls from his ostensible closeness to Janio. Unlike Prestes Maia, Emilio Carlos is a good orator. Cantidio Sampaio, although he is handicapped by the fact that the present city administration of mayor Adhemar de Barros is generally held in bad repute, is running as an almost "independent" PSP candidate. Cantidio Sampaio's own

0652

generate any particular enthusiasm. Prestes Maia's "band wagon" began to roll two weeks ago when elements of several parties indicated that they would support him (see São Paulo despatch 296, February 8, 1961). The metropolitan directorate of the PTB this past week, in a short one hour session, gave Prestes Maia 29 of the 34 votes cast. The remaining five votes were cast in favor of Cantidio Sampaio, the PSP mayoralty aspirant. Fourteen members of the PTB metropolitan convention, said to be favorable to the candidacy of PTN mayoralty candidate Emilio Carlos, did not attend the meeting. The metropolitan directorate of the PTB also chose, as forecast earlier (see São Paulo despatch 281, January 24, 1961), São Paulo city councilman Rio Branco Paranhos (PTB) for vice-mayor. One day later the UDN municipal convention, in a tumultuous eight and a half hour meeting, which did not adjourn until about 5:00 a.m. on February 10, also nominated Prestes Maia by a 77 to 72 vote over Emilio Carlos, the only other contender. During the meeting of the UDN municipal convention federal deputy Herbert Levy, state deputy Israel Dias Novais (a prominent member of the UDN committee of five who earlier attempted to get Emilio Carlos to withdraw from the mayoralty race, see São Paulo despatch 274, January 18, 1961), deputy Ernesto Pereira Lopes, and state deputy Camillo Ashcar led the fight to secure the adoption of Prestes Maia's candidacy; the opposition, who favored Emilio Carlos' candidacy, was led by state Legislative Assembly president Abreu Sodré, state deputy Padre Antonio Godinho, who proposed Emilio's candidacy, and senator Padre Calazans. The UDN municipal convention took no action on the choice of a candidate for vice-mayor; the party's nominee will be chosen at a later date, as yet unannounced. It may be significant that the members of the UDN municipal convention who led the successful fight in favor of Prestes Maia, promptly called on São Paulo governor Carvalho Pinto to inform him of the result. The municipal convention of the PDC also met this past week, but adjourned after midnight when the members could not agree on a candidate. The party's municipal convention plans to meet again on February 18 or 20 in a further attempt to choose a mayoralty candidate. Due to the divergent influences within the municipal convention, it is said that the PDC may not nominate a candidate for the mayoralty, but may limit its choice to a nominee for the vice-mayor. This was one of the proposals put forth when the members of the PDC municipal convention could not agree on support of Prestes Maia, Emilio Carlos, or Farabulini Junior, the PL candidate. The municipal convention of the PR, also scheduled for this past week, was postponed until after the carnaval.

Elsewhere on the local political scene some of the mayoralty candidates continued to campaign energetically. This was true of Cantidio Sampaio, Emilio Carlos, and the PSB candidates for mayor and vice-mayor, Rui Novais and Freitas Nobre, respectively.

0651

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FOREIGN SERVICE DESPATCH

FROM : Amconsgen, São Paulo DESP. NO. 301

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE February 15, 1961

REF :

CONSULATE GENERAL OF
THE UNITED STATES OF AMERICA

FEB 18 1961

SÃO PAULO, BRAZIL

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	REC'D 2/20	ARA-4	RMR-2 ENR-7 OTA-10 USIA-10 OSD-5 army-4 navy-4 air-6 NSA-4

SUBJECT: São Paulo Weekly Summary No. 85, Week Ending February 11, 1961

Index:

Political

1. São Paulo's Mayoralty Race
2. Janio Quadros Visits São Paulo
3. Carvalho Pinto's New Cabinet May Reflect New Political Aligaments
4. Elections in São Paulo Municipios
5. Mayor Adhemar de Barros Takes Leave

Psychological

6. Brazil's Foreign Policy
7. United States' Foreign Policy
8. Activities of Political Exiles
9. Red China's Agricultural Failure

Miscellaneous

10. List of Substantive Despatches

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
FEB 23 1961

732.00/2-1561 FILED

CLASSIFIED FILE

Political

1. São Paulo's Mayoralty Race (Official Use Only)

The past week was one of intense political activity in São Paulo insofar as the mayoralty race was concerned. Several of the mayoralty candidates continued their campaign activities almost to the eve of carnaval; two parties held their conventions toward the end of the past week despite the general week-long exodus of paulistanos to Rio de Janeiro, Santos, São Vicente (where president Janio Quadros is passing the holidays, see Item 2), and to various places in the interior of the state.

The São Paulo political scene this past week was dominated by the emergence of mayoralty candidate Francisco Prestes Maia to the political forefront. It will be recalled that the candidacy of former mayor Prestes Maia was first proposed by "commie liner" Frota Moreira, PTB regional secretary (see São Paulo despatch 166, October 25, 1960). During the period that São Paulo governor Carvalho Pinto was attempting to find a "unity" candidate for pro-administration forces, the candidacy of Prestes Maia was again suggested on several occasions, but failed to

See last page/lfw
REPORTER

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RG: 059

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DESP 713 FR RIO DE JANEIRO TO STATE

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Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE - Negative.

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0648

PAGE #4
EMBL #1
DESP # 299
São Paulo
2-10-61

2. Brazilian Hides for Yugoslavia (OFFICIAL USE ONLY)

A Santos meat company employee has informed the reporting officer that during 1960 the meat-packing firms of Swift, Armour, Wilson and Anglo exported from Brazil over 200,000 salted hides to Yugoslavia, the hides weighing an average of 27 kilos apiece.

Comment: (OFFICIAL USE ONLY)

The informant gave as his opinion that Yugoslavia could not absorb all of these large shipments, and that some of them may have been re-exported to other countries, possibly including those in the Soviet bloc.

3. Shipper to Protest Moore-McCormack - Lloyd Brasileiro Agreement (OFFICIAL USE ONLY)

The reporting officer has seen a letter from Vandenbrande & Cia. Ltda., Brazilian coastwise shippers of Santos, to the U.S. Federal Maritime Board protesting the agreement (no. 8545) of December 22, 1960, between Moore-McCormack and Lloyd Brasileiro, on the grounds that (1) the agreement, by limiting the transportation of goods enjoying government subsidies exclusively to Lloyd Brasileiro (and Moore-McCormack), effectively reduces free enterprise in Brazil by shutting out competition from other Brazilian coastwise shippers and (2) the Brazilian Government, on April 22, 1959, established the principle that the shipment of subsidized cargoes must be by Brazilian-flag vessels without, however, stipulating exclusivity to Lloyd Brasileiro.

Comment: (OFFICIAL USE ONLY)

The reporting officer understands that other Brazilian shipping firms may portest Lloyd Brasileiro's monopoly under the December 22 agreement at the hearing to be held in Washington this month.

4. Port of Santos Congested (UNCLASSIFIED)

For the past week the port of Santos has been congested, with a dozen or so freighters waiting their turn to berth alongside. The average waiting period has been at least four days. Passenger vessels have not been affected.

IV CONSULAR

1. General (UNCLASSIFIED)

/Consular operations

0647

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Comment: (OFFICIAL USE ONLY)

The strike appears to have local communist support.

2. Remodeled Headquarters for Dockworkers Union (UNCLASSIFIED)

Work is proceeding apace on the expansion and remodeling of the headquarters building of the Sindicato dos Operarios nos Serviços Portuários de Santos, with over 6,500 members the largest labor union in the city. When completed, it will be the largest and best-equipped union building in Brazil, with an auditorium capable of holding 2000 seated persons and a school for 900 children. Costs are being defrayed by a special levy upon each member of 5 days pay.

Comment: (UNCLASSIFIED)

Last September the Sindicato dos Empregados na Administração dos Serviços Portuários de Santos inaugurated a new addition to its headquarters which cost Cr$5.180.000,00.

III ECONOMIC

1. Contraband Seized by Santos Customs (UNCLASSIFIED)

A shipment of 717 cases of Scotch whisky, said to be the most valuable single seizure of contraband made by the Santos customs in ten years, is the focus of a "battle of the titans", according to O Diario. The importers are trying desperately to be able to re-export the liquor out of Brazil, presumably for resale abroad, and the customs are just as energetically trying to seize the contraband for the Brazilian Government. It now appears that the personal intervention of the President of the Republic is likely before the matter is solved.

Comment: (UNCLASSIFIED)

During the past four weeks the Santos customs authorities have been much more vigilant in searching out illegally-imported goods.

On February 8 President Jânio Quadros in Brasilia formally signified his intention to the Minister of Finance to remove all Chief Customs Inspectors and Examiners in the State of São Paulo, except in cases of proven merit and honesty.

The scandalous corruption in the Santos customs of late is the subject of a recent despatch from this Consulate.

/2. Brazilian Hides

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to Captain Oliveira, "Cuba surpasses its Russian communist model and is such an unbearable dictatorship that the 95% (of the population) supporting Fidel Castro is today 15%, and that percentage is made up of those who are leading or benefitting from the situation. Resistance in Cuba is a reality, just like the French Resistance during the last war - and do not believe that it exists due to the partisans of the abominable Batista. The fact is that those who were against him are now against Fidel, which seems crazier than anything else." Captain Oliveira went on to say that "Che" Guevara "is the person who really commands;" that tourism in Havana is dead; that the population of Cuba, including women, is militarized; and that freedom of the press is non-existent.

3. Reported Political Bargain in Santos City Council (UNCLASSIFIED)

Should José Gomes, PTB member of the Santos City Council and its Vice President (see item 1 above), be elected Vice-Mayor of Santos on March 26, his place on the City Council would be taken by Antônio Rodrigues, the PTB's First Alternate on the Council. Reportedly a plan has been devised to give Rodrigues a sinecure at the City Hall in order to allow Remo Retrarchi to be named PTB Alternate in his stead and so enable him to take a seat on the Council. Petrarchi is a veteran politician and former long-time President of the Santos City Council who was unexpectedly defeated for re-election to the Council in October 1959. Petrarchi, a staunch collaborator of Mayor Silvio Fernandes Lopes and the local PSP, since his defeat has held an important administrative position at the City Hall.

Comment: (OFFICIAL USE ONLY)

Antônio Rodrigues is Secretary General of the big Sindicato dos Empregados na Administração dos Serviços Portuários de Santos and a reputed communist. He has denied any interest in a "political bargain" and insists that if Gomes is elected Vice-Mayor, he will take over the vacated seat on the Council.

II LABOR

1. Laundrymen Strike for Higher Wages (UNCLASSIFIED)

The small Sindicato dos Trabalhadores da Indústria de Tinturarias e Lavanderias do Vestuário de Santos has proclaimed a general strike commencing February 9. The laundrymen were promised a 49% raise effective January 1, but have not yet been able to collect their increases from the employers, who plead inability to pay. The laundrymen have obtained an injunction against their employers and are now striking to enforce their demands for back pay and also to obtain a new 60% pay increase over the levels in effect on January 26.

/Comment:

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FORM DS-602
6-1-59

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PAGE #1
ENCL #1
DESP #299
SAO PAULO
2-10-61

OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo Date: February 9, 1961

FROM: American Consulate SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Santos Mayoralty Race (UNCLASSIFIED)

Although the intense maneuvering in the campaign for Mayor of Santos is presently overshadowed by the approach of next week's Carnival celebrations, the contest is shaping up as a race between Luiz La Scala, Jr., candidate of incumbent Mayor Fernandes Lopes, and ex-Mayor Antônio Feliciano, PSD sachem; with janista-carvalhista hopefuls Mario Covas, Jr. and Athie Jorge Coury cancelling out each other.

On February 7 the PSP unanimously nominated La Scala as its candidate for Mayor and José Gomes, PTB Vice President of the Santos City Council, as its candidate for Vice-Mayor. La Scala and the local PSP are making substantial inroads upon the PTB, which has not yet endorsed any candidates, and this week City Councilman Antonio Bento de Amorim Filho deserted the PSD to work for La Scala.

Comment: (OFFICIAL USE ONLY)

The reporting officer is of the opinion that La Scala and Gomes will be elected.

Incidentally, there are now at least eight candidates for Vice-Mayor of Santos.

2. Uruguayan Skipper Criticizes Castro Regime (UNCLASSIFIED)

The master of the Uruguayan freighter "Punta del Este", in an interview with A Tribuna this week, gave vent to his disgust with Fidel Castro. In port after a voyage from the United States to Brazil and Montevideo via Cuba, where he spent nearly two weeks both in Havana and in Santiago de Cuba, Henrique Oliveira y Calamet stated that at the outset he had strongly favored Castro, but that "the greatest deception of his whole life" was to see Castroism in operation. According

/to

VPRandolph,III/vpr

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CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
FEB 9 1961
SÃO PAULO, BRAZIL

TO RMR CENTRAL FILES
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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

DESP. NO. 299

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE February 10, 1961

REF :

For Dept. Use Only	ACTION	DEPT.
	ARA-4	RPD/R-2 REF/ INR-7 E-3
	REC'D 2-16-61	INFO OTHER CIA-10 USIA-10 AAB-6 COM-10 NSA-4 ARMY-4 NAVY-4

DEPARTMENT OF STATE
INCOMING TELEGRAM
A106

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated February 9, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/2-1061

FILED

Enclosure: as m.

Santos Weekly Report
dated February 9, 1961

cc: Amembassy, Rio

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In sum, Embassy believes new Foreign-Office group is in position somewhat analogous to that of Quadros cabinet, i.e. it is group which though generally pro-Western and conservative will be willing implement Quadros' moves toward more "independent" foreign policy.

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February 8, 1961

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INCOMING AIRGRAM *Department of State*

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PAGE 1 OF 2 PAGES

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Date Sent: February 9, 1961
Rec'd: 19 Feb 13 PM 2 03

FROM: Amembassy RIO DE JANEIRO

TO: Secretary of State

NO: G-300

ACTION: FEB 10 10 AM '61
INFO:
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732.00/2-961 HBS

Following appointments made February 6 to top jobs in Foreign Office: Ambassador Vasco Tristão Leitão da Cunha, Secretary General; Ambassador Jayme Sloan Chermont, Chief of Political and Cultural Department; Ambassador Edmundo Barbosa da Silva, Chief of Economic and Commercial Department; Minister Ilmar Penna Marinho, Chief of Department of Administration; Minister Mario Gibson Alves Barboza, Chief of Cabinet to Foreign Minister Afonso Arinos.

All are long-time career men. Only two--Barbosa da Silva and Penna Marinho--are holds-overs from Lafer period, and, of these, Penna Marinho was persona non grata to Kubitschek (under whom he was passed over four times for promotion to Ambassador) and had reputation as biggest "janista" in Itamaraty. Thus Barbosa da Silva (who had been moved from directorship Economic Department to act as Secretary General) appears represent only real continuity with past. His re-appointment to head Economic Department may have special significance view his having been principal architect of re-establishment economic relations with Soviet Union during previous incumbency this position. Appointment Penna Marinho to Administration also significant since he will thus preside over re-organization Foreign Office when (and if) Congress passes pending enabling legislation.

Other appointees all are distinguished old-school traditionalist types. All, too, last held Foreign Office posts under Café Filho Administration (Leitão da Cunha and Chermont in same positions they now again occupy, and Barboza as cabinet official of Foreign Minister). At Leitão da Cunha's induction ceremony, however, Arinos stressed that return of men of Café Filho era did not mean return to its generally stand-pat policies stating that his own family's long-time connection with Brazilian diplomacy would not imply "stagnation" under his leadership and that he intended to "develop" and "advance" Brazil's tradition.

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0641

Laérzio CAMPELLI, Departamento de Turismo e Divulgação.

In his 30's; working with Ney Braga since Ney was mayor of Curitiba; old public relations hand; knows nothing of "tourism" per se.

UDN-PL

ALCINO CARVALHO E SOUZA - Procurador Geral do Estado
ALCEU RIBEIRO DE MACEDO - Consultor Geral do Estado
HERALDO VIDAL CORREIA - Presidente da Fundação Paranaense de Colonização e Imigração
FRANCISCO BRITO DE LACERDA - Diretor do Departamento de Assistência Técnica aos Municipios
ORLANDO XAVIER PORRO - Comandante da Policia Militar do Estado
PEDRO IVO LAFITE ROCHA - Diretor do Departamento Estadual do Serviço Público
JOAQUIM DE MATTOS BARRETO - Presidente da Fundação de Assitência ao Trabalhador Rural
ELIAS FARAH - Diretor-Executivo da Fundação de Assistência ao Trabalhador Rural
JOSÉ SCHELEDER - Chefe da Casa Militar
BENEDITO CARLOSO DA SILVEIRA - Chefe da Casa Civil
GABRIEL NEIVA DE LIMA - Secretário Particular
DARIO LOPES DOS SANTOS - Diretor do Departamento de Transito
OSIRIS STENGUEL GUIMARÃES - Diretor do Departamento de Agua e Esgotos
LEÃO SCHLIMANN - Presidente da Usina Termoelétrica de Figueira (UTELFA)



he received 27,000 votes. (PTB candidate Ibere de Mattos won). O.U.O. Some say that with two more weeks Simão would have won.

As Labor and Social Welfare secretary, Simão will be in good position to deal with problems affecting Curitiba's poor, urban masses. Appointed to Ney secretariat to try to keep Curitiba in the Ney column. Strictly a political appointment.

Simão has been President of City Council three times, and would have been again in 1961 if he had not been appointed to this position.

Basically conservative (at least not radical), though within limits his political interests will over-ride his conservatism. Other things being equal, he is generally friendly to the U.S. and its policies. However, he enjoys prestige with Ultima Hora and its staff writer Milton Cavalcanti.

Justino Alves PEREIRA, Secretary of Health. UNCL.

Born, raised in Minas Gerais; about thirty-35 years old; married; children; physician-land owner from Ibiporã, near Londrina in northern Parana.

First entered politics when he became UDN candidate for federal deputy in 1958. Though defeated, received 70 percent of the vote from Ibiporã. In 1960 campaigned incessantly for Ney Braga throughout northern Parana.

Sincerely concerned with problems of public health, but not above making public health programs (e.g. building construction) meet political ends.

Brasílio MARQUES Sobrinho, Departamento de Geografía, Terras e Colonização. UNCL.

Career Brazilian Army officer, Lieutenant Colonel; knows Ney Braga from his Army days, good friends; served once in Intelligence Section of Fifth Military Region, through this service familiar with problems of lands and titles in southwestern Paraná.

Under Ney Braga this department will be responsible for coordination of all government activities relating to regional development within state, including development of "southwest".

Honest, competent. Non-political. Believed to be engineer.

Laérzio

0639

Some outstanding problems:

1) Organizing and executing program of AGRARIAN REFORM - probably on São Paulo model.

2) May act through tax modifications.

3) Preliminary report already handed to Ney, prepared by: Prof. Rubens Assuncão MIRANDA, Waldomiro VALEIXO, Rubens Moura REZENDE, Harry WEERLIN. Note: Valeixo is ex-grantee, was Lupion-appointed director ill-fated ETA-15 project in Parana.

4) Diversification Paraná agriculture.

5) Push agricultural studies in regard crop, seed, herd improvements; control and eradication of plant and animal diseases.

SEE ALSO: PLADEP, VIAÇÃO E OBRAS PÚBLICAS.

Mario Braga RAMOS, Secretary of Education and Culture.

Born, raised Ponta Grossa, Paraná; 36 years old; married; Dentist by profession, also dean of Faculty of Odontology, Ponta Grossa.

At time of appointment was alderman from Ponta Grossa, having received the largest number of votes of any alderman in the last election for alderman (1958).

Although belongs to UDN, not particularly active in party. Well organized, intelligent individual; genuinely concerned with educational problems.

Felipe Aristides SIMÃO, Secretario de Trabalho e Assistencia Social

Born and raised in Curitiba, 42 years old; only time traveled abroad was to take part in Italian Campaign (Brazilian Expeditionary Forces) in World War II. Trained in Chemical Engineering at Univ. of Parana, and also some background in accounting.

A city councilman (alderman) of Curitiba since 1951; belongs to PL; his city political machine, so well oiled that he never even campaigns to keep his alderman's seat. In 1958 Ney Braga asked him to run for mayor when there were only two months left to campaign (supported by PDC-PL), and in spite of this short notice

he

L.O.U.

In terms of general attitudes towards U.S. he is neutral -- not especially friendly nor particularly unfriendly. Definitely is anti-communist, anti-U.S.S.R.imperialism.

Non-political appointment.

Enjoys considerable prestige with Ultima Hora and its staff reporter, Milton Cavalcanti. Well liked by students at Univ. of Parana.

Milton de Barros WITHERS, Commercial Director of COPEL UNCLASSIFIED

Born, raised, Curitiba, about 40-45 years old, married, 3-4 children; member of prominent, extremely wealthy group of Parana families; director (commercial) of family enterprises, very competent and successful.

Recently suffered heart attack which damage was "cured" by surgery (November, 1960).

Very conservative individual, UDN voter, but not especially active member of party, though he contributed substantially to Ney's campaign funds.

Dr. (Lawyer) Paulo PIMENTEL, Secretary of Agriculture O.U.O.

Recently graduated from university, went to university with Jose Bonifacio Nogueira, Secretary of Agriculture of São Paulo. Graduate of Univ. of São Paulo. Lawyer-turned-ranch operator.

Born and reared in Porecatú, Paraná; aged 31 years, youngest member of secretariat.

Non-political. Selected on personal basis by Ney Braga, without any important political connections in state. However, campaigned for Ney during election (as did many others, none of whom expected any concrete rewards). However, considers self "ideologically" a "Christian-Democrat" (PDC).

Expects concrete help plus technical advice from his classmate Nogueira.

"Greatest problem to impose morality in operations of Secretariat of Agriculture."

Some experience in running large ranch in Porecatú.

Some

0637

Afonso Alves de CAMARGO Neto, Director of Department of Water and Electric Energy. L.O.U.

Born, raised in Curitiba, of very old Curitiba family. Trained in engineering at Univ. of Parana; 32 years old.

?? Believed he may be relative of Braga's wife. ??

Formerly of PR, entered PDC last year; campaigned for Ney. The Camargos have always participated in Parana politics; this apparently is Afonso's first successful venture.

General reputation is that of "playboy". In first press conference he acted as spokesman for Ney, quoting need to expand current electric production to 480,000 kwa.

Not expected to have any appreciable influence over Ney.

NOTE: This department ("DAEE") is essentially an inspection and tax collecting authority. For planning, construction, electric production and distribution, the state authority is "COPEL," Companhia Paranaense de Eletricidade, a mixed public and private owned corporation responsible for all state government electric enterprises. PARIGOT de Sousa and WITHERS are chief elements in new COPEL directorate.

Coordinated Jânio-Ney committees in interior Paraná.

Pedro PARIGOT de Sousa, President of COPEL (state-directed electric power authority.). L.O.U.

About 35 years old, married, one or two children; hydraulic engineer with University of Parana, in charge of setting up new National Polytechnic Institute in Curitiba which is to be administered by Univ. of Parana.

Idealistic, moderate nationalist, generally in favor of state operated instead of private operated electric energy. According to informed source, Parigot competent as an engineer, but in terms of commercial-economic aspects of energy production, distribution and sales is very weak. Hard worker, honest.

Recently traveled to France and Germany to try to get university assistance to give technical advice on setting up Polytech Institute, and only after failure of this trip, and with encouragement from Rector of Univ. of Parana has he consulted USOM and this consulate about possibility of such assistance from U.S. government.

In

Colonel (Army Reserve; Engineer Corps) Alipio AYRES de Carvalho, Secretary of Viacao e Obras Publicas L.O.U.

Born and raised in Maranhão; married; about 50 years old.

Greatly interested in economic problems.

Since 1955 senior advisor on Development Planning Commission of Paraná (PLADEP), where gained renown as human calculator. Entered PLADEP under UDN administration of Adolpho do Oliveira Franco, retained by Lupion because of pressures from conservative parties. Although Lupion made no use of PLADEP studies, the public works programs prepared by PLADEP over the past few years will be the basis of Ney BRAGA's public works programs. Main elements:

1) Construction of paved highways from north to southeast, and from Paraguay border to Paranagua, all to permit rapid transport for Parana products and crops.

2) Development of electric energy (in cooperation with COPEL and Department of Water and Electric Energy).

Has no political connections.

Continues in charge of PLADEP. As chief coordinator of PLADEP was responsible for planning large Capivari-Cachoeira hydroelectric plant. The plan calls for careful integration of both foreign and domestic capital, production of several hundred thousand kilowatts of energy.

Honest, outspoken. Robert Wisdom, USOM/B PBAD Community Development advisor knows him, gets along well.

Saul RAIZ, Director State Department of Highways (DER) UNCL.

Raised and educated in Paraná; 31 years old; trained in engineering at Univ. of Parana; one post-graduate work at Paris (Grupo Economia e Humanismo de padre Lebert). When Ney was mayor of Curitiba, RAIZ was his principal technical advisor in "Departamento de Urbanismo," an organization charged with planning for city development and engineering projects.

Non-political.

Selected because of personal acquaintance ship with Ney, technical capacities.

Alfonso

0635

Lieutenant Colonel (Regular Army) Italo CONTI, Chief of Police O.U.O.

Served with Ney Braga when they were junior officers. Has never before held civil post, always being on active military duty. More recently has been assigned to a battalion in the interior of Parana (Castro). Served in Italy in W.W. II.

Non-political; picked by Ney on personal basis.

Married; at least four children.

Born: January 19, 1917 (44 years old) in União da Vitória

Hopes to operate civil police in integrated coordination with State Military Police.

Was head of "Secret Service" of 5th Military Region, from which position put down uprising in S.W. Parana in 1957.

Was Ney's nominee for Police Chief in 1955 when Ney was mayor of Curitiba.

Prof. Jucundino da Silva FURTADO, Secretário do Governo CONF.

About 38 years old; married; born and raised in Lajes, Santa Catarina. Graduated as an Engineer from college.

For past ten years Secretary General of the Univ. of Paraná (Curitiba), chaired professor in the School of Chemistry where he teaches Descriptive Geometry.

Militant Christian-Democrat (PDC), but for past year has been closely associated as technical advisor to Ney Braga, less active in party politics per se. Responsible for many of Ney's actions as Federal Deputy in this period. Comes to his post as Secretary of the Regional Directorate of the Parana PDC.

Combination political-personal appointment. Represents PDC in new secretariat. Though Ney will listen to him, will not exercise determining influence over Ney. Main job to keep PDC backing Ney.

As secretary of Univ. of Paraná has been generally friendly and cooperative with consulate and binational center in Curitiba, though on one or two occasions has been less helpful than he might have been.

Opposed by Curitiba UDN. Can't trust him too far regarding attitudes on U.S.

Colonel

0634

Dr. Rubens REQUIÃO, Secretary of Interior and Justice.

Lawyer, trained at University of Paraná, militant member of "Ala Moça", hyper-nationalist wing of Parana UDN; brought into UDN by ex-senator Arthur SANTOS, in whose law office he began his practice as a junior lawyer. As a lawyer has always been outspoken, non-conformist, "trouble making." In 1955 was chief of campaign for elected Federal Deputy Othon MADER, hyper-hyper-nationalist of Parana UDN and non-conformist to such an extent that he has never been able to hold appointive job because he cannot cooperate with others in government. Othon MADER was one of principal Ney Braga supporters at UDN nominating convention early in 1960. As secretary-general of Parana UDN in 1956, Rubens REQUIÃO was early, outspoken opponent of LUPION-PSD government, and continued so throughout succeeding five years.

REQUIÃO is convinced of U.S. "economic imperialism", though he is not particularly pro-USSR or pro-Communist. He belongs to large group of individuals who believe U.S. a greater danger to Brazil than U.S.S.R. because U.S. has already penetrated country, while U.S.S.R. has not, and U.S.S.R. is already recognized as a potential danger, therefore, can be dealt with.

As Secretary of Interior and Justice, REQUIÃO is in effect, Secretary of Public Safety, coordinating activities of military police with civil police. However, in Parana it is civil police (Delegacia de Ordem Politica e Social) and Army who keep tabs on communists, so REQUIÃO's attitudes will not have too much effect regarding easing police watchfulness of communists.

REQUIÃO is extremely intelligent, quick witted, politically adept. Should be a major advisor to BRAGA on many matters, including economic items.

This appointment is strictly political.

REQUIÃO was born, raised and educated in Foz do Iguacú (i.e. southwest from Curitiba) in Parana; married; has children; aged 44.

This office will serve as base point from which Braga hopes to keep political forces which elected him united behind his government.

Lt. Colonel

0633

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(Classification)

Page 1 of 9
Encl. No. 1
Desp. No. 37
From Curitiba

LIST OF PARANÁ OFFICIALS APPOINTED BY NEY BRAGA FEB. 1961

Engineer Algacyr GUIMARÃES, Secretary of Finance (Fazenda) O.U.O.

Aged 54, married, three children. From an old Paraná family, born and raised in Curitiba. Trained in engineering at University of Parana. Worked for some time as a manager with Parana-Santa Catarina railway. For past ten years has been in charge of operations of Santos-Jundiai Railway.

Formerly was a professor of engineering at Univ. of Paraná.

Non-political - but votes PDC

Conservative - but enjoys prestige with Ultima Hora and its staff writer Milton Cavalcanti.

Máximo KOPP, President of State Bank L.O.U.

Born, raised in Curitiba, third generation Brazilian; about 60 years old; married; four children, two boys, two girls, aäl married.

Owner-manager large series industrial enterprises, intelligent, active, successful; has close business ties with U.S. firms, especially Borden Company (glues); high moral character, extremely honest, very conservative.

Member-voter of UDN, not active party, but heavy contributor to Ney Braga campaign.

Completely inexperienced in banking; appointment designed to lend "moral and conservative" tone to State Bank. Took job against own wishes because he considered it a moral obligation.

KOPP is also honorary Austrian Consul.

Rosalino MAZZIOTI, Director State Department of Purchases O.U.O.

In his 40's; long-time in Paraná; born Rio Grande do Sul, fairly conservative businessman; UDN supporter, but not active in party; not particularly friendly to American businesses, but honest, very tough businessman, probably will clean up corrupt messes in purchasing department.

Not politician.

Brought to Paraná by Manuel Ribas.

CONFIDENTIAL

0632

of USOM programs in Paraná, and given President Kennedy's publicized declarations of greater aid for Latin America, it is natural that the new government is seeking United States cooperation with Paraná. Preliminary feelers, together with comments have been reported in Curitiba D-28 (1/5/61). I have been told by the Secretary of Public Works who is also head of the State Commission for Development Planning, that within a few weeks at most he expects the state to approach the United States, probably through this consulate, with a fairly detailed proposal of ways in which existing USOM projects can be sustained or expanded, and perhaps new ones added, so that USOM cooperation will fill a precise series of needs and make an integrated contribution to over-all state development. L.O.U.

CONCLUSIONS.

The Ney Braga government represents the new generation of Brazilians: young, conscious of their obligations to society and the nation, and conscious of a great national destiny which must be achieved. It welcomes United States friendship and cooperation on a basis of partnership and equality. It hopes to bring the country out of feudal darkness through a process of rapid but controlled evolution. In essence this is progressive conservatism and the path of reason. I believe this is the type of government which we desire to see in Latin America. If it is at all possible, the United States should extend the maximum amount of cooperation of which it is capable to this new government. (See Curitiba D-26, 12/12/60, for a discussion of administration of United States aid in this consular district.) CONF.

Edward M. Rowell
American Consul

Enclosure:

List of Paraná officials.

0631

resources for itself. UNGL.

Although it is not possible to predict the degree of success on the second and third approaches named above, the poor financial condition of the federal government plus federal obligations to the northeast and to São Paulo make it extremely unlikely that Ney will be able to obtain all the federal help he needs. This is the kernel of crisis which Ney's government will face over the next two to five years. O.U.O.

ATTITUDES TOWARD PRIVATE AND FOREIGN ENTERPRISE AND THE UNITED STATES GOVERNMENT.

Braga and his secretariat are essentially progressive-conservative, and patriotic nationalists. They believe in the maintenance of a free enterprise economy with proper government controls and regulations. Regrettably, one of Braga's most influential advisors, Rubens REQUIÃO, is a hyper-nationalist, convinced of American economic imperialism, and still sympathetic to Fidel Castro (as distinct from the Cuban Revolution, per se, which is generally supported by most people). Even Requiao, though, would not offend foreign private enterprise except in certain essential categories, namely, public utilities and finance (banking). L.O.U.

Acting as a brake on Requião and his ideas are most of the other members of the Braga secretariat, including the Secretary of Finance and the President of the State Bank. Further, the economic weaknesses of the government demand cooperation with every possible source of funds, including private capital, both domestic and foreign. L.O.U.

In preparing the details of the new government's development programs, the planners will attempt to integrate private and public funds, both foreign and national, in such a way as to make the most effective use of both and still maintain the public interest. Speaking through Newton Carneiro, Paraná UDN chief, Braga has assured the head of the local American and Foreign Power subsidiary that as long as the company meets the needs of the communities it serves, he will leave it alone. He has enough other trouble without becoming embroiled in questions of expropriation. It is clearly implied, however, that if the company does not grow with the state, or is not able to find ways to cooperate constructively with state-operated power development, it may face expropriations. CONF.

PARANÁ AND USOM

As noted in the section on organization, Braga has emphasized integrated planning before action, and then action on a rational basis. Given the problems outlined above, given the previous existence of

government appears to be very similar to some of the United States policies announced by Secretary Dillon at the Bogota conference in 1960. L.O.U.

The land reform program, of course, is much broader than a mere title guarantee. The government hopes to evolve a program of development on a regional basis throughout the state so that the economic, social and educational conditions obtain which are necessary for the preservation and the advancement of the new property holding classes. UNCL.

PROBLEMS.[1]

The single greatest immediate problem of the new government is finances. The Lupion government completely bankrupted the state treasury, and in addition added thousands of unneeded public servants to the payrolls. However, even if the state were in the best financial condition, it would still require some outside help to achieve its objectives. L.O.U.

Braga hopes to solve his immediate financial crisis in three ways. First, he plans to put the government in sound operating condition, financially speaking, and in this way establish sufficient confidence so that he can obtain credit from private sources.[2] Second, he hopes to obtain release of all funds which the federal government is obliged by law to grant him. This includes the cr$100 million per year from the Superintendancy for the Valorization of the Southwest. Third, he hopes to obtain special federal credits to complete certain outstanding, essential projects, such as the federal highway from Paranagua to Foz do Iguacu, and the re-equipment of the Port of Paranagua. UNCL.

In addition Braga had hoped to receive technical assistance and electric energy from São Paulo. However, his good friend Governor Carvalho Pinto has reneged on this because São Paulo needs all its resources

1 The problems discussed here are executive and administrative. Political questions, such as degree and reliability of political support in the State Legislative Assembly, will be treated in separate despatches. It is clear, though, that for at least the first year or so Braga himself does not anticipate any serious political troubles from the state legislature. OFFICIAL USE ONLY.

2 I have been told by several local bankers that this has already been achieved, or at least that there is such confidence in his appointees that lines of private credit have been extended to him. OFFICIAL USE ONLY.

0629

Second, over-all planning and execution of state projects both on a regional and project basis is centralized in such a way that only one government official will speak on each project. This will eliminate much of the overlapping and conflicting action which occurred under Lupion. Third, damaging competition and unauthorized politicking by by the individual secretaries is eliminated on pain of dismissal. All of this should make the new government easier to deal with on a rational basis, as well as making it more efficient. UNCL.

In this respect, it is interesting that a condition of appointment under Ney Braga is that the appointee promise not to run for any elective office in 1962. This condition made it easy to keep some of the more prominent politicians out of the new state government. In turn it thus was easier for Ney to select persons of his own choice (who were content to be subordinates) without offending politicians who otherwise might have demanded jobs for themselves. O.U.O.

PLANS.

Ney Braga has the following four major objectives, listed in the order of their priority: (1) expansion of available electric energy, mainly in the north and southeast of the state, reaching at least 480,000 kva within two years (present output: 210,000 kva); (2) completion of the basic highway structure necessary to permit economic transportation of basic agricultural products (coffee, rice, beans, cotton, corn, lumber) to points of sale or shipment (São Paulo or Paranagua); (3) upgrading the efficiency of the Port of Paranagua and eliminating the strangulation of the port with coffee (there are now 10 million bags stocked in Paranagua); and (4) land reform, including resolution of problems relating to title and possession. UNCL.

The land reform program is especially significant. It is listed last among Ney's principal plans only because without solution of the first three problems the state will sink into such economic depression that no amount of land reform will prevent social, economic, and perhaps political, upheaval. L.O.U.

The land reform program is under the control of the Department of Geography, Lands and Colonization, headed by Lieutenant Colonel Brasilio MARQUES Sobrinho (see Enclosure 1). The basic objective of the program is to give clear title to small landholders working their own property, and to guarantee possession of that property against armed raiders and others. The lack of such guarantees caused a civil war in southwestern Parana in 1958. Establishment and protection of these titles will create a large class of low and middle income people who have a vested interest in progressive conservatism. Failure to achieve these guarantees will assure that the low income masses of the interior have a vested interest only in social and economic revolution. This particular objective of the new Parana government

0628

secretariat are: (1) its yough and energy (only two persons over 50, several in their thirties); (2) its dedication and generally high moral tone; (3) its large number of non-political or amateur-political persons; (4) its relatively advanced technical background; and (5) its lack of outstandingly forceful personalities (with the possible exception of Rubens REQUIÃO). Although representatives from all geographic regions of Parana are in the government, this has happened more by chance than design, except in the case of Justino Pereira, Secretary of Health, who was named to represent northern Parana. O.U.O.

The politicians in the secretariat supported Ney vigorously in his campaign, but their main role in the new government (aside from their executive functions) is to keep the UDN-PDC-PL coalition in good working support of the new administration's programs. Only to a very restricted degree are these politicians expected to be able to influence important government decisions in order to satisfy party needs. The persons in question are Rubens REQUIÃO (UDN), Aristides BIMÃO (PL), Jucundino FURTADO (PDC), and, to a lesser extent, Justino PEREIRA (UDN) and Paulo PIMENTEL (PDC) (See Enclosure 1). L.O.U.

A potentially serious weakness is the inexperience of some of the appointees in the type of work to which they have been appointed. For example, the Secretary of Agriculture is a lawyer-recently-turned rancher, 31 years old, and has no previous experience in government. Likewise, the President of the State Bank, Maximo Kopp, has never had any experience in banking, although he is eminently successful as a businessman and is scrupulously honest. O.U.O.

In many respects the new team is a "reform" government. Its members are working hard, not only to eradicate the putrescence of the Lupion government, but also to plan and execute needed economic development and social reform. In private conversation the new secretaries are remarkably blunt about their plans and problems. Appointments are rigidly maintained. And the work day runs from 8:00 A.M. to 10:00 at night. These are all unusual characteristics among conservative Brazilians. L. O. U.

ORGANIZATION

Significantly, the new government is carefully directed from the top down. Ney Braga is an autocrat at heart and this is compounded with a capacity for command gained in years of training at army general staff schools. L. O. U.

Three important changes in government organization have been instituted by Braga. First, he is decentralizing the state government, setting up field offices in each of three main sub-regions of Parana. Each field office will have full authority to act for all departments of the government within prescribed criteria.

Second,

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AIR, COURIER — CONFIDENTIAL (Security Classification)

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PRIORITY

FOREIGN SERVICE DESPATCH

FROM : Amconsul, CURITIBA — D-37 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — File no action Feb 9 1961 DATE — FEB 10 1961

REF :

ARA: EST 16 J.W. Wells

55 For Dept. Use Only	ACTION REC'D	DEPT. INFO OTHER
	ARA 4 2/16	RMR-2 INA-7 AEP-1 E-3 ICA-11 CIA-10 USIA-10 COM-10 IR-3 FRB-2 XMR-4 Navy 4 GCB-1 OSA-1 DOC-1 DLF-9 AGA-8 INT-7 LAB-4 OSO-1

SUBJECT: THE NEW PARANA GOVERNMENT: CHARACTERISTICS, ORGANIZATION, PLANS, PROBLEMS, ATTITUDES TOWARD FOREIGN PRIVATE ENTERPRISE, DESIRE FOR USOM COOPERATION

DEPARTMENT OF STATE
FEB 27 1961
NIEA/ARA/BRAZIL AFFAIRS

SUMMARY:

The new Ney Braga government is young, hard working, ~~honest~~. It is a "reform" government. Although most of its members are specialists, not all of them have been assigned to offices requiring their specialty, and this may be a serious weakness. The government is highly organized, and all actions and plans of all departments will be carefully integrated. In contrast to the preceding administration, this one will be firmly commanded by the governor who shows the results of his years of training in army command and staff schools. The government is shaping plans to attack the state's most serious problems: electric energy, transportation, port improvement and land reform. However, the state is in such poor financial shape that outside help, mainly from the federal government, but also from private enterprise and perhaps foreign sources will be necessary. L.O.U.

The new administration is acutely aware of the sweep of social and economic change in Brazil and Parana. It hopes to promote such necessary change through controlled and conservative but progressive evolution. It is seeking cooperation from the United States government. Parana merits our close and sympathetic consideration for all its requests. The social and economic objectives of its new governor are very close to those articulated by Secretary Dillon at Bogota in 1960. L.O.U.

CHARACTERISTICS OF THE GOVERNMENT.

Enclosure 1 lists the principal elements of the new government and provides some biographic information on the more important persons. The outstanding characteristics of the new secretariat

732.00/2-961

cc: ~~Amembassy~~, Rio de Janeiro

EMRowell/jtb REPORTER

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ACTION ASSIGNED TO- NAME OF OFFICER & OFFICE SYMBOL	ACTION TAKEN DATE OF ACTION	DIRECTIONS TO RM/R

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W I T H D R A W A L N O T I C E

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RG: 059

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IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE - Negative.

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0623

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Quadros. A Tribuna, enthusiastically favorable to the new President, predictably hailed its hero's accession to power, while O Diario editorially declared that his cabinet choices produced a "pessima repercussao". Most people here seem to feel the cabinet reflected choices dictated by political necessity, and that many of its members would not remain in office for very long.

5. New Commander of Santos Air Base (UNCLASSIFIED)

On January 28 Aviation Lt. Colonel Nascimento Nunes Leal, Jr., assumed command of the Santos Air Base, vice Lt. Colonel Francisco Gouveia Correa Horcades, who is being transferred to other duties.

Comment: (UNCLASSIFIED)

Lt. Colonel Leal entered the Brazilian Air Force in 1939 and has since served at air bases at Santa Cruz and Natal, been operations chief of the São Paulo air base, and comes to his present assignment from the first and second sections of the General Staff of the Fourth Aerial Zone.

II LABOR

1. Commerce Employees Union Left in Debt (UNCLASSIFIED)

Although ex-President of the Commerce Employees Union Bernardo de Abreu Madeira, a communist, was officially cleared of malfeasance in office by the Ministry of Labor last November (see Weekly Comment dated December 30, 1960), the union's new President, Alberto de Carvalho, has announced that a preliminary investigation has revealed that the union actually is in debt to the tune of Cr$ 791.622,40 (about $3,600).

III ECONOMIC

1. Reported Sale of Santos Newspaper (OFFICIAL USE ONLY)

The reporting officer is informed that a local group of businessmen is dickering over the purchase (reportedly for Cr$25.000.000,00) of the money-losing O Diario, which is one of the "Diarios Asociados" chain belonging to ex-Ambassador Assis Chateaubriand. Reportedly also O Diario, now appearing only in the morning, will have an afternoon edition under the new management.

Comment: (OFFICIAL USE ONLY)

O Diario currently is infiltrated by communists, who have managed to influence the paper's editorial policies.

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0622

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Coury to desist from his campaign, which the newspaper regards as hopeless, since Coury has been able to secure only the nomination of the local PDC, PRP and Ação Socialista, while his rival for janista-carvalhista support, Mario Covas, has run away with the UDN, PST and PTN nominations. A Tribuna has suggested that Governor Carvalho Pinto step in and mediate between the two, in the interests of securing harmony among the janista forces in the city, which are now badly divided and face defeat at the polls.

Incidentally, Athié Coury was in Brasília this week, as was Mario Covas, eagerly soliciting support from President Quadros.

City Councilman Arthur Alves Amorim Jr. has been nominated for Vice Mayor by the PTB, beating out Dr. Joaquim Coutinho Marques, who had once hoped to be nominated by that party as its candidate for Mayor.

An ex-City Councilman, José Carlos Junior, has been nominated as the UDN's candidate for Vice Mayor.

Comment: (UNCLASSIFIED)

Coury has declared that he has no intention of quitting his race for Mayor. Meantime, Luiz La Scala, Jr., with PSP, PR and PL support, and Antonio Feliciano, PSP candidate, energetically pursue their campaigns.

3. Santos Pleased With Quadros Appointment (UNCLASSIFIED)

Local business circles here are pleased at the appointment of João Batista Leopoldo Figueiredo as President of the Bank of Brazil.

Comment: (UNCLASSIFIED)

Son of Leopoldo de Oliveira Figueiredo and Maria Augusta Figueiredo, the new head of the Bank of Brazil was born in Santos on January 6, 1910, and began his career in the prosperous family-owned L. Figueiredo, S.A. firm of which he is today President. Twice President and once Vice President of the São Paulo Chamber of Commerce, he is also a Past President of the São Paulo Rotary Club and Past Vice President of the São Paulo Bolsa de Mercadorias. He is currently President of the Brazilian-German Chamber of Commerce; the Sul Americano do Brasil Bank; Cia. Brasil de Investimentos Gerais; Brasília S.A., Financimento, Creditos e Investimentos; and Director of the Cia. Imobiliaria e Territorial de Santo Amaro and of the São Paulo Light Company. In 1951 he was the first Brazilian ever to receive the German Grand Cross of Merit.

4. Local Inauguration to Quadros Inauguration (UNCLASSIFIED)

A number of Santos notables, including a clutch of labor leaders were in Brasília this week to witness the inauguration of Janio /Quadros

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ENCL #1
DESP # 296
SAO PAULO
2-3-61
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OPERATIONS MEMORANDUM

TO: American Consulate General, Sao Paulo Date: February 2, 1961

FROM: American Consulate, SANTOS, Brazil VPR

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Repercussion in Santos of Santa Maria Affair (UNCLASSIFIED)

Intense excitement has been aroused in Santos by the seizure of the Portuguese liner "Santa Maria" by Captain Henrique Galvão and his associates. Speculation was rife that the vessel might head for Santos, where there is a large Portuguese community and which is near São Paulo, focus of anti-Salazar sentiment in Brazil.

On January 30 the Santos City Council approved a message, drafted by Councilman Esmeraldo Tarquinio, congratulating exiled Portuguese General Humberto Delgado and urging the Foreign Office to have the restrictions on his residence permit removed. The message was sent to Itamaraty February 1.

Comment: (OFFICIAL USE ONLY)

On January 30 the reporting officer was visited at the Consulate by Portuguese Consul Diamantino REAL and a delegation representing the Portuguese community in Santos, who asked the reporter to send a telegram to the Secretary of State stating that the Portuguese Government and the Portuguese colony in Santos desired that any terms agreed to between Galvão and Rear Admiral Allen Smith include provisions that the "Santa Maria's" crew be allowed freedom to disembark at any time if they so desired and that the ship be returned to the Companhia Colonial de Navegação. (This visit is the subject of the Consulate's despatch No. 22 dated January 31, 1961.)

The reporting officer understands that the Santos Centro Portugues early this week refused to allow a meeting of the Portuguese community to be held there for fear of an outbreak of anti-Salazar emotion.

2. Santos Mayoralty Race (UNCLASSIFIED)

O Diario has called upon mayoralty candidate Adhie Jorge

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
FEB 1 1961
SÃO PAULO, BRAZIL

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 290 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — February 3, 1961 DATE

REF :

20 For Dept. Use Only	ACTION	DEPT.
	ARA-4	ARM/R-2 INR-7 EUR-3
	REC'D	INFO OTHER
	2-6-61	CIA-10 USIA-10 NSA-2 OSD-5 ARMY-4 NAVY-4 AIR-6

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated February 2, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/2-361

CAA

FILED
FEB 28 1961

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
FEB 10 1961

Enclosure:
Santos Weekly Report
dated February 2, 1961

cc: Amembassy, Rio

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0619

Bulgaria in the American market". The fact itself represents no surprise: "Of the little sugar it has so far imported from Cuba, the Soviet Union - world's largest sugar producer - placed a part in the international market through East Germany, reducing Cuba's chances of selling its production and creating competition for other countries, including Brazil". The paper added that the Soviet and Red satellites market, though populous, is small, as experience has proved. But the reexportation represents "a danger to the stability of the international (price) quotations of coffee".

Miscellaneous

18. List of Substantive Despatches

282 Russian Technicians on Oil Shale Development in São Paulo
283 Bi-Weekly Economic Review
284 Santos Weekly Report
285 Visit by Representatives of Portuguese Colony Regarding SS Santa Maria
286 Report of Soviet Offers to Finance Electric Power Development at Urubpungá, State of São Paulo
287 American Chamber of Commerce at São Paulo Advocates Higher US Sugar Quota for Brazil
288 São Paulo Weekly Summary No. 83

William P. Cochran, Jr.
Minister Consul General

Contributors:
Pyle, Shea, Mason/Silveira

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must be taken in dealing with Galvão, since "to go against him will hurt the feelings of all countries with cultural and racial roots in Portugal and Spain". The paper knows that "the United States must weigh carefully all problems, especially taking into consideration Portugal's old alliance with Britain and Portuguese participation in NATO". Nevertheless, said O Estado, the United States should ponder Galvão's pledge to obey international agreements in the future. All other papers (except for A Hora) took similar positions as friendly or neutral observers of the event. Leftist Ultima Hora compared the case of the "Santa Maria" with the USSR cruiser "Potemkin". "To the ones who don't give importance to this incident, we must remember that the Russian revolution, which defeated Czarism, also began with the mutiny of the ship's crew".

15. Cuba (Unclassified)

Diario de S. Paulo commented on the Cuban situation: "While internal discontent increases in Cuba, abroad the Cuban revolution also rapidly loses its popular support. Yesterday, labor leaders from São Paulo and from other (Brazilian) states sent a strong note of protest to the Cuban government, against the execution of labor and student leaders, whose only crime was to fight to have democracy restored to their country. It is interesting to observe that Communists in our labor unions have kept absolutely quiet about the physical destruction ordered by Fidel Castro of their Cuban colleagues". The same paper said that Cuba is just "a vast concentration camp, where millions of Cubans are subject to the wildest, inhuman, cruel and fanatic dictatorship".

16. Communist Agricultural Failures (Unclassified)

"It has come to our knowledge, almost simultaneously, that the 1960 agricultural plans for the USSR and for Communist China have failed", commented Correio Paulistano. The paper added that "the machine-man of the Communist states can't fail: when he fails, he's purged. There are instances when he can escape. That happens when he is important enough to purge other people for his own mistakes". Correio Paulistano concluded that "as we can see, neither in Russia, where it began 43 years ago, nor in (Red) China, where it has already completed 10 years, has the Communist regime managed to give its people the wonders of the Red Paradise".

17. Bulgaria Reexports Coffee to the United States (Unclassified)

Diario de S. Paulo commented that "the International Coffee Agreement has a serious task to face: to investigate the source of the 75,000 coffee bags sold by

0617

local union of bank clerks, left São Paulo on January 26 to attend the Second Latin American Conference for Amnesty for Spanish and Porguguese Political Prisoners and Exiles at Montevideo. Forli is an avowed Socialist who openly backed president-elect Janio Quadros during the October elections. He has a long history of Communist collaboration. Oliveira da Silva is from a union which is generally regarded as being under considerable Communist Party influence.

COMMENT: (Confidential) Forli is an enthusiastic traveller. He visited the Soviet Union and Red China in May of 1960 and since his return he has at times been quite critical of the Soviet Union. However, he continues to collaborate with the Communists as he feels he needs their support in his campaign for reelection in the bi-annual elections scheduled for October.

Psychological

13. Kennedy's Policies (Unclassified)

President Kennedy's inauguration speech, "an historic occasion" according to A Hora, continued to arouse editorial comment this week. O Estado de S. Paulo, in an editorial entitled "In Lincoln's Footsteps...", pointed out that "never was a speech by a North-American head of state the subject of so many favorable reviews". This proves, continued the editorialist, "that we are not alone in our enthusiasm over Mr. Kennedy's statements". O Estado added "it is our sincere wish that the young American President may enter history, one hundred years after Abraham Lincoln's government, with his Proclamation and the beginning of the emancipation of the people who still inhabit huts and villages over half of the world". A Gazeta called Kennedy's speech a "gust of free air in a dark atmosphere, a generous try at eliminating world tensions". Correio Paulistano observed that Kennedy's arrival "brought a climate of truce to the international scene". Mr. Stevenson's statements at the UN were also considered a sign of the new policies set by Mr. Kennedy, and O Estado heartily agreed that "the United Nations must be used to end the Cold War, not to continue it".

14. "Santa Maria" (Unclassified)

O Estado de S. Paulo, in a commentary about the Portuguese merchant ship controlled by anti-Salazarist Henrique Galvão, warned that the "United States is the leader of the West, and its mistakes thus take on wider proportions". The Americans in the present circumstances must avoid "one of their most serious handicaps, their lack of sensibility for other people's behavior when it is different from that of the great North American nation". O Estado added that a position of human understanding

0616

COMMENT: (Confidential) Failure to agree on the manifesto stems from a split in the non-Communist majority of São Paulo trade union leaders. One group led by Dante Pellacani and Domingos Alvares, both former Communist Party members, favor the inclusion of the non-Communist majority in every trade union joint undertaking, arguing that the Communists will be dominated and controlled by force of numbers alone. A conservative group, however, led by Darcy Gatto, President of the State Federation of Clothing Workers, Antonio Pereira Magaldi, an executive board member of the National Confederation of Commercial Workers, and Lourival Portal da Silva, Vice-President of the National Federation of Oil Refinery Employees, favors a hard policy towards the Communists, i.e. expulsion from the São Paulo State Trade Union Council or the creation of a non-Communist state wide trade union federation. Profiting from this split, of course, is the militant well-disciplined Communist minority.

11. Castro Replies to São Paulo Unions' Protests of Execution of Trade Union Leaders (Official Use Only)

During the past week a number of non-Communist São Paulo trade unions sent telegrams to the Cuban Embassy and released press statements which blasted the Cuban government's recent execution of three labor leaders for alleged acts of sabotage (see São Paulo despatch 281, January 24, 1961, Item 10). The telegrams appeared to have stung the Cubans to the quick and have resulted in immediate replies. Lourival Portal da Silva, anti-Communist vice-president of the National Federation of Oil Refinery Employees, received a six page cablegram bearing Fidel Castro's signature which attempted to justify the executions. The cablegram inter alia labeled the executed trade union leaders as saboteurs, traitors and enemies of the revolution who deserved to die.

COMMENT: (Confidential) The cablegram, according to Portal da Silva, had a note of hysteria which is reinforcing even more the convictions of the non-Communists that the Castro regime is now a complete dictatorship and that execution of the trade union leaders is but a prelude to more executions of those who oppose Castro. Such executions are of course fundamentally repugnant to the Brazilian character.

12. São Paulo Labor Leaders Attend Second Latin American Amnesty Conference (Confidential)

Remo Forli, president of Brazil's largest local union, the São Paulo Union of Metalworkers, and Vicente de Oliveira da Silva, executive board member of the

0615

COMMENT: (Confidential) The sessions were well attended. The São Paulo press gave the conference excellent press coverage. There was a feeling, expressed by several of the conferees, that the federal government had exploited the Northeast for some years. At the same time there seemed to be an air of optimism that the new administration of Janio Quadros would take prompt and energetic measures to alleviate at least some of the problems of the Northeast. Governor Carvalho Pinto, in a closing speech, expressed the viewpoint of many of those in attendance at the conference, when he declared that something should be done for the people in the Northeast so that they would not, in their misery, listen to totalitarian preachings.

9. President Kubitschek's Last Official Visit to São Paulo (Official Use Only)

Juscelino Kubitschek made his last official visit to São Paulo as president this past week to inaugurate the São Paulo-Curitiba highway. The outgoing president during the dedication ceremony declared that it gave him great pleasure to open this new road, which reduces the distance between the two state capitals by about 75 miles, before the end of his administration. Upon his departure from the state of São Paulo the president bade the "noble paulista people" a "very cordial goodbye".

Labor

10. Labor Leaders to Attend Quadros' Inauguration (Unclassified)

A group of São Paulo trade union leaders and followers of Janio Quadros are scheduled to attend the latter's inauguration on January 31. The group will include Dante Pellacani, Secretary-Treasurer of the São Paulo State Trade Union Council and President of the National Federation of Typographical Workers, Domingos Alvarez, President of the São Paulo State Federation of Metalworkers, José Antonio Ribeiro, President of the São Paulo State Federation of Hotel Workers, Antonio José Fava, President of the São Paulo State Federation of Commercial Workers, and Affonso Teixeira Filho, President of the São Paulo State Federation of Land Transport Workers. Affonso Teixeira Filho, who was recently appointed as a labor representative on the Supreme Labor Tribunal, has been chosen to deliver an address in the name of all Brazilian workers. Plans to present the incoming President with a manifesto outlining labor's aspirations and suggestions for the new administration have been cancelled because of differences among trade union leaders over the contents of the document. A nationwide meeting of trade union leaders to discuss this manifesto has been tentatively scheduled for February 18 - 19.

06 14

during the first part of next week with a number of the state deputies in Montevideo and a far greater number in Brasilia for the inauguration of Janio.

7. Left-Wingers Consolidate Position in São Paulo State PTB (Confidential)

Communist Party fellow travellers led by PTB federal deputy Ivette Vargas were victorious in the elections held on January 28 for the Party's Regional Directorate. Ivette Vargas was elected president and federal deputy Frota Moreira gained the important post of secretary-treasurer. Others elected to the five man executive commission included Renato Costa Lima, former president of the Brazilian Coffee Institute (IBC), and PTB federal deputy Nelson Omegna. A number of known Communist Party members were elected to the 100 member Regional board. These included Jofre Correa Neto, Santa Fe do Sul agricultural agitator, who was recently released from prison, Rafael Martinelli, president of the National Federation of Railroad Workers, state deputy Luciano Lepera, and city councilman Rio Branco Paranhos. Maria Carolina de Jesus, author of a Brazilian popular novel depicting life in São Paulo's favelas (slums), was also elected to the Regional Board in an attempt by the PTB to shore up its strength in the popular masses.

COMMENT: (Confidential) Since July 1960 when the São Paulo Regional Electoral Tribunal refused to recognize the Party's Executive Commission headed by federal deputy Vargas, the Party for all intents and purposes had no effective leadership and was racked with dissension. However, Ivette Vargas has apparently mended her fences, consolidated her position, and retained her dominant position in the São Paulo PTB.

8. Symposium on the Development of the Northeast (Official Use Only)

The conference to study the problems of development of the distressed Northeast area of Brazil, which commenced on January 17 under the auspices of the Student Union XXII of August of the São Paulo Faculty of Law of Catholic University (see São Paulo despatch 281, January 24, 1961) was concluded this week. The sessions this past week, like the earlier meetings, were addressed by a number of prominent personages, political figures and technicians, including São Paulo governor Carvalho Pinto, Abreu Sodré, president of the São Paulo state Legislative Assembly, Pedro Gondim, governor-elect of Paraiba, Cid Sampaio, governor of Pernambuco, São Paulo federal deputy Herbert Levy, Aluísio Alves, governor-elect of Rio Grande do Norte, Magalhães Pinto, governor-elect of Minas Gerais, and São Paulo senator Lino de Matos. The latter represented president-elect Janio.

06 13

COMMENT: (Confidential) The apparent surface calm in the Força Publica belies the tension which still exists in the corps over its demand for salaries equal to that of the civil police. The members of the state military police are still hoping that the São Paulo state Legislative Assembly will approve legislation granting them salaries equal to that of the civil police. Members of the corps are also concerned with the possible punishment which may be meted out to the leaders of the recent disturbances. The situation could become explosive again should the leaders be severely punished or the hoped for salary increases fail to materialize.

6. São Paulo State Deputies Attend Latin American Amnesty Conference (Official Use Only)

São Paulo's largest newspaper, O Estado de S. Paulo reported at the end of the past week that ten members of the São Paulo state Legislative Assembly would attend the Second Latin American Conference for Amnesty for Portuguese and Spanish Political Prisoners and Exiles, scheduled to begin in Montevideo on January 27. The São Paulo legislative delegation was said to include José Magalhães de Almeida Prado (UDN), Roberto Cardoso Alves (PDC), Alberto Silva Azevedo (PL), Costábile Romano (PTN), Onofre Sebastião Gosuen (PSP, Francisco Luciano Lepera (PTB), Cyro Albuquerque (PSP), Gustavo Martini (PRT), José Maria Costa Neves (PSD), and Carlos Kherlakian (PRP).

COMMENT: (Confidential) The members of the São Paulo preparatory commission for the Second Latin American Amnesty Conference began their preparations to get São Paulo state deputies to attend the meeting some time ago (see São Paulo despatch 228, December 13, 1960). The local preparatory commission has apparently attempted, in accordance with usual Communist Party tactics, to give the delegation an aura of respectability that it would not have had if the group were composed entirely of Communist Party members, or sympathizers such as Luciano Lepera. All of the state deputies who were expected to attend the conference, however, apparently did not do so, for Roberto Cardoso Alves (PDC) is known to have been in São Paulo on January 28. Nevertheless, it is interesting to note that the Latin American Amnesty Conference had apparently attempted to secure as broad representation as possible among the various political parties. The state deputies who were reported to be attending the conference all came from different parties with the exception of two, both of whom are members of the PSP. The efforts of the local preparatory commission to get state deputies to attend the conference may also have been inadvertently aided by the publicity and the feeling engendered by the seizure of the Santa Maria by anti-Salazar exiles earlier in the week (see Item 3). It will doubtless be difficult to secure a quorum in the state Legislative Assembly

0612

a neutral course and not nominate a mayoralty candidate for pro-administration parties. In this way the governor could perhaps avoid any impairment of his relations with the president-elect. The governor may also feel that if he now chooses to remain on the "sidelines" and not indicate a preference for any candidate among the parties supporting him, that he can avoid criticism for splitting the mayoralty vote among janistas.

5. Near Normalcy in the Força Publica (Official Use Only)

Conditions within the Força Publica (São Paulo state military police and bombeiros, firemen) returned to near normalcy during this past week. Additional troops of the Brazilian II Army (stationed in São Paulo) were withdrawn from the headquarters of the Força Publica, where they have been stationed since the crisis began (see São Paulo despatch 274, January 18, 1961). Only a symbolic number of II Army troops remain. General Altair Franco Ferreira, Chief of Staff of the Brazilian II Army, who was appointed to command the Força Publica during the crisis in the state military police in November (see São Paulo despatch 194, November 16, 1960), stated this week that the corps was "the victim of an emotional state" provoked by political agitation and some of its officers. He added that some of the officers who had perturbed the corps were on active duty; others were members of the reserve component.

During this past week the recently appointed state Secretary of Public Security, Virgilio Lopes da Silva (see São Paulo despatch 281, January 24, 1961), nominated Laerte de Almeida Morais, a former professor of political economics of the Faculty of Scientific Economics of the University of São Paulo, to head the Public Security cabinet. In this position Morais will be the ranking officer under Lopes da Silva. The state Secretary of Public Security also appointed José Campanella to his cabinet. The resignation of Lieutenant Colonel Valter José Holatz Nogueira, incumbent Chief of Staff of the Força Publica, was accepted by governor Carvalho Pinto during this past week. The governor nominated Colonel Elisiario Paiva to succeed Nogueira.

Lopes da Silva publicly stated this week that the organization of the civil police should be decentralized; that in a city as large as São Paulo civil police units should be established in many more districts than presently exist, and that the police should be given the "materials" with which to work, presumably the cars and equipment required by a modern police force.

0611

There were increasing indications in São Paulo at the end of the past week that Galvão, through mediators, was seeking assurances from president-elect Janio Quadros that he (Galvão) could put into a Brazilian port to disembark passengers, replenish fuel, and depart. It was also said that the Santa Maria was short of fuel; was experiencing mechanical difficulties, and might not be able to remain at sea until after Janio's inauguration. Possibly indicative of Janio's future course of action is his statement reported by the São Paulo press, that "Galvão is an old friend of mine; if he puts into Recife or Salvador after my inauguration, the Santa Maria will not be surrendered to anyone".

4. São Paulo's Mayoralty Race (Official Use Only)

São Paulo's governor Carvalho Pinto made little headway this past week in his quest for a "unity" mayoralty candidate for pro-administration parties, despite his earnest endeavors. The governor talked to many political leaders; there were indications that he was attempting to secure as much support as possible for brigadier Faria Lima, state Secretary of Public Works. As this post has reported previously (see São Paulo despatch 263, January 11, 1961), Faria Lima does not appear to be enthusiastic about the possibility of being the "unity" mayoralty candidate unless he is assured of unanimous support of all pro-administration parties. In fact it was reported in São Paulo this past week that the governor had rather firmly indicated that if Faria Lima did not accept the mayoralty candidacy for the carvalhista forces, if it were offered, the governor would accept his resignation, which, along with all of the members of the cabinet except the state Secretary of Public Security, is now in the governor's hands (see São Paulo despatch 281, January 24, 1961). It was also said that Janio was considering Faria Lima for the position of president of the Departamento Nacional de Estradas de Rodagem (DNER, national department of highways). PTN national president Emilio Carlos, competing in the janista-carvalhista area, energetically pursued his mayoralty campaign. He had a lengthy conversation with Janio during the past week and attended a number of functions arranged for the president-elect. While Janio was careful not to make any statement on behalf of Emilio Carlos' candidacy, it seemed evident that the president-elect had given tacit approval to the continuance of Emilio's mayoralty aspirations.

COMMENT: (Confidential) The political situation, insofar as the governor's choice for a "unity" candidate is concerned, has still not crystalized. The governor, however, will doubtless indicate his choice in the near future; his decision cannot be postponed much longer. In the light of Janio's implied approval of Emilio Carlos, whom Janio is known to favor privately, it is possible that the governor may adopt

José Adhdpho Chaves do Amarante, who is directing Emilio Carlos' mayoralty campaign, gave a social function at his residence for Janio which was attended by 63 deputies of the São Paulo state Legislative Assembly; São Paulo industrialist Selvie Dei gave a dinner in honor of Janio, the visiting governors and governors-elect and others, and federal deputy Lino de Matos gave a luncheon for Janio which was attended by a number of politicians.

3. São Paulo Anti-Salazar Leader Planned Seizure of Santa Maria (Official Use Only)

Exiled general Humberto Delgado, the opposition candidate to Portuguese prime-minister Salazar in 1959, declared in São Paulo this past week that the seizure of the Portuguese vessel Santa Maria on the high seas was the result of months of collaboration between him and Captain Henrique Calvão. General Delgado talked freely about the subject; he assumed full responsibility for the action; he openly admitted that his plan to seize the ship, called Operation Dulcinéia (sweetheart), apparently after Don Quixote's lady love, was known only by Galvão; that they had been making plans for the seizure since June 1960 by exchanges of coded communications; that he had chosen Venezuela for the embarkation of his followers because of the "favorable" political climate which existed in that country. Delgado affirmed that 75% of the Portuguese population in the world would support his opposition to Salazar.

COMMENT: (Confidential) General Delgado left the definite impression with Minister Consul General Cochran, who paid a sub-rosa call on him this past week, that he was very pleased with himself and with the success of the seizure of the Santa Maria, which he said was not "piracy", but a "purely political action". It was apparently not a costly venture for Delgado added that those who seized the ship had gone aboard at Curação, not as passengers but as pre-sailing visitors who simply remained on the vessel upon its departure. Ever since the seizure of the vessel general Delgado has been beseiged with callers and long distance telephone calls from various cities in the world. He apparently hoped, as he told an American press association news analyst, to start "a chain reaction" which would inspire others to take action against the Salazar regime.

General Delgado may also have felt that many Brazilians would sympathize with, and support, his opposition to Salazar. This week eighteen members of the São Paulo state Legislative Assembly signed a declaration appealing to the democratic nations not to interfere with the Santa Maria; that its seizure was not an act of piracy, but an "historic moment" in the fight for the democratization of Portugal.

0609

(Agriculture); João Batista Leopoldo Figueiredo from São Paulo (Bank of Brazil); Brigido Tinoco from the state of Rio (Education); Marshal Odilio Denys (War); Clemente Mariani from Bahia (Finance); Artur Bernardes Filho from Minas Gerais (Industry and Commerce); Oscar Pedroso Horta from São Paulo (Justice); Admiral Silvio Heck (Navy); João Agripino from Paraiba (Mines and Power); Afonso Arinos, who began his political career in Minas Gerais and continued it in Guanabara (Foreign Relations); Catete Pinheiro from Pará (Health); Francisco Carlos de Castro Neves from São Paulo (Labor); Clóvis Pestana from Rio Grande do Sul (Public Works); General Pedro Geraldo de Almeida (Military House).

COMMENT: (Confidential) While it is too early to make a firm judgment on paulista reaction to the new cabinet, the initial reactions did not appear to be enthusiastic. The ministers of Health and Agriculture were considered by some paulistas to be relatively unknown; those appointed to head the ministries of Finance, Foreign Relations and Public Works were considered good; but Janio's choices of those selected to head Industry and Commerce, Mines and Power, were considered questionable. The general reaction, when not critical of the cabinet choices, was one of tepid enthusiasm.

2. This Week with Janio (Official Use Only)

President-elect Janio Quadros talked with many this past week, both in São Paulo and in Santos, where he was the guest of Abreu Sodré, the president of the São Paulo state Legislative Assembly. Janio was obviously completing plans for the formation of his cabinet. Some of the people with whom he conferred, like Francisco de Castro Neves, former state Secretary of Government during Janio's tenure as governor of São Paulo, Oscar Pedroso Horta, and Quintanilha Ribeiro, were destined to be members of his cabinet (see Item 1). A number of governors, or governors-elect, talked to the president-elect during this past week, including Aluísio Alves, governor-elect of Rio Grande do Norte, Carlos Lacerda, governor of Guanabara, Magalhães Pinto, governor-elect of Minas Gerais, Cid Sampaio, governor of Pernambuco, Pedro Gondim, governor-elect of Paraiba, Luiz Cavalcanti and Teotonio Vilela, governor and vice-governor elects of Alagoas, Fernando Corrêia da Costa, governor-elect of Mato Grosso, as well as São Paulo governor Carvalho Pinto.

Janio also talked to a host of other political leaders and politicians, including brigadier Faria Lima, São Paulo state Secretary of Public Works, São Paulo federal deputy Herbert Levy (UDN), and PTN national president Emilio Carlos. São Paulo state deputy and president of the PTN regional directorate,



AIR POUCH
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February 1, 1961
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SUBJECT: São Paulo Weekly Summary No. 83, Week Ending January 28, 1961

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
FEB 1 1961

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Index:

Political
1. Janio's Cabinet
2. This Week with Janio
3. São Paulo Anti-Salazar Leader Planned Seizure of Santa Maria
4. São Paulo's Mayoralty Race
5. Near Normalcy in the Força Publica
6. São Paulo State Deputies Attend Latin American Amnesty Conference
7. Left-Wingers Consolidate Position in São Paulo State PTB
8. Symposium on the Development of the Northeast
9. President Kubitschek's Last Official Visit to São Paulo

Labor
10. Labor Leaders to Attend Quadros' Inauguration
11. Castro Replies to São Paulo Unions' Protests of Execution of Trade Union Leaders
12. São Paulo Labor Leaders Attend Second Latin American Amnesty Conference

Psychological
13. Kennedy's Policies
14. "Santa Maria"
15. Cuba
16. Communist Agricultural Failures
17. Bulgaria Reexports Coffee to the United States

Miscellaneous
18. List of Substantive Despatches

Political

1. Janio's Cabinet (Official Use Only)

President-elect Janio Quadros' long awaited cabinet was officially announced by a São Paulo political lieutenant, Quintanilha Ribeiro, after Janio appointed to head his Civil House, about 8 P.M. January 28. The new ministry will be composed of: Brigadier Grum Moss (Aeronautics); Romero Cabral da Costa from Pernambuco

See last page/1fw
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0607

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0604

dictatorship and policies of the American trusts". All of the persons taking part in the play who have been identified are well known communists or communist sympathizers. The theater uses the audience as a kind of Greek chorus. A continuing series of works is planned. SOURCES: All local press, personal conversations. See Curitiba D-35 (1/27/61). OFFICIAL USE ONLY

Edward N. Rowell
American Consul

0603

(Santa Catarina) and Ney BRAGA (Paraná) if they could accept leader grants to visit the United States. Celso RAMOS accepted in principal, but said that for the time being he is unable to go and does not know when he may leave. Ney BRAGA declined with thanks, stating that the problems facing the new state government prevent him from leaving the country in the foreseeable future (at least two years, perhaps longer). SOURCES: Personal conversations. UNCLASSIFIED

COMMENT: Even though the two men cannot accept the grants, they genuinely appreciate the offer. The tender has helped place this consulate on an excellent starting basis with the new state governments. OFFICIAL USE ONLY

MISCELLANEOUS

8. Establishment of Branch Public Affairs Office

On January 7 Vice Consul John P. Lee (FSS-3) arrived in Curitiba to open a Branch Public Affairs Office. Assignment of a BPAO has been sought by principal officers in Curitiba since the consulate was opened in 1957. Presence of the BPAO should greatly improve the quality of the local Educational Exchange Program, and well as provide better resources for making essential contacts in university circles. UNCLASSIFIED

9. Request for USOM Assistance in Paraná and Santa Catarina

Over the New Year representatives of governor-elect Ney BRAGA called at the consulate to request expanded Point IV activity in Paraná, especially in the field of public health. The contact will probably be renewed in earnest after Braga takes office on January 31. Santa Catarina governor-elect Celso RAMOS also has pressed for expanded activity from the agriculture extension and credit project operated in that state (project ETA-17). And the University of Paraná has requested help with its to-be-founded polytechnic institute, and with a Public Administration course in its economics faculty. UNCLASSIFIED SOURCES: Personal conversations. See Curitiba D-28 (1.5.61) and D-01.

COMMENTS: Both state governments are looking in every quarter for all the help they can get. They are fully aware of the commitments made at Bogotá last year. Classified comments are made in the referenced despatches. ... Some type of formal cooperation with the University of Paraná has been an important ~~mf~~ objective of this Consulate for some time. OFFICIAL USE ONLY

10. Communist Sponsored Play in Curitiba

On three successive weekends in January a group called the Teatro Popular do Paraná put on a play entitled "Pátria o Muerte" in workers' districts of Curitiba. In the words of the play's press agent, it "satirizes the Batista dictatorship and

0602

of President Kennedy's government. There was a natural concentration on future U.S.-Latin American relations. While hopes run high for a "Roosevelt ian good-neighborly largesse", several writers (Theophilo de ANDRADE, Diário do Paraná, and others) have recognized that the severity of the problems to be faced by Kennedy precludes instant solutions. There is widespread approval of the "intellectual nature" of the new cabinet. ... Although he is Brazilian Vice President, João ("Jango") Goulart's year-end passage through soviet Asia received only minimal news reporting, and practically no editorial coment. ... The conflict in Laos has been receiving full press coverage, but editorial comment has been almost non-existent. SOURCES: Local press. UNCLASSIFIED

COMMENTS: Practically the entire press in on its best behavior toward the new U.S. administration. It is plain, though, that everyone expects to see concrete U.S. actions taken toward the solution of underdevelopment problems in Latin America. At no time or place has it ever been more true that "Foreign policy is the composite of actions which a nation has taken and is willing to take, and not merely the sum of its verbal vows". ... The leftist papers have used the Goulart trip to keep banging the gong for broader diplomatic and commercial ties with "socialist" (Soviet) countires. ... Although there has been no editorial comment on Laos, the news has been consistently played in a manner detrimental to the United States. Ignoring the initial and continued communist interventions in Laos which generated the present crisis, all recent U.S. actions are headlined "intervention", while North Viet-Namese, Chinese and Soviet moves are merely termed "actions". UNCLASSIFIED

CULTURAL EVENTS

6. Expanded Press Recognition of Recent Local U.S. Cultural Activities

Ample and favorable coverage of recent U.S. cultural and other activities was continuous throughout the month. It included pictures and comments on the presentation by the Consul of a certificate of study to returned grantee Antonio TREVISAN; radio and press notice of a consulate reception for the press (Curitiba D-33, 1/17/61); Illinois librarian, Dr. Robert DOWNS' visit to a Brazilian National Librarians' Convention in Curitiba; and the award of grants to two University of Paraná law students to attend a seminar at the Washington University of Saint Louis in January and February, 1961. A most successful cultural contact was the unsolicited lecture by popular Curitiba attorney Joffre Cabral SILVA on his recent tour of the United States. The talk was given at an important local social club and repeated twice on television. SOURCES: Local press, radio television. UNCLASSIFIED

7. Leader Grants for Governors-elect of Paraná and Santa Catarina

At the end of December the consulate was instructed to ask Celso RAMOS (Santa Catarina)

0601

Peres KRETCHMAN, that Leo de Almeida NEVES has recently applied at the consulate for an exchange visitor grant. OFFICIAL USE ONLY

PSYCHOLOGICAL EVENTS

3. East-West Struggle and Development Aid for Brazil

A senior editorial writer for Curitiba's socialist "Gazeta do Povo", Aloysio BLASI, and a prominent "nationalist" Parana PSD politician and Brazilian delegate to the 1960 Paris UNESCO meeting, Manuel de OLIVEIRA FRANCO Sobrinho, both returned from Europe recently pouring pessimism. OLIVEIRA FRANCO said, "Those who believe Europe can aid Brazil are wrong. Europe needs more aid programs than the American continent in order to avoid war.... Popular forces promoted justified social subversions in Algeria, the Congo, Belgium and Cuba. ... revolutionary process is a condition of national survival. Wars are fought within national boundaries. Wars are now of principles against principles, no longer of nations against nations." BLASI's comments were merely generally pessimistic about the world situation, but significantly he added, "The Western Hemisphere used to be able to remain outside of the area of conflict, but this time will not escape the effects of universal catastrophe". SOURCES: Gazeta do Povo (Jan. 6, 1961), Ultima Hora (Jan. 11, 1961). UNCLASSIFIED

4. Cuba

Except for the far-left papers (O Dia, Ultima Hora), Curitiba opinion continued to cool regarding Fidel Castro Cuba's Communist leadership. On the break in U.S.-Cuban diplomatic relations the conservative papers (Diario do Parana, O Estado do Parana, Tribuna do Parana) all agreed that the United States was more than justified. Even the moderate socialist Gazeta do Povo concluded that the U.S. had no other choice, although it counseled the Brazilian government against duplicating the U.S. action merely for reasons of solidarity. Two recent student actions underline the shift in local attitudes on Cuba. First, a general meeting of the Parana Union of Secondary Stuents (UPES) approved a program of action for 1961, including ardent support of various nationalist projects such as Petrobras and Eletrobras, but specifically excluding by a large majority a hard-fought proposal to include a pro-Cuba item. Later, the Academic and Athletic Association of Law Students in Londrina, Parana, sent a telegram to the National Students' Union (UNE), Rio de Janeiro, protesting the UNE's "precipitate action in enlisting volunteers for Cuba". SOURCES: Ultima Hora. UNCLASSIFIED

5. Miscellaneous: The Kennedy Government; Goulart's Trip to the USSR; Laos

At least a third of the prominent news, and perhaps half the editorial comment of the past month concerned itself with the composition and policies of President Kennedy's

of the new government have been broadly sketched to include (1) doubling state electric power output to 480,000 kilowatts, (2) launching an agrarian reform program on the São Paulo pattern, (3) diversification of the state economy, and (4) development of the pyrobituminous schists in central Paraná. SOURCES: Personal conversations, local press. UNCLASSIFIED

COMMENTS: Until the three principal secretaries are named, a full assessment of the secretariat cannot be made. One reason these nominations have been delayed is that Braga is waiting to see whom Janio QUADROS will name to corresponding Ministries in the federal government. Ney needs a great deal of federal economic assistance, and he wants to be sure his own secretaries are men who have the confidence of the federal government. (See also item 9). ... The economic program is long overdue. Problems are so huge, that Braga has said that he intends to do his best to make a climate in which federal aid, state activity, private enterprise, and foreign assistance (both private and governmental) can work usefully together. OFFICIAL USE ONLY

2. Paraná Regional PTB Convention

On January 14-16 the Paraná PTB held its convention for choosing a new directorate, planning candidates for Senator in 1962, and outlining its policies as "opposition" party to Ney Braga. The party managed to patch up deep divergences over its formal position vis-a-vis the new state government by electing an executive committee which includes both extreme leftists and more moderate politicians. A group which wanted to pledge all-out support to Ney Braga was defeated. Under the present arrangement it is generally understood that for the time being the PTB has no position regarding Braga's government, and each PTB state deputy will vote as he himself sees fit in the State Legislative Assembly. Nelson MACULAN was elected party chairman replacing Antonio ANIBELLY who supported the defeated "conservatives". ... In other actions it was confirmed that Curitiba Mayor Ibere de MATTOS will be party candidate for Senator in 1962, and labor lawyer Leo de Almeida NEVES will be PTB candidate for Curitiba Mayor. SOURCES: Personal observations and Conversations, local press. OFFICIAL USE ONLY

COMMENTS: MACULAN's election was natural since he has managed to avoid openly declaring himself to be for or against Braga, for or against Quadros, and hyper - or hypo-nationalist. He thus was able to get everyone's vote. ... Although the party will be united on procedural questions, the interests represented by its members in the legislative assembly are so diverse that it is unlikely that the PTB will be able to form a cohesive opposition to Braga if it should want to. ... It is interesting that on the advice of one of Ibere de MATTOS' senior assistants in the Curitiba government, Peres KRETCHMAN, that

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FOREIGN SERVICE DESPATCH

FROM : American Consulate, Curitiba

34
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

January 27, 1961
DATE

REF :

20 For Dept. Use Only	ACTION	DEPT.
	REC'D	ARA-4
	INFO	RM/R-2 INR-7 ICA-11 CU-5
	OTHER	2-7-61 CIA-10 USIA-10 NSA-4 ARMY-6 NAVY-4 AIR-6

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD DECEMBER 15, 1960 TO JANUARY 15, 1961.

CONTENTS

1. Future Paraná State Government
2. Paraná Regional PTB Convention
3. East-West Struggle and Development Aid for Brazil
4. Cuba
5. Miscellaneous: Kennedy Government; Goulart's Trip to the USSR; Laos
6. Expanded Press Recognition of Recent Local U.S. Cultural Activities
7. Leader Grants for Governors-elect of Paraná and Santa Catarina
8. Establishment of Branch Public Affairs Office
9. Requests for USOM Assistance in Paraná and Santa Catarina
10. Communist Sponsored Play in Curitiba

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
FEB 10 1961

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POLITICAL EVENTS

1. Future Paraná State Government

Early in January governor-elect Ney BRAGA announced the composition of his entire secretariat except for the three key posts of finance, agriculture, and public works. A stated condition of acceptance of a secretaryship under Braga was that the future incumbent would not be allowed to run for elective office in 1962. Most of the secretaries named are PDC, PL and UDN politicians, (though not of the first rank), and they represent a geographical cross section of Paraná. ... Braga also has continued his overtures to obtain working cooperation from the State Legislative Assembly in which the UDN-PDC is a minority. It appears that he will have some success (See Item 2, below). ... Major objectives of the new

732.00/1-2761
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FEB 10 1961
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NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

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0598

The City of São Paulo, with 3,850,000 people, is now larger than the City of Rio de Janeiro (or Chicago), and does not suffer from the water and sometimes power shortages afflicting Rio. These conditions not only influence foreign companies already established in Brasil, to center their activities in São Paulo, but also bring about what an auditing firm terms the "especially marked trend" of new companies, entering Brasil, to place their head offices in São Paulo rather than Rio. The American Chamber of Commerce in Rio de Janeiro, in a recent publication, mentions "the increasing tendency to move company headquarters to São Paulo."

One large American auditing firm [1] (not the same one cited just above) comments that while five years ago, their São Paulo office was only one-third as large as the staff in Rio de Janeiro, it is now twice as big -- principally because of the need to serve the companies who have moved their headquarters to the southern city.

Similarly, as the Consulate General has already reported, the number of American citizens established in the São Paulo district has doubled in the past three years to slightly over 5,000 (as compared with Rio's between 3,500 and 4,000).

From current indications, it seems probable that this growth in the relative importance of São Paulo, will continue.

[1] Price, Waterhouse

William P. Cochran, Jr.
Minister Consul General

Copy to:

Amembassy Rio

0597

São Paulo which it is desired to emphasize here, is the growing centralization of American companies in São Paulo. With the decision of the Brazilian government to proceed with the building of the new capital, Brasilia, the inauguration of that city as the nation's headquarters last April, and the plans to transfer all functions of the government there as the years go by (a decision which it seems highly unlikely that any new administration will attempt to reverse), American companies are increasingly moving, or establishing, their main offices in São Paulo. The following is an incomplete list of the firms making this transfer of their main offices from Rio de Janeiro to São Paulo:

1957	RCA Victor Radio, S.A.
	Ultragas
1958	Kodak Brasileira
1959	CODIVAL (investment firm, associated with
and later	Rockefeller)
	Cia. Ind. e Com. Bras. Produtos Alimentares "Nestle"
	Ingersoll-Rand
	Dorr-Oliver
	Kendall Co. (hospital supplies)
	McCann-Erickson Publicidade S.A.
	LaFonte (Brazilian associate of Yale & Towne)
	Merck, Sharp & Dohme, S.A.
moving soon	Cia. Harkson Ind. e Com. "Kibon"

The following firms are reliably reported as seriously considering moving their headquarters from Rio de Janeiro to São Paulo:

General Electric
Burroughs
National Cash Register
International Business Machines
Otis Elevators

This trend towards São Paulo is slowed by the fact that Brazilian staffs living in Rio de Janeiro often refuse to leave there, and companies moving to São Paulo must consequently leave in Rio, branches large enough to accommodate the employees who insist on remaining there. Furthermore, the new Governor of the new State of Guanabara plans to offer inducements to foreign industry to remain in, or to establish plants, in that state.

Nevertheless, the trend is clearly towards São Paulo. Oil companies such as Esso and Shell now have two-thirds of their market in the São Paulo area. The same is true of motion picture exhibitors.

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO

277
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

January 20, 1961
DATE

REF :

20 For Dept. Use Only	ACTION	DEPT.
	* ARA-4	
	REC'D 1-30-61	INFO OTHER
		RM/R-2 REA-1 *INR-7 E-3 ICA-11
		CIA-10 *COM-10 USIA-10 AGR-8 INT-7 LAB-6 TR-3 FRB-3

SUBJECT: Growing Importance of São Paulo XMB-4 NSA-2 OSD-5 ARMY-4 NAVY-4 AIR-6

732.00/1-2061

Persons familiar with Brazil are well aware of the outstanding, if not dominant role, played by the State of São Paulo in the life of the nation.

This has long been true in the political field. Traditionally, the presidency of the Republic alternated between the states of São Paulo and Minas Gerais -- until this sequence was interrupted by the Vargas regime and its successors. Yet even in opposition, São Paulo's importance was practically undiminished. Three Paulistas were in Kubitschek's cabinet, occupying what are perhaps the three most important ministries: finance, foreign affairs, and labor. The heads of six of the twelve national political parties are Paulistas. Some 22-1/2% of the nation's voters live in the State of São Paulo, whose population (like its budget) is larger than that of 16 of the independent American republics. Two of the three candidates in the last presidential election were Paulistas; and one of them won and will be inaugurated as the President of Brazil on January 31st.

This pre-eminence extends to the economic field, and is perhaps even more marked, there. With less than 18% of Brazil's population, the State of São Paulo produces over 53% of the nation's industrial output, and over 43% of its agricultural yield. It provides nearly 50% of the gross national product[§], as well as more than half of the national government's revenues.

This predominance of the State of São Paulo is becoming even more marked. The so-called "Plan of Action" of the state government provides for a huge investment in communications facilities, including roads and railway equipment; in agricultural development, including silos and warehouses; in electric power generation; in education and health [illegible]. This program will tend to increase the existing disparity between São Paulo and the remainder of Brazil.

The aspect of this growing concentration of political and economic power in

§Figures from "São Paulo Letter", American Chamber of Commerce, January 16, 1961.

WPCochran, Jr./fmw
REPORTER

UNCLASSIFIED

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Certainly, one has the impression that he feels at home when he walks among the people of Minas Gerais.

Another distinguished visitor was UDN Senator for Minas Gerais Milton CAMPOS, defeated candidate for the Vice Presidency. He commented optimistically on the outlook for a bill he introduced aimed at the establishment of an electoral system based on the division of the States into districts.

Edmund A. da Silveira

Edmund A. da Silveira,
American Consul

Copy: Political Section, Embassy/Rio
through Counselor for Consular Affairs

0594

3) A return to the rural origins of the Party by emphasizing agricultural development, the welfare of the rural population, and modern agrarian reform; and 4) Intransigent defense of mixed-capital (State-private) enterprises which were established by PSD governors and which form the State's economic infra-structure.

Since the fulfillment of these proposals would mean a decrease in the power of the present leaders, they are naturally showing little favor for the proposed reforms. Senator Valadares himself typifies this attitude. Moreover, the State PSD "young wing" has displayed a doctrinaire attitude which runs counter to the present conservative and pragmatic leadership.

The outlook for the reform of the State PSD along the lines proposed by the "young wing" is not bright because no success is possible without the prior acquiescence of those who now hold the reins of power, and because the proposed change in the Party's statutes is so drastic as to preclude approval by the National committee. Most important of all, Senator Valadares retains a firm grip on the Party's ruling machinery. His leadership is so far undisputed even by the "young wing".

5. Tancredo Neves' Appointment as a Director of the National Bank for Economic Development

President Kubitschek, in keeping with his apparent goal in his last days of the Presidency of not leaving unrewarded a single one of his followers, has appointed Tancredo Neves, the defeated PSD gubernatorial candidate in Minas Gerais, as a director of the National Bank for Economic Development. Tancredo Neves assumed his new duties on December 6.

6. Important Visits

President Kubitschek was in and out of Minas Gerais several times, once to participate in a ceremony commemorating the one-hundredth anniversary of the birth of João PINHEIRO, a Governor of the State and illustrious statesman. The other times the President's visits were made for the most part at the request of high schools and colleges which invited him to give the commencement addresses or simply to lend prestige to the graduation ceremonies by his presence.

The reporting officer attended the ceremony honoring João Pinheiro and one of the school graduation exercises in which the President spoke in reply to the commencement address. On both occasions the President spoke eloquently and movingly of the greatness and promise of Brazil and of his goals in the Presidency, virtually all of which, he feels, were fulfilled. His popularity in the State remains high, although the sharp inflationary rise in the last couple of months is reminding more and more people that the fulfillment of his goals was not an unqualified success.

0593

The incoming Governor has held conversations with leaders of all main political parties in the State, and all indications point to a mutual desire to reach an understanding. Of the major parties only the Social Democratic Party (PSD), as the party which after many years in power was turned out of office in the October elections, is still encountering difficulty in determining its position in the State legislature, and in all probability a final decision awaits National directives. It is significant, nevertheless, that the PSD and the UDN have voted together on some important bills in the current session of the Assembly.

The PTB bench, with the exception of two or three deputies, is leaning toward support of the incoming Administration. Magalhães Pinto, while he was in Europe, met at length with San Tiago DANTAS, PTB Federal deputy from Minas Gerais, who is a vocal exponent of the idea of collaboration. Although Magalhães Pinto said on his return that in his talks with San Tiago Dantas he had not discussed PTB participation in the State Administration, this denial carries little conviction in view of what is known of San Tiago Dantas' attitude and that of his followers in the State Assembly.

The PR moved one step closer to the Governor-elect when in the latter part of December the National committee expelled from the Party Federal deputy for Minas Gerais Bento GONÇALVES Filho. The action was significant, not alone because Bento Gonçalves has been a bitter opponent of both incoming State Governor and Federal President, but principally because his Party colleagues in the State did not come to his defense as many people had expected. This reaction undoubtedly reflected a growing realization that Bento Gonçalves' continued presence in the PR would militate against an accommodation between the PR and the UDN in the new Administration and in the Assembly.

4. Developments in the Movement to Reform the Social Democratic Party

One result of the traumatic experience suffered by the PSD at the polls in the October elections was the rise of a movement among a number of the Party's deputies in the Legislative Assembly, called the "young wing", to bring a more militant attitude to the Party and to place in its ruling circles those of its members who represent it in the State and Federal legislatures. A preliminary draft of these proposals was published on December 30 in the form of a manifesto addressed to the PSD Senator for Minas Gerais, Benedito VALADARES, in his capacity as president of the Party's State committee.

The manifesto made the following main proposals :

1) Amendment of the Party's national statute so as to permit the State committees to have their own statutes; 2) Inclusion in the executive committee of all State PSD members in the State and Federal legislatures on the grounds that as elected representatives of the people they had a popular mandate to participate in the formulation of Party policy;

0592

employees -- "the State," he said, "does not know to this day how many employees it has" -- would amount to an astronomical figure when compared with total State revenues of Cr$ 18 billion per year. In conclusion, he advised the strikers to return to their jobs and to abide by the Government's decisions.

It was a deep realization of the financial difficulties involved in carrying out the generous promises he had made during his campaign that led Magalhães Pinto to his trip to the United States and Europe in an effort to attract foreign capital investments and credits for his State. In a press interview he gave on December 22, shortly after his return, he did not mention his activities in the United States but said that he was very satisfied with the results of his conversations with leading industrialists in Europe, particularly in the Common Market countries. In this connection he elaborated that capitalists in France and West Germany had already opened credits for repayment in 6-8 years for investments in the State of Minas Gerais on the basis of plans previously prepared by him and his collaborators.

These plans, he continued, stress the expansion of electric power so that every municipality in the State may get the electric power essential to its economic development. The credits obtained, he added, are to be used in the purchase of hydroelectric equipment.

Not only is Magalhães Pinto a successful politician who comes to office with few if any personal enemies, but he is also a highly regarded financier as is attested by his presidency of one of the largest private banks in Brazil. Both of these qualities, despite the many difficulties facing him, augur well for his Administration.

3. Prospects of Workable Majority in State Legislative Assembly

In the continued efforts of the various political parties to ascertain their position in the Legislative Assembly toward the incoming Administration, one overriding consideration has become increasingly apparent in the thinking of virtually all political parties. That consideration is the occupancy of the Alvorada Palace by a tenant from the State of São Paulo instead of a native son of Minas Gerais as is the case at present.

State politicians, particularly those in the Assembly who are as a consequence concerned with keeping their constituents in a happy frame of mind, feel that their State can benefit from the new Federal Administration only in proportion to the measure of support they can give Governor-elect Magalhães Pinto. Their reasoning is that Jânio Quadros has not the personal interest in Minas Gerais that President Kubitschek has as a native son and that, therefore, opposition to Magalhães Pinto would not only be tantamount to opposition to Quadros but would also weaken the Governor's position as a spokesman for the State before the Federal Government.

0591

This belief is based largely on Magalhães Pinto's reputation as a person of sound judgment and on the premise that he comes to office free of political commitments and can, therefore, choose the men he thinks best qualified. The Consulate will report on the new cabinet as soon as its composition is known.

The Governor-elect has indicated that plans are being studied to create some new cabinet posts -- Commerce and Industry, Administration, Economy, and Labor and Social Welfare. If these plans materialize, there will be eventually a total of 11 cabinet posts. Rumor has it that Agriculture would go either to the Republican Party (PR) or the Labor Party (PTB), Transportation to the PR, and Health and Labor & Social Welfare to the PTB. Rumor has it also that all cabinet posts will go to the Democratic National Union (UDN). Owing to the important contribution the PR made to the election of the new Governor, the reporting officer would be much surprised if the PR does not get at least one cabinet post.

2. The Economic Situation Facing the New Administration

It is becoming painfully apparent that the greatest worry on the part of Magalhães Pinto and his advisors is the precarious financial basis on which the new Administration must operate. This situation is aggravated by the expensive promises the winning candidate made during the campaign.

A UDN State deputy dramatized the situation when he said, in describing the circumstances that will face the Government, that in view of the poverty of the resources available, no one knew how the promises made during the campaign could be fulfilled. In suggesting possible remedies, he pointed specifically to the problem of super-inflation of government employees and stressed the necessity of a hard-headed and ruthless Administration that will not hesitate to discharge employees on a massive scale.

In conversation with several people who claim to know Magalhães Pinto well, the reporting officer has been told that the Governor-elect, despite his gentle disposition, is of a decisive nature and can be ruthless when ruthlessness might be necessary for good government. His reaction to a strike of government employees that lasted from December 20 to 26 lends support to this view. The civil servants had struck because the Legislative Assembly, owing largely to the firm stand taken by the UDN bench after consulting the incoming Governor, had granted them a temporary monthly raise of only Cr$ 3.180,00 (U.S. $1.00 equals approximately Cr$ 220,00) across the board against their demands for a 50 percent salary increase.

When asked for his views on the strike, Magalhães Pinto replied that however much he sympathized with the plight of the civil servants, he had to say that even the modest increase the Assembly had granted was more than the financial resources of the State could withstand. He explained that the State Government already owed its civil servants Cr$1.5 billion in back pay and that even a small raise for 60,000 to 80,000

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FOREIGN SERVICE DESPATCH

: AMCONSUL, Belo Horizonte, Brasil

21
DESP. NO.

: THE DEPARTMENT OF STATE, WASHINGTON.

January 20, 1961
DATE

: Consulate's despatch No. 16 of December 5, 1960

ACTION	DEPT.
Ara-4	RMR-2 INR-7
REC'D	OTHER
1-27	Dia-10 USIA-10 NSA-2 Navy-4

INFO

POLITICAL SUMMARY FOR DECEMBER 1960 - STATE OF MINAS GERAIS

Table of Contents

1. Views and Speculations on the Next State Cabinet.
2. The Economic Situation Facing the New Administration.
3. Prospects of a Workable Majority in the State Legislative Assembly.
4. Developments in the Movement to Reform the Social Democratic Party.
5. Tancredo Neves' Appointment as a Director of the National Bank for Economic Development.
6. Important Visits.

Political activity in December was slowed down considerably by the Christmas holidays and summer vacations despite the arrival late in the month of Governor-elect MAGALHÃES PINTO from his trip to the United States and Europe and the atmosphere of anticipation created by speculation on the new cabinet that will be inaugurated on January 31. Evidence continued to indicate that the incoming Governor will have in all probability the support of a substantial majority in the State Legislative Assembly.

1. Views and Speculations on the Next State Cabinet

There is much speculation but little or no factual knowledge about the composition of the next State cabinet. Governor Magalhães Pinto is now conferring with his advisors to make final decisions on cabinet appointments. The general view is that these appointments will be announced only after Jânio QUADROS makes public his own cabinet, perhaps in the last week of January. The expectation is widespread that the Governor will form a good cabinet.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JAN 30 1961

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1961 9:28 a.m.

ACTION
INFO:
RM/R FILES

FROM: Sao Paulo

TO: Secretary of State

NO: 191, January 17, 6 p.m.

PRIORITY

SENT DEPARTMENT 191, REPEATED INFORMATION RIO 70.

Situation regarding firemen and state militia strike remains calm in city. Second army units still occupying headquarters of fire brigade and state militia. Thirty members of both units arrested.

Re police sources believe although strike was result salary dispute agitators using situation to attempt disrupt national equilibrium. Same sources believe Sao Paulo situation connected with insubordination state of Rio de Janeiro military police which took place December 1960. Also believes situation in state militia and fire brigade will remain tense for quite some time.

Pro-West raid and rally of families and firemen and state militia took place afternoon and evening of January 16. Communists Francisco Floriana Dezem, Jofre Correia Netto, Antonio Chamorro, Jose Brasil de Castro Alves, Jose Bustos, Salvador Rodriguez, Luiz Firmino Dalima, Ramildo Chiarparim Guarino Fernandez joined marchers. One minor incident of violence reported which took place at close of rally.

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0587

truckdrivers) have postponed from January 11 until January 13 the deadline for a strike against the Santos Dock Company unless it yields to the unions' demands (now being negotiated in Rio) for a 42.5% general wage increase, effective January 1, 1961. The National Stevedore Federation headed by Oswaldo Pacheco da Silva has wired all member unions to support the Santos and the 13 other portworker unions along the Brazilian coast which are simultaneously demanding higher pay. Should the Dock Company be unable to reach a solution to the dispute, a complete shutdown of the port is likely.

Comment: (OFFICIAL USE ONLY)

For a number of reasons, it will be difficult for the Santos Dock Company to grant heavy pay increases at this time. Only last October it increased by 35% the wages and broadened the benefits of its workers.

The prime mover in union agitation against the Dock Company and in favor of striking if the demands are not met is Manoel de Almeida, communist President of the Sindicato dos Operarios nos Serviços Portuarios de Santos, which with over 6700 members is the largest union in Santos.

III ECONOMIC - Negative.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE

1. Leave for Local Employees (UNCLASSIFIED)

On January 9 the Consulate's senior local employee, Alfredo da Silva, Jr., returned from nearly four months sick leave, having recovered from a nervous breakdown induced by overwork. On the same day the Consulate's secretary and consular clerk, Cecilia da Silva, commenced one month of annual leave.

0586

of Santos now residing in Sao Paulo, has been boomed as a candidate for Mayor of the city by local PRT chieftain Antonio Moreira, a State Deputy from Santos.

The local PTB is scheduled to meet shortly to endorse either the PSP's Luiz La Scala, Jr., the PSD's Antonio Feliciano or Dr. Joaquim Coutinho Marques, A PTB member of the Santos City Council who is seeking support for his candidacy for mayor from another party as well. A Tribuna has commented wryly that the present campaign has produced "a plethora of candidates without programs and without clear objectives." Front runners in the mayoralty race continue to be, in order of importance, Luiz La Scala, Jr., of the PSP; the PDC's Athie Jorge Coury; the PSD's Antonio Feliciano; and Coury's rival for janista-carvalhista support, Mario Covas, Jr. Other parties have not yet decided whom to endorse.

Comment: (OFFICIAL USE ONLY)

There are now seven candidates for the largely decorative office of Vice-Mayor. Leaders are City Councilmen Nelson Antunes Matos (PL) and Jose Gomes (PTB).

Since the boomlet for Alcaide Valls comes very late indeed in the already-cluttered race for mayor, the reporting officer is inclined to doubt the seriousness of Antonio Moreira's and the PRT's support for Valls, which may be a maneuver to extort advantages for Moreira from Coury, Feliciano et als. in return for his promise to desist in complicating the campaign with yet another candidate.

3. Janio Quadros to Arrive in Santos (UNCLASSIFIED)

It is announced that President-elect Janio Quadros, due to be inaugurated January 31, will arrive in Santos January 20 from Europe aboard the 9,800 ton Royal Mail freighter "Durango". He is accompanied by his wife and mother.

Comment: (OFFICIAL USE ONLY)

"Durango", sailing in ballast from Lisbon to Buenos Aires, is being specially diverted to Santos to discharge the presidential party. The Royal Mail will take advantage of the stop to load 12,000 stems of bananas for the Argentine.

Incidentally, the passage aboard "Durango" costs exactly Cr$80.000,00 and is being scrupulously paid by the Quadros family.

II LABOR

1. Santos Dock Company Threatened With Strike (UNCLASSIFIED)

The Santos portworkers unions (port employees, port workers and truckdrivers)

0585

FORM DS-662
8-1-50

Page 1 of 1 Sao Paulo A-270

ARA

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OPERATIONS MEMORANDUM

TO: The American Consulate General, Sao Paulo Date: January 12, 1961

FROM: The American Consulate, Santos, Brazil VPR III

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Local Support for Fidel Castro (UNCLASSIFIED)

On January 7 the following statement by the Santos PST was made public: "The municipal directorate of the Brazilian Socialist Party congratulates the students of Santos for the support and solidarity which they are extending to the people of Cuba. We take the opportunity to invite the authorities and people in general to appear in a parade for solidarity with Cuba, which will take place on January 9 at 5 p.m. in the center of the city." The purpose of the parade was to urge the Brazilian Government not to break diplomatic relations with Cuba.

Comment: (LIMITED OFFICIAL USE)

The parade did not take place. According to local DOPS chief Dr. Hélio Pereira Pantaleão, only five persons showed up to demonstrate, including a 14-year-old boy. The "students of Santos" referred to in the PST announcement seemed to be the followers of Osvaldo Leituga, President of the Santos Students Center, and his colleague Luiz Rodrigues Corvo, both of whom are communists. When questioned by Dr. Pantaleão, Leituga denied complicity in the affair and stated that the movement stemmed from a group of students at the José Bonifacio School of Commerce and the Colegio Canadá. As for possible communists in the PST here, DOPS is investigating.

It appears to the reporting officer that most persons in Santos feel that a break between the United States and Fidel Castro was inevitable, and that the U.S. action was forced by Castro's hostility.

It is also evident that there is scant overt support for Castro in Santos.

2. Santos Mayoralty Race (UNCLASSIFIED)

The name of Joaquim Alcaide Valls, an engineer and ex-Mayor of Santos

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THE UNITED STATES OF AMERICA
JAN 13 1961
SÃO PAULO, BRAZIL

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FOREIGN SERVICE DESPATCH

FROM: Amcongen, São Paulo — 270 DESP. NO.

TO: THE DEPARTMENT OF STATE, WASHINGTON. — DATE: January 13, 1961

REF:

JAN 15 1961

For Dept. Use Only	ACTION	DEPT.
55	ARA-4	
REC'D 1/20	INFO OTHER	ARMR-2 INR-7 REP-1 CIA-10 USIA-10 LAB-6 OSD-5 army-4 air-6

SUBJECT: Santos Weekly Report

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
FEB 3 1961

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated January 12, 1961.

William P. Cochran, Jr.
Minister Consul General

Enclosure:

Santos Weekly Report
dated January 12, 1961

cc: Amembassy, Rio

BRANCH
CURRENT RECORDS
MAIN

1961 JAN 30 AM 9:41

EAG:le:lfw
REPORTER

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DEPARTMENT OF STATE
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ACTION ASSIGNED TO- NAME OF OFFICER & OFFICE SYMBOL	ACTION TAKEN	DATE OF ACTION	DIRECTIONS TO RM/R

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FEB 28 10 43 AM '61

CAA

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CLASSIFIED

0583

III ECONOMIC - Negative.

IV CONSULAR

1. General

Consular operations have continued normally during the past week. During the calendar year 1960 the Consulate issued or revalidated 146 non-immigrant visas and collected $721.34 in consular fees. During 1960 290 American vessels entered the port of Santos. During 1960 the post extended or took applications for 46 passports. These figures compare respectively with 109 visas issued, 270 ships entered and $669.50 in fees collected in 1959.

V ADMINISTRATIVE - Negative.

0582

1,956 Germans; and 734 Americans.

3. Sao Vicente Official Urges Closer Ties With Janistas-Carvalhistas (UNCLASSIFIED)

Osvaldo Teschi, the new President of the City Council of Sao Vicente, declared this week that the municipal government of Sao Vicente should cooperate closely with the administration of Sao Paulo Governor Carvalho Pinto and President-elect Janio Quadros.

Comment: (OFFICIAL USE ONLY)

Sao Vicente so far has received very little assistance from the State of Sao Paulo or the Federal Government, and its Mayor, Roberto Andraus, has been unable to make any significant headway in solving the many problems facing the city, most of which stem from centuries of corruption and neglect. Andraus is presently on extended leave of absence, and his place is being taken by Vice Mayor Orlando Intrieri.

II LABOR

1. Dock Company Workers Demand New Increases in Pay (UNCLASSIFIED)

On January 3 the employees of the Santos Dock Company met and voted to give the company until January 10 to grant a 60% wage increase. Should the company fail to meet this demand the workers have announced that they "would take more energetic measures" to obtain the wage increase.

Comment: (OFFICIAL USE ONLY)

Active in the agitation for higher wages in Manoel de Almeida, President of the 6,700-member Sindicato dos Operarios nos Serviços Portuarios de Santos and a communist. The dock workers have now been agitating for this latest wage increase demand since December (see Weekly Comment of December 9, 1960, Labor item No. 2).

2. Bus and Streetcar Conductors' Strike Threat Averted (UNCLASSIFIED)

The streetcar and bus drivers union here has won from the SMTC (the city-owned public transportation company) career status for employees entering the company by competitive examination; Cr$200,00 per month per employee per dependent up to 18 years of age; and free uniforms. If these demands had not been met, a strike would probably have ensued.

/III ECONOMIC

0581

FORM DS-662
6-1-50

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Page 1
of 1
Sao Paulo D-269

OPERATIONS MEMORANDUM

TO: The American Consulate General, Sao Paulo Date: January 6, 1961

FROM: The American Consulate, Santos, Brazil VPR III

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Santos Mayoralty Race (UNCLASSIFIED)

During the Christmas holidays the maneuvering for party support by the various contenders for Mayor of Santos proceeded apace. Ex-Mayor and Federal Deputy (PSD) Antonio Feliciano has formally registered as a candidate for the March election, while State Deputy Athie Jorge Coury, a fervent janista, has been nominated by the PDC as its candidate. Coury's rival as the janista "unity" candidate, Mario Covas, Jr., has so far been unable to sew up any party nomination, but has declared that he is in the race to the finish. His activity is hurting Coury and dividing the opposition to front-runner Luiz La Scala, Jr., the candidate backed by the PSP machine of the incumbent Mayor of Santos, Silvio Fernandes Lopes. Lopes himself is now attempting to win support for La Scala from the backers of the local PRT.

Comment: (LIMITED OFFICIAL USE)

The reporting officer was informed this week by the Santos head of the Political and Social Police (DOPS) that the local communists, at a recent meeting to celebrate the birthday of Luis Carlos Prestes, had decided covertly to support Luiz La Scala and the PSP, but that the latter had not solicited this support.

The reporting officer understands that the communists gave their support to Mayor Silvio Fernandes Lopes of the PSP in 1957.

2. Foreigners in Santos (UNCLASSIFIED)

It has been announced that the Delegacia de Estrangeiros, a component of DOPS, since its establishment in 1938 has registered as permanent residents in Brazil, in Santos, 42,546 Portuguese; 14,334 Spaniards; 6,032 Italians; 4,234 Japanese;

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CONSULATE GENERAL OF
THE UNITED STATES OF AMERICA
JAN 12 1961
SÃO PAULO

0580

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FOREIGN SERVICE DESPATCH

FROM: Amcongen, São Paulo

269
DESP. NO.

TO: THE DEPARTMENT OF STATE, WASHINGTON.

January 13, 1961

JAN 16 1961

REF:

For Dept. Use Only	ACTION	DEPT.
	*	R/MA-2 INR-9 REP-1
	REC'D 1/20	OTHER CIA-10 USIA-10 ~~CSTC-1~~ Navy-4 AID-6 NSA-2

SUBJECT: Santos Weekly Report

DEPARTMENT OF STATE
BUREAU OF
INTER - AMERICAN AFFAIRS
FEB 3 1961
file ARA/P 2/16/61

R/MR

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated January 6, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/1-1361
CAA
FILED
FEB 20 10 43 AM '61

Enclosure:

Santos Weekly Report
dated January 6, 1961

cc: Amembassy, Rio

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1961 MAR 30 AM 8 41

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REPORTER

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0579

W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 19

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Document Date: 11/01/61

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ARA:EST/B:JWilson:dhh
(Drafting Office and Officer)

(53)

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732.00/1-1161
XR

DEPARTMENT OF STATE

Memorandum of Conversation 033.3211

DATE: January 11, 1961

SUBJECT: Conditions in State of Goias

PARTICIPANTS: Mr. Mauro Borges Teixeira, Governor-elect of State of Goias, Brazil
Mr. Thomas C. Mann, Assistant Secretary of State, ARA
Mr. C. A. Boonstra, Director, Office of East Coast Affairs, ARA/EST
(1) Mr. J. W. Wilson, ARA:EST
Mr. William T. Pryce, ARA
Mr. Neil Seidenman, IS (interpreter)

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JAN 21 1961

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732.00/1-1161

Sr. Teixeira expressed his appreciation for his leader grant and for the courtesies extended to him by the Department. He gave a brief outline of his itinerary thus far in the United States.

In the course of a lengthy discourse on the economy of the State of Goias, the Governor-elect spoke mainly of agriculture and plans for further agricultural development. He expressed an interest in Point IV assistance in this field.

Mr. Mann said that the Department would be glad to assist the Governor-elect in arranging for appointments to discuss his interests with ICA officials. (After the meeting with Mr. Mann, Sr. Teixeira had a discussion with Mr. Hannum of ICA in which the latter outlined in general terms the nature of ICA technical cooperation programs.)

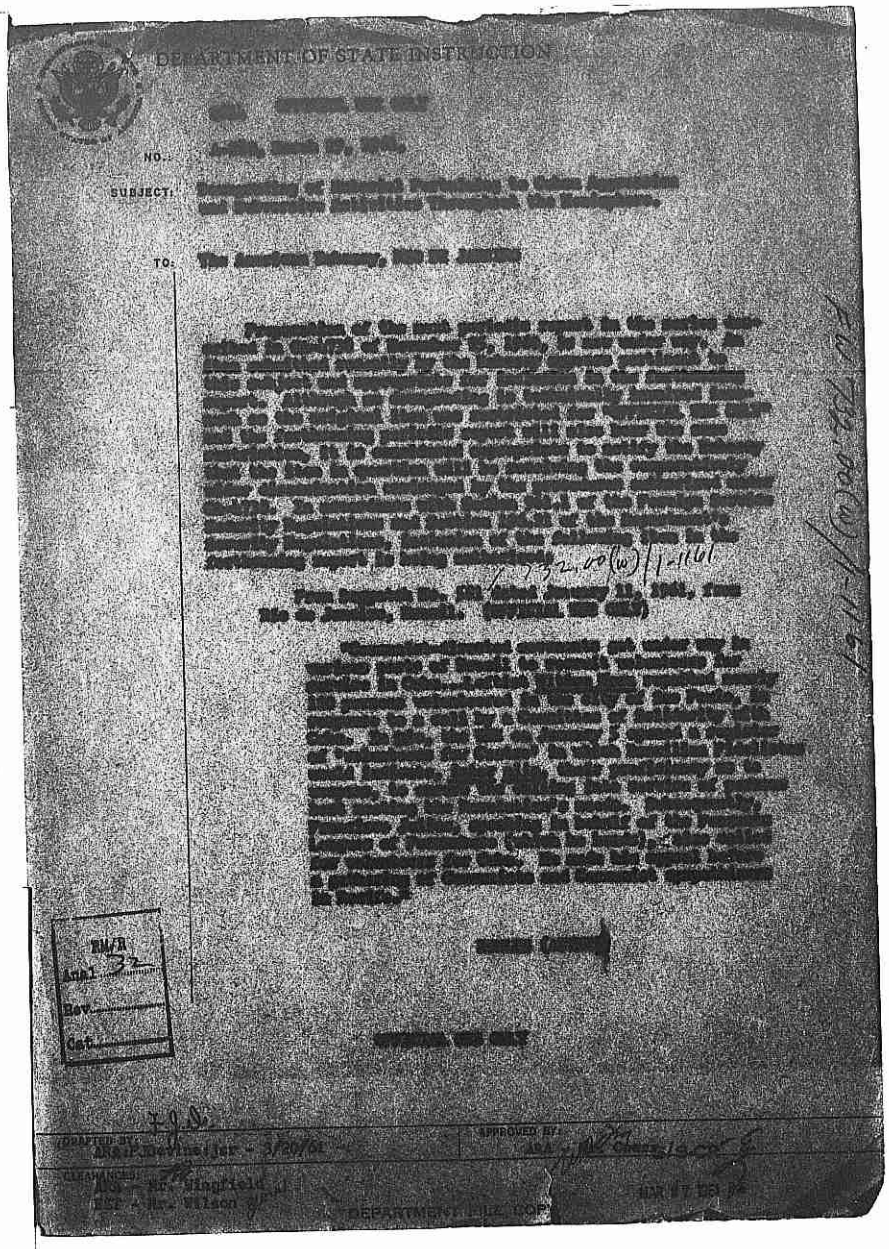
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JAN 23 1961

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DEPARTMENT OF STATE INSTRUCTION

NO.

SUBJECT:

TO:

E.O. 12356, Sec. 3.4(b)(1), 1-1-88

RM/R
Appl 32
Rev.
Cat.

APPROVED BY:

DRAFTED BY:

CLEARANCES:

DEPARTMENT OF STATE

0576

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Encl'd to D 261
São Paulo
P4

About 8 p.m. on December 28 the 7,454 gross ton Royal Mail freighter "Tuscany" (Captain J. Allason-Jones) collided with the Lloyd Brasileiro freighter "Loide Chile" (Captain Jorge Maia) in the Santos roads near the entrance to the harbor. The British vessel, outward bound, knifed six meters into the Brazilian ship's port side near the bridge, killing her second radioman and badly damaging the "Loide Chile", which was arriving from Europe with 3,700 tons of general cargo. Seven ships were anchored in the roads awaiting berthing space. The "Loide Chile" was towed into the harbor the next day and will probably be sent to Rio de Janeiro for repairs. The "Tuscany's" bow will be patched for her return to the United Kingdom, which will only be after a complete investigation has been completed.

Comment: (UNCLASSIFIED)

No explanation for the accident has yet been made public. This is the first serious collision to occur in the Santos harbor area for well over a year.

2. Santos Xmas Business Good (UNCLASSIFIED)

Local merchants report that although prices were at an all-time high, business was generally brisk during the Christmas season this year in Santos. Toys were in great demand.

Comment: (UNCLASSIFIED)

The port of Santos closed down at 5 p.m. December 24 and reopened on December 26.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE - Negative.

OFFICIAL USE ONLY

0575

Encls. A D 261 Sao Paulo
P3

charges of corruption brought against him by members of the union, which after much wrangling voted to oust him as President on March 9, 1960. (See Weekly Comment dated January 15, 1960, et sequitur.) Newton Lima, Director General of the National Department of Labor, by a decision dated November 30, has quashed the union's ouster and exonerated Madeira of wrongdoing.

Comment: (UNCLASSIFIED)

This at-logg-last determination is now somewhat academic in view of Madeira's defeat earlier this month in his bid for re-election as President. (See Weekly Comment of December 9, 1960.) With Madeira, a communist sympathizer long the union's boss, now officially absolved but out of office and largely discredited, l'affaire Madeira seems to have come to an end.

2. Santos Labor Quiet During Christmas Season (UNCLASSIFIED)

During the Christmas holidays the Santos labor scene has been generally quiet with no strikes occurring in the consular district. However, the reporting officer is inclined to believe that January will produce renewed demands by local labor for higher wages, backed by strike threats, especially from the port workers. (See Weekly Comment of December 9, 1960, Labor item #2.)

3. Anti-Communist Labor Newspaper Threatened (OFFICIAL USE ONLY)

The reporting officer is informed by a member of the editorial staff of the local anti-communist labor weekly O Expresso that pressure has been brought to bear on the paper to "lay off" its attacks on communists in labor unions and student groups here; that the newspaper's distributors have been threatened with bodily harm; and that the local communists are accusing the paper of being subsidized "by the American Embassy".

Comment: (OFFICIAL USE ONLY)

O Expresso all this year has been waging an increasingly vigorous (and apparently increasingly effective) battle against the communists here, naming names and documenting their coverage of communist activity and infiltration.

The reporting officer is preparing a despatch on this subject.

III ECONOMIC

1. Ships Collide in Santos Roads (UNCLASSIFIED)

0574

Gomes is a strong contender for Vice Mayor of Santos in March 1961.

Elected First and Second Secretaries, respectively, of the City Council were Carlos Moraes Carneiro and Anacleto Serafim de Almeida (PST). The former is one of the two PRT defectors who threw their votes to Fernando Oliva.

Comment: (OFFICIAL USE ONLY)

The election of the President of the Santos City Council, locally important in itself, was an episode in the more significant maneuvering in the mayoralty succession. Mayor Fernandes Lopes is master-minding the campaign of his protege Luiz La Scala, Jr., to be elected in March 1961 to succeed him, which would ensure the continuance of PSP control of the City Hall. With Oliva, a regular PSP stalwart, as #1 alderman, La Scala's path is now considerably smoothed.

La Scala will face the rival candidacies of Athie Jorge Coury, who claims to bear the charisma of Janio Quadros; Mario Covas, a newly-entered independent who also claims Quadros' blessing and has support from the local PST; and Antonio Feliciano da Silva, an ex-Mayor and professional politician now Federal Deputy from Santos who heads the local PSD. Coury, the logical Janista candidate, is being hurt by Covas, who threatens to divide the Janista vote to the profit of the PSP. Coury also committed a tactical error during the City Council Presidency election when he announced that if opposition candidate Newton de Lima Azevedo did not receive all the PDC votes, he would withdraw from the mayoralty race. The PDC split, gave two votes to the winner Oliva and left Coury embarrassed, since he has no intention of quitting the race. Since the PST, which supports Covas, gave its votes to Oliva of the PSP and thus strengthened the Mayor, some observers here have advanced the theory that Covas is really secretly supported by Mayor Fernandes Lopes precisely in order to divide the Janista opposition.

The net result of this councilmanic election is that Mayor Fernandes Lopes has cleverly managed to strengthen the candidacy of Luiz La Scala, Jr., for Mayor and tighten the PSP grip on the City Hall, leaving rivals Coury et als. confused and disorganized. The Quadros-loving and Fernandes Lopes-hating newspaper A Tribuna is angry at the Mayor's steam-roller tactics and is frankly worried that Luiz La Scala will be a shoo-in for Mayor over a divided opposition.

II LABOR

1. Finis to Commerce Union Versus Bernardo de Abreu Madeira (UNCLASSIFIED)

Outgoing President of the Sindicato dos Empregados no Comercio de Santos Bernardo de Abreu Madeira has ostentatiously announced that the Ministry of Labor has finally ruled upon the truth of the /charges

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DEPARTMENT OF STATE
INTER-AMERICAN AFFAIRS
FEB 1 0 1961

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FW-732.00/1-1061
Encls. to D 261 Sao Paulo

OPERATIONS MEMORANDUM

TO: American Consulate General, Sao Paulo
Date: December 30, 1960

FROM: American Consulate SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF: (25) action ara-4 | Dept. Rep-1 RMR-2 INR-7 E
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I POLITICAL | NSA-2 army-4 navy-4

1961 JAN 13 PM 5
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1. New President of Santos City Council (OFFICIAL USE ONLY)

On December 23 the Santos City Council elected Fernando Dias Oliva President of the Council, i.e., the city's second-ranking municipal official after the Mayor. Oliva, who is a social worker, was the candidate of PSP sachem Mayor Silvio Fernandes Lopes, who had carefully laid the groundwork for the election.

José Aflalo Filho, retiring City Council President, subordinated his ambitions to succeed himself to the interests of party regularity, while the Mayor adroitly canvassed the Council for support. The PSP (the national party of Adhemar de Barros which currently dominates Santos local politics) was thus early able to collect a powerful bloc among the 31 City Councilmen.

Nelson Antunes Mattos, leader of the Council's PL members, had originally decided to try for the Council Presidency, but could gain no support from his colleagues, who endorsed the PSP's Fernando Dias Oliva. The locus of the opposition to Oliva shifted to Newton de Lima Azevedo, leader of the PRT representation on the Council, who attempted to rally the Janista-Carvalhista element as well as those who are impatient with the PSP dominance in municipal politics. But at the last minute two members of the PDC and two members of the PRT defected from Azevedo's cause (reportedly because of commitments made to them by Mayor Fernandes Lopes), and when the votes were counted Oliva emerged the easy winner on the first ballot with 18 votes to 12. (Pedro de Castro Rocha/UDN/ received one vote.) Disgruntled, Azevedo promptly announced that he was resigning from the PRT to join the PDC, which with five votes will now have the largest single representation on the Santos City Council.

José Gomes, PTB leader, radio station manager and rising Santos politician, was elected Vice President over Deminges Fuschini (PSD) by 16 votes to 15. Gomes earlier in the year had succeeded to this office upon the death of the incumbent. Gomes is

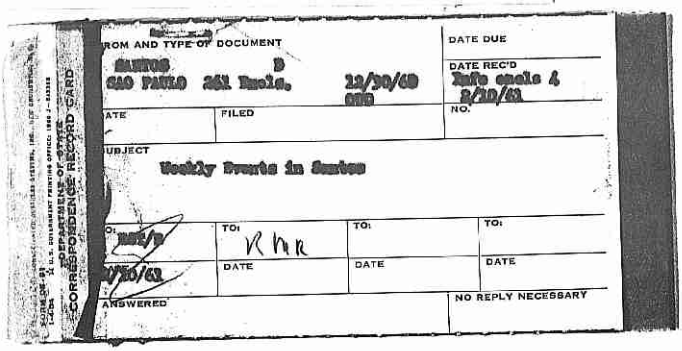
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BUREAU OF
INTER-AMERICAN AFFAIRS
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AMERICAN CONSULATE GENERAL
JAN 5-
SÃO PAULO, BRAZIL

FW-732.00/1-1061

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DEPARTMENT OF STATE
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SAO PAULO 261 Encls. 12/20/62
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SUBJECT
Weekly Events in Santos

TO: [illegible] | TO: R M R | TO: | TO:

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo
261
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.
January 10, 1961
DATE

REF :

	ACTION	DEPT.	
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	REC'D 1-14-61	OTHER CIA-10 COM-10 USIA-10 NSA-2 ARMY-4 NAVY-4 AIR-6	

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated December 30, 1960.

William P. Cochran, Jr.
Minister Consul General

732.00/1-1061 HBS
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Enclosure:
No Encl Recd to date in RM/R 2/24/61 M.M.
Santos Weekly Report
dated December 30, 1960

Reference Marked NS
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they will be designated

cc: Amembassy, Rio

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1961 JAN 19 AM 10 01

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BUREAU OF INTER-AMERICAN AFFAIRS
JAN 26 1961

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0570

INSTITUTO DE DIREITO PÚBLICO E CIÊNCIA POLÍTICA
DA
FUNDAÇÃO GETÚLIO VARGAS

Conselho Diretor:
Presidente
THEMÍSTOCLES BRANDÃO CAVALCANTI
Membros
BARBOSA LIMA SOBRINHO
BILAC PINTO
CAIO TÁCITO
CARLOS MEDEIROS SILVA
HERMES LIMA
JOÃO MANGABEIRA
SAN TIAGO DANTAS
SEABRA FAGUNDES
VICTOR NUNES LEAL

RIO DE JANEIRO
PRAIA DE BOTAFOGO, 186
Caixa Postal 4.081

January 9, 1961

Dr. Adolph A. Berle, Jr.
142 East 19th Street
New York, N.Y.
U.S.A.

Dear Dr. Berle:

You may remember my letter of last Spring before I came to Brazil as a Fellow of the Organization of American States and the Social Science Research Council to do research for a study on politics and ideologies in Brazil.

During the presidential election campaign I had the opportunity to talk with the "mystery man", Mr. Quadros, and to people close to him, which together with my research on the Brazilian political situation led me to write a study on the Brazilian Foreign Policy Prospects.

Enclosed I am sending you a copy. The Embassy here requested one to forward to Washington and I have sent another copy to Mr. Mosely of the Council on Foreign Relations asking him if it could be published as an article in the April issue of Foreign Affairs.

Should you approve of the article, I would appreciate it very much if you would communicate with Foreign Affairs and recommend it for the March publication to them.

Your article, "The Cuban Crisis", in the October issue was appreciated here very much. Some Brazilians I have talked to have expressed the hope that you will be the next Assistant Secretary of State for Latin America.

I am giving this letter to the President of the Instituto Brasil-Estados Unidos, Dr. Murillo Bastos Belchior, who is leaving for the United States tomorrow and who kindly offered to forward it to you.

With best regards and wishes for a Happy New Year,

Sincerely yours,

Vladimir Reisky de Dubnic

Vladimir Reisky de Dubnic
Murtinho Nobre, 32,
Sta. Teresa, Rio de Janeiro
Brazil

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his complaints about U.S. policy, and stated them frankly in "a friendly manner" in the hopes of generating some changes. Dr. Albuquerque's views on U.S. "economic imperialism" are typical of a majority of the younger and middle-aged professors in Parana, and also of the students and many others. UNCLASSIFIED. Curitiba D-26 of 12.12.60 also bears on this subject.

7. Curitiba Binational Center Being Resuscitated

Arrival of new binational center grantee S. Le Roy SCHREITER was warmly received by the local press and by the center's board of directors. Since Schreiter's arrival there has been expanded and very favorable publicity about new center activities, new courses, and new cultural exchange activities. UNCLASSIFIED
SOURCES: All local press.

8. Canadian, Spanish, Dutch and Soviet Educational Exchange Activities in Curitiba

The Canadian government is advertising all-expense scholarships in the social sciences for persons who want to obtain Master of Arts degrees at Canadian universities. ... The Spanish government has announced scholarships in Public Administration at the "Centro de Formacion y Perfeccionamiento de Funcionários" of Madrid. The scholarships cover all costs but transportation. ... The Dutch Cultural Attaché on a recent visit to Curitiba said that graduate level scholarships were available for hydraulic engineering and agricultural studies in the Netherlands. ... Curitiba student Francisco Batista SILVEIRA, Jr., has accepted a four year scholarship to study geology at Moscow's University of Peoples' Friendship. SOURCES: All local press. UNCLASSIFIED

MISCELLANEOUS

9. Local Air Base Commander Named Brazilian Air Attaché at Lima

Colonel Nelson BAENA de Miranda, recently senior training officer at the Curitiba Ground and Specialist Officers' School of the Brazilian Air Force, will report to Lima as Brazilian Air Attaché in the beginning of February. Col. Baena is a conservative individual, quite friendly to the United States and a supporter of the Pan American system. This is his first assignment outside of Brazil. SOURCE: Personal Conversations OFFICIAL USE ONLY

Edward M. Rewell
American Consul

cc: Counselor of Embassy for Consular Affairs
American Embassy, Rio de Janeiro

0568

succeeded during a "presidential interregnum". The socialist and nationalist (not all "reo" nationalist) press rejoiced somewhat at U.S. discomfiture, but by the middle of December some socialist writers (as well as conservatives) had sufficient second thoughts to realize that U.S. financial problems in Europe are Brazil's problems as well, because if they are not solved they will result in reduced U.S. capacity for development assistance to Latin America . ... The visit of 28 U.S. governors to Brazil was followed with interest and approval. Although the governors did not visit Paraná or Santa Catarina (there was disappointment that at the last minute they had to cancel a visit to northern Parana's booming coffee country), there was a consensus of pleasure and pride at their presence. SOURCES: All local press. UNCLASSIFIED

COMMENT: After adequate reflection local thinkers seem to have found themselves in positions remarkably similar to those of the United States on the subjects noted. This includes the colonialism debate where the Brazil-Portugal-France quandry paralelled U.S.preblems. OFFICIAL USE ONLY

CULTURAL EVENTS

6. Speeches on U.S.-Brazil Relations Highlight Closing of University of Paraná School Year

The closing of the University of Paraná 1960 school year was marked by two speeches on Brazilian-U.S. relations. The first talk, given by the Dean of the Law School, Ernani CARTAXO, emphasized that today's ideological struggle applies directly to Brazilian institutions, and is not just a private U.S.-Soviet quarrel. Dr. Cartaxo added, however, that Brazil must receive substantial aid along with the other underdeveloped countries so that it can develop the social and economic means for playing its part in the conflict.

The second speech was given by Dr.Lineu de ALBUQUERQUE of the Law Faculty of the University of Brazil. Dr. Albuquerque represented the federal Ministry of Education and the Rector of the University of Brazil. Dr. Albuquerque traced the entire history of U.S.-Brazilian relations, giving special approval to the Roosevelt "Good Neighbor" era, the economic cooperation of World War II (U.S. construction of Volta Redonda Steel Mill), and, hopefully, the "New Good-neighborliness" of the Kennedy administration. However, Dr.Albuquerque also emphasized very heavily the need for complete Brazilian independence in determining its own future and in planning its development, and he concentrated on the dangers of "economic imperialism" which he claimed was one aspect of Point IV programs of the past eight years. SOURCES: Personal observations. UNCLASSIFIED

COMMENT: Dr. Albuquerque sincerely believes in the justice of his complaints about

0567

Christmas when every wall in the downtown Curitiba shopping area was plastered with black and white posters showing a photograph of Fidel embracing Khruschev. The posters contained the single word "ENTREGUISMO" printed in large white letters. ... Press coverage of the conference of Communist premiers was full, and there was considerable comment in detail. Local opinion was particularly sensitive to the hopeful tones of the victory over China of Moscow-style "peaceful coexistence". SOURCES: All local press, personal observations and conversations. UNCLASSIFIED

COMMENT: In spite of Fidel's reduced prestige, there are still many starry-eyed moderates in Curitiba who refuse to recognize the obvious communist trappings of the Cuban dictatorship. ... The "Entreguismo" poster probably did not influence very many people since poster propaganda normally must be extended over a considerable period to be effective. But it is significant that such counter-Fidel propaganda can and is being attempted. Although we have been unable to identify the source of the posters, all of the persons responding to our inquiries are convinced that they are spontaneous local efforts and not part of a campaign originating elsewhere in Brazil. ... Some editorialists think the natural identification of underdeveloped countries with China's development will make the Moscow results counter-productive for the communists. But the Moscow-Warsaw victory over Peking enhanced values dearer to Brazilians than their curiosity about China's economic growth. For example, the conference implied that national communist parties need not be absolutely subservient to Moscow in all respects (In the past Russian dominance has been a source of substantial disillusionment to Brazilian communist idealists). Further, the Moscow thesis of peaceful coexistence and non-belligerent "Revolution" appeals strongly to the Brazilian yearning for relief from the shadow of atomic holocaust. On the whole the position of Brazil's communists was probably strengthened.

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5. Miscellany: The U.N. Colonialism Debate; Anderson-Dillon Mission; U.S. Governors' Visit to Brazil

The colonialism debate in the U.N. was widely noted, although the news columns covered only the bare facts. Interestingly, some local journalists had reservations about the resolution which was finally passed, mostly because of a desire not to offend mother-country Portugal and traditional friend France.... Failure of the Anderson-Dillon mission was publicized in detail. Some writers wondered how the U.S. could have thought that such a mission might have succeeded during

0566

two years' income. The incoming government will be so hard pressed trying to balance the books merely to pay current costs (e.g., public employees' salaries), that it may not be able to organize and execute any public projects of its own for some time, perhaps for as long as 30 months. This obviously is not going to help the new governing party with the federal and state elections in 1962. SOURCES. OFFICIAL USE ONLY

COMMENT: One result of this problem is that Ney Braga will seek technical assistance and funds from every conceivable source. Ney Braga reportedly made inquiries regarding possible financial and industrial assistance during his recent vacation in France and Italy. His emissaries are now putting out feelers to career consuls in Curitiba. SOURCES: Personal conversations and observations; local press. See Curitiba D-28 (1.5.61) OFFICIAL USE ONLY

PSYCHOLOGICAL EVENTS

3. The Walter Link Report on Petrobrás

As in the rest of Brazil, Walter LINK's terminal report to Petrobrás on the lack of commercial oil deposits in Brazil generated sharp criticism. Hyper-nationalists, far leftwingers, and others used the report and the sacrosanct symbol of Petrobrás to try to convince local opinion of the folly of accepting technical advice from a U.S. source on any project of "great national importance". Only one local paper suggested that it might be better to discuss Petrobrás solely in technical terms rather than in highly emotional and generally irrelevant political contexts. SOURCES: Diário do Paraná (moderate), Gazeta do Povo (socialist), O Dia and Ultima Hora (leftist). UNCLASSIFIED

COMMENT: Whatever the personal political motives of the nationalists (and there were probably many), they have succeeding in rekindling doubts about U.S. private and governmental interests regarding Petrobrás. ... Some device must be found which will allow Brazilian leaders to cooperate in national economic development with the U.S. or international agencies with a minimum of interference from political emotionalism. OFFICIAL USE ONLY

4. Castro, Entreguismo, Moscow Declaration of Communist Parties

Except for far left commentators, Castro's reputation remains tarnished in Curitiba. Even moderate professors in the University of Parana have said that invitations to Castro from faculties and student groups elsewhere in Brazil were ill conceived. ...

An unprecedented symbol of anti-Castroism appeared ten days before Christmas when every

0565

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : American Consulate, Curitiba

29
DESP. NO.

JAN 6 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

January 6, 1961
DATE

REF :

20 For Dept. Use Only	ACTION	DEPT. ARA-4 RMR-2 INR-7 P-3 IO-4 EUR-5
	REC'D 1-14-61	INFO OTHER CIA-10 USIA-10 OSD-5 NSA-2 ARMY-4 NAVY-4 AIR-6

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD NOVEMBER 16-DECEMBER 15,1960

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JAN 18 1961

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HBS

CONTENTS

1. Santa Catarina Municipal Elections
2. Financial Problems for Ney Braga Government (Paraná)
3. The Walter Link Report on Petrobras
4. Castro, Entreguismo, Moscow Declaration of Communist Parties
5. Miscellany: U.N.Colonialism Debate; Anderson-Dillon Mission; U.S. Governors' Visit to Brazil
6. Speeches on U.S.-Brazilian Relations Highlight Closing of University of Paraná School Year
7. Curitiba Binational Center Being Resuscitated
8. Canadian, Spanish, Dutch and Soviet Educational Exchange Activities
9. Local Air Base Commander Named Brazilian Air Attaché at Lima

POLITICAL EVENTS

1. Santa Catarina Municipal Elections

On April 9, 1961, eleven Santa Catarina counties will hold elections for aldermen and one county will vote for mayor.

Most of the counties are in conservative German areas of the state, and the result should be conservative. The election is not expected to affect the immediate balance of state politics.

UNCLASSIFIED

2. Financial Problems for Ney Braga Government (Paraná)

The 25 billion cruzeiro deficit being left by the outgoing Paraná government which was reported last month has been confirmed, and the flood of spending continues. The state financial burden now equals more than two years' income.

EMRowellibb
REPORTER

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ACTION ASSIGNED TO: EST/B	ACTION DESIRED ACTION TAKEN None	
NAME OF OFFICER & OFFICE SYMBOL LTBrupp EST/B	DATE OF ACTION Jan 30, 1961	DIRECTIONS TO RM/R

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0564

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Page 5
encl Recife 0-25
of 1-661

5,000 families would be only a drop in the bucket.

Consul GUADERRAMA: Reiterating the need for forceful action to solve the problem, Consul Guaderrama counseled that "white gloves" can not be used. He compared the present emergency with that which he witnessed in Baja California, Mexico, where the Cardenas administration had taken strong action to forcefully move the land hungry to Baja California.

Mr. COERR: Pointing to other recent examples, Mr. Coerr wondered what the reaction of the Ligas Camponesas would be to a good plan of colonization and/or agrarian reform. He noted that many good plans have been effectively sabotaged by such organizations.

In response to Mr. Coerr's query, it was agreed that the Ligas would directly and indirectly attempt to weaken and defeat any such strong program that could minimize their effectiveness.

At this point the meeting was adjourned in order to meet with Governor Sampaio.

ESGuaderrama

ESGuaderrama/ETWalters/dmw

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0563

Page 4
end Recife D-25
of 1-66

Vice Consul WALTERS: Referring to a previous question by Minister Saccio about Governor Sampaio, Mr. Walters sketched the Governor's background -- wealthy family (sugar plantation) and in-laws; well educated and well traveled; engineer and businessman; President of the State Federation of Industries before running for office in 1958, working with and winning with Communist support in a surprising upset of the long established PSD reign; his independent course charted as Governor; his victory over the Communists during the recent presidential elections; and now his public defence of the need of foreign investment and help to develop the Northeast and his attack upon Communist-Nationalists. Mr. Walters ventured a guess that the Governor had "leaked" his unhappiness about visits and discussion with U.S. delegations because he was presently in a tough financial corner. It now appeared that his long discussion (since March) with the West Indies Mortgage and Trust Co. (of Liechtenstein and Miami, Florida) for a $15 million to $44 million loan were about to collapse. The Governor had hoped to obtain $5 million to $10 million to finance his present and projected agricultural colonization program. Mr. Walters also noted that an outline of the program, originally requested in April, was now being prepared for the Consulate's information.

Mr. HAYNES: Having talked to the authors of the Governor's colonization plan, Mr. Haynes said that the draft now in preparation was being designed to stress the NOW aspect of the emergency and the need for fast action. Utilizing a map to describe the economic resources of the Northeast, Mr. Haynes reported that of the three area subdivisions, Bahia has the potentialities to resolve its economic problems, Piaui and Maranhão are underpopulated and underdeveloped, but the others (Sergipe, Alagoas, Pernambuco, Paraiba, Rio Grande do Norte, and Ceará) are overpopulated. All the miracles of modern technology can not raise production by more than 20%. The low standard of living permits the occupation at a poor level. Only by pulling out 2/3's of the people presently engaged in agriculture could the remaining population obtain a decent standard of living. In response to a question regarding the 53% net population increase in Pernambuco (excluding Recife), Mr. Haynes said that only by federal subsidization had these large numbers managed to remain in the country; the Federal Government spends Cr$5 in the area for each Cr$1 taken out by taxation. Mr. Haynes briefly touched upon the "Maranhão Front", the terminology used to describe the plan and the area that could act as the "pressure relief valve" for the Northeast. Mr. Haynes has already discussed this plan with SUDENE officials and they hope to use a technique (employment of slow dissolving fertilizing mica shisto) proposed by Mr. Haynes to resolve one of the basic problems (leached soil) of tropical agriculture. Mr. Haynes, who is now drafting a proposed plan of technical and administrative action for opening the Maranhão frontier, promised to relate more details later.

Mr. Morrison: Returning from a recent trip to the Pernambuco interior, Mr. Morrison described the spartan living and working conditions of the area which lacks both rain and other resources. He said that a plan to colonize

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0562

humble element of Brazil (except the officers, of course), who might repress violence with weapons fire once, perhaps twice, but after that they would be most reluctant to fire on their own kind andthe situation might then become untenable. Use of police or military forces to subdue violence by the hungry does not resolve the basic problem nor would it do more than delay the possibility of armed revolution. In helping Sampaio, we are buying time in a tense socio-political-economic period of transition that requires urgent solution. We may have two years to apply the remedy; and it is possible we may not have that long a period of grace. The technicians present (Mr. Haynes, Mr. Morrison, Mr. Reed, and Miss Donahue), Political Officer Maurice Gremillion and Consular Officer Edward Walters, who is extremely well informed on the political and economic phases of the situation, were called upon to discuss in detail their special fields of knowledge. Special attention was called to a forceful description of the food (agricultural) situation by Mr. Haynes, who has prepared several papers on the subject, with proposed remedial plans.

4. Vice Consul Gremillion related that Governor Sampaio, who had visited the American Embassy, Rio de Janeiro, earlier in the year andhad since received a large number of official U.S. visitors and delegations, had recently expressed his disappointment over the fruitlessness of all these conversations. Mr. Gremillion noted that: The U.S. needs to support Governor Sampaio, for his loss will be the Communists' gain. The PCB (Communist Party) is already grooming its candidates to take over the Governor's office. Francisco Julião, leader of the Ligas Camponesas, has now returned from his vist to Peiping (December 15). A man of tremendous influence, Julião will undoubtedly have fresh supplies (ideas and otherwise) for his campaign of radical land reform. In answer to a question, Mr. Gremillion said that there are 30 known Ligas committees and tha the Castro influence is clearly evident since Julião (the spiritual leader of the Ligas) has been a strong advocate of the Castro reform program. Governor Sampaio boldly stepped in to take over agrarian reform. The State and Federal governments have to counteract the mushrooming influence of the Ligas. The people, if they do not receive hope of better things, will swing to the Communist leadership. Miguel Arraes (Mayor of Recife) is already being groomed to be the next governor of Pernambuco. The Communist Party already has a complete economic plan for the State, tailored to suit them.

Minister SACCIO: QUESTION: The people who have been stimulated by this ambition for better things, are they also the residents of the interior, throughout the area, or just the fringe areas near Recife?

Vice Consul GREMILLION: This sentiment is more pronounced near the metropolitan area. The Communists have seized upon this and are exploiting it, as can be expected, to the fullest possible extent. This feeling is latent in the interior.

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0561

Fargo to amb/Recife D-25 of 1661

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works projects and industrialization within the State. He went se far as to publicize the fact that he had acquiredsome of this money, when really he has not, to date, been able to negotiate the loan in any amount. On this premise , Governor Sampaio, who is a leader of national stature and the recognized leader of the Northeast states, has placed himself in an extremely precarious political position, and it is necessary that we consider most seriously if he is worth saving. If Governor Sampaio loses his political strength through failure to carry out a minimal part of his plans as publicized, the opposition will automatically become stronger; and the opposition, lead by Miguel ARRAES, Mayor of Recife, and Francisco JULIÃO, State Deputy and leader of the growing Ligas Camponesas, will have a clear field for agitation for radical land reform along the Fidel Castro lines. In other words, if Sampaio is defeated politically, Pernambuco loses a strong rightest leader, and perhaps Brazil will lose a potential national figure (perhaps presidential timber), and the United States will lose Brazil. This is a very broad statement to make, and in the light of political predictions most risky. However, circumstances in the Northeast are such at present that it may be compared to a tinderbox with hunger the driving force.

To confirm the foregoing statements, Mr. Guaderrama called on the USOM technicians present to give a rapid factual summary of their findings regarding the present situation and their recommendations for relief of the area. He would also call on Vice Consuls Gremillion and Walters to state in substance the political and economic situation in Pernambuco and in the Northeast.

2. Minister Saccio at this point made a statement regarding the purpose of his visit to the Northeast. He recalled the long history of the "Northeast problem" and the fruitless Brazilian federal and local efforts to resolve it or ameliorate it. Mr. Saccio stated that any decision for assistance to this area would have to be made (in the light of the U.S. Bogotá Resolution and the political problems of the area) whether to help or leave things as they are. That is, we could continue to be sympathetic and to carry on limited programs but without becoming deeply involved.

3. Again Mr. Guaderrama stressed the urgency of the problem, the hunger andhopelessness of the people, and of a situation which would answer readily to subversive influences. Violence might be closer than believed as proven by isolated but frequent instances of burning of cane fields, threats of sieges of towns by Camponeses, squatter invasions of private property, and the repeated roundof strikes everywhere. Once more the point was made that we should save Governor Sampaio as a very good investment in the future. Governor Sampaio is the only political personality in our area taking progressive anti-Communist countermeasures. It was stated that the military are strong in their resolution to maintain law and order "at all costs"; but it was also noted that the police and military forces are made up of the most

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0560

page 1 encl 1 Recife D-25 of 1-661

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American Consulate,
Recife, Pernambuco, Brazil
January 3, 1961

MEMORANDUM OF CONFERENCE

Date: December 16, 1960

Place: American Consulate, Recife

Subject: Political-Socio-Economic Problems of Northeast

PARTICIPANTS:

Minister Leonard L. SACCIO, USOM/Brazil
Deputy Assistant Secretary of State Wymberley De R. COERR,
ARA/Department of State
Joseph SCONCE, USOM/Brazil
James HAYNES, Agronomy Advisor, USOM/Brazil
Lowell REED, Extension Advisor, USOM/Brazil
Henry MORRISON, Livestock Advisor, USOM/Brazil
Eugenia DONAHUE, Extension Advisor, USOM/Brazil
Ernest S. GUADERRAMA, Consul, Recife
Maurice GREMILLION, Vice Consul, Recife
Edward WALTERS, Vice Consul, Recife

At 8:00 a.m. of December 16, 1960, the foregoing met at the American Consulate for a 90-minute conference regarding the matter under subject. A meeting with Sr. Cid SAMPAIO, Governor of Pernambuco, would be held at 9:30 a.m. that morning. Following is the substance of the briefing session held to inform the participants from the Embassy of conditions in this jurisdiction, especially in relation to the State of Pernambuco.

1. Consul Guaderrama opened the meeting with a general outline of the political, social and economic problems presently affecting the area in general, the State of Pernambuco in particular, and the United States rather directly through predictable results if the present situation is not ameliorated. In substance, the important factors bearing on the situation are hunger; overpopulation in the sense that the land within the consular district cannot sustain its inhabitants; the well-organized activity of the Communist Party (unofficial, but actual) lead by capable leaders; and the measures taken by Governor Sampaio, a moderate Rightist, to counteract these leftist activities. The most important point made: Governor Sampaio, through an extremely imprudent financial deal which he had projected with a foreign company, firmly believed he could count on a loan of from $5 million to $44 million with which to implement certain land reforms andcarry out some public

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0559

violence if private owners or the State should attempt to defend private property. The Ligas Camponesas are now organized into effective forces within their localaes, and have the necessary organization for presenting a single front. These forces can and will be amalgamated into effective instruments by Julião if the State (thus far represented only by the Governor of Pernambuco) does not find a remedy in the immediate future for the continuing and hopeless hunger of the inhabitants of the Northeast.

The Honorable Mr. Coerr and the Honorable Mr. Saccio are well-informed of the facts of the problem. This office will continue to provide pertinent information on this subject with the necessary frequency.

Ernest S. Guaderrama
American Consul

Enclosure: 1. As Stated

cc: Copy to Amembassy, Rio de Janeiro
Copy to Counselor for Consular Affairs, Rio de Janeiro

0558

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FOREIGN SERVICE DESPATCH

25
DESP. NO.

FROM : Amconsul, RECIFE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

January 6, 1961

REF : Visit to Recife of the Honorable Wymberley De R. Coerr, Deputy Assistant Secretary of State, ARA, the Honorable Leonard J. Saccio, Minister of Economic Affairs, and Mr. Joseph Sconce, Rio de Janeiro, Dec. 15 to 18, 1960

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ACTION * ARA-4 REC'D 1/13

INFO DEPT: * RMA-2 REP-1 INR-7 E-7 ICA-11 OTHER (2) CIA-10 USIA-10 COM-10 TR-3 FAA-2 XMB-4 DAF-7 AGR-8 INT-7 AAB-6 Army-4 Navy-4 NSA-2 EST-3

SUBJECT: The Brazilian Northeast; State of Pernambuco; the Politico-Social-Economic Problem.

There is enclosed a self-explanatory Memorandum of Conference dated January 3, 1961 stating in substance the conversation and briefing held at this Consulate on December 16, 1960, on the subject heading.

The name of Francisco Julião appears in that Memorandum. The man was well if briefly identified at the briefing as a rabid Communist who is advocating land reform along the lines of the Red Chinamovement.

As confirmation of a positive order of the statements made during that briefing by Messrs. Guaderrama, Gremillion, Haynes, Morrison, Reed, and Miss Donahue, there are enclosed copies of two news articles from the Jornal do Commercio (one of the two leading Recife dailies) which appeared on December 31 and on January 5, respectively. It is regretted that there is no time to translate these articles into English, nor even to copy them and forward them in orderly typed form.

It will be noted that the second article, written by Francisco Julião, and addressed directly to the Governor of Pernambuco, is in answer to the first article, written by the Governor; that the article by Julião has been prepared for consumption by the "underprivileged andland-hungry", and that it is written in low key, without apparently showing any disrespect for the Governor's office or his person. It will further be noted that no mention is made by Julião of foreign influence on his thinking or on that of the Governor, and that frequent mention is made of Brazilians who over the past sixty years have been advocating either land reform or more economic progress for the laboring classes, especially for the field workers.

However, the most important point made in the article is the bald warning to the Governor that limited land reform is not acceptable; that a total breakup of large estates is inescapable; that private property has no legal status when confronted by the needs of the hungry.

This article by Julião is the opening gun of a long expected campaign for the breakup of the large estates in the Northeast. Julião openly advocates

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0557

In sum, the effect of any, or all, of these regional groupings upon the policies of the Quadros administration may be considerable. Their impact will be mitigated, however, by the fact that their claims will obviously clash. Thus, Quadros can be expected to attempt to play them off against each other, at which game he is expert.

For the Ambassador:

Harry A. Quinn

Harry A. Quinn
Second Secretary of Embassy

APPROVED:

Philip Raine

Philip Raine
Counselor of Embassy
for Political Affairs

DISTRIBUTION: All consulates in Brazil, Service Attachés, USIS, Econ (2), Pol II, Brasilia, CF (3), Pol (6).

0556

vigorous) governors of Pará, MaranhÃo and Goias. Upon several occasions since the elections, these gentlemen have conferred with their PTB colleagues from Amazonas and Ceará in an effort to retrieve some vestige of power from the wreckage of the 1960 disaster. From these conclaves, have come--in addition to poorly-veiled attacks on Sampaio--reports of an attempt to bargain with Quadros for control of Federal "pork-barrel" funds and agencies within their states in return for a promise of congressional support from the PSD and PTB delegations from their states. Though this sort of bargain is unlikely to net the young governors much in the way of long-term gains, it might prove to be a necessary expedient to the president-elect during his first months in office.[13]

More potent than either of these groups, however, may prove to be that which seems to be gravitating toward SÃo Paulo governor Carvalho Pinto. In the main, this is composed of Pinto (whose labors for Quadros were both mighty and extremely effective) and Paraná governor-elect Ney Braga (who shortly after the elections launched the first "Pinto for President" trial balloon). Reportedly, it may also attract into its orbit, at least on a part-time basis, Minas Gerais governor MagalhÃes Pinto. Carvalho Pinto's strength, of course, lies not only in the power of the state he controls but in his long-time association with Quadros and those immediately (and most influentially) around him. Thus, Pinto's will presumably speak with more authority than any other governor in the next administration. These calculations, however, could all be brought to naught if Quadros decides that Pinto has become too powerful for his (Quadros') own comfort.[14]

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13. When, presumably, he will need to utilize every weapon at hand to build a congressional majority.

14. There are, of course, some signs that this is already the case, though nothing will be known for sure until the maneuvering for the SÃo Paulo mayoralty election is completed.

0555

in Rio de Janeiro (where the Lott coalition squeaked by with a plurality of 4,000 votes), Amazonas (where an internal struggle for power broke out between the present and former PTB governors) and Piaui (where, since the elections, the PTB-UDN coalition which put Chagas Rodrigues in power in 1958 has reportedly come apart at the seams--leaving Rodrigues in a much-weakened position). Too, though it participated in several of the winning coalitions, the PTB did not elect any of its members to gubernatorial office this year--even in Paraná where its candidate Maculin, was favored. Nonetheless, the PTB did re-elect its national president to the vice-presidency of the republic and, though weakened, it still retains control of three important states.[11] For the moment, therefore, it must be considered as, potentially, stronger than the defeated PSD, (though, here, as in the case of the UDN, much depends on the course of future events).

Regional Positions of Strength

A significant pattern of regional groups has emerged from the 1960 elections. Largest of these is that led by Pernambuco governor Cid Sampaio, whose energy and resourcefulness in bringing victory to the Quadros forces in his state has made him the principal spokesman for this region. As indicated in the various state sections above, this group is composed of the newly-elected UDN governors of Rio Grande do Norte and Alagoas, in addition to governor-elect Gondim of Paraíba. Indeed, even Bahia governor Juracy Magalhães (who, prior to the 1960 elections, was considered the Northeast's most outstanding spokesman) has paid lip service to Sampaio's hegemony[12] -- as have the long-dominant UDN elements in Sergipe. Reports that Sampaio wants to take over the UDN national leadership when Magalhães Pinto's term of office expires in April have circulated for some weeks. Whether or not these be true, the Pernambuco governor is obviously in a position to make his views felt vis a vis the new national administration.

Challenging Sampaio's right to speak for the "forgotten" northern regions of Brazil are a loose group who might best be described as the PSD survivors, the newly-elected (and, reportedly, young and

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11. Ceará, Rio de Janeiro and Rio Grande do Sul.

12. Though at the same time he has been busily visiting the various states in the Northeast and making alarmist speeches re the region's plight in an attempt to recoup his lost prestige.

0554

shifts become even more marked when compared with the relative positions of the parties prior to 1958, as shown in the table below:

1955	1958	1960
PSD - 12	PSD - 8	PSD - 5
UDN - 4	UDN - 5	UDN - 8
PTB - 1	PTB - 5	PTB - 5
PRP - 1	PDC - 1	PDC - 2
PSB - 1	PSP - 1	No Party - 1
PSP - 1		

The most notable trend is, obviously, the decline of the PSD--which was already markedly evident in 1958 (Embassy Despatch 511 of November 4, 1958). The PSD now controls only Pará, Maranhão, Goias, Espirito Santo, and Santa Catarina--none of which is of prime importance in the present scheme of things (See Embassy Despatch 466 of December 6, 1960 for a full discussion of the effect of the elections on the PSD).

Conversely, the UDN has made large gains: it now controls Rio Grande do Norte, Pernambuco, Alagoas, Bahia, Minas Gerais, Guanabara, Mato Grosso and Sergipe--four of which are key states.[9] Furthermore, it exercises considerable influence in both São Paulo and (presumably) Parana, where it formed an important part of the victorious coalition. Too, Paraíbá (whose governor-elect in large part owes his victory to UDN aid) will probably gravitate into the Northeast UDN sphere of influence. Thus, the UDN emerges as potentially the strongest party in Brazil at the state level. Whether it realizes this potential (e.g. by building up state party machines strong enough to elect a majority to the national congress in the 1962 elections) is, however, another matter.[10]

Statistically, the PTB has maintained its position. In fact, however, several of the PTB machines, all of which came into office in 1955, were seriously undermined by the Quadros landslide. This is particularly true in Ceará and Rio Grande do Sul (where Quadros won in the presidential voting), but also applies to a lesser degree

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9. Pernambuco, Bahia, Guanabara and Minas Gerais.

10. The Embassy, which doubts seriously the UDN's ability to do so, is preparing a despatch on this subject.

0553

As expected, Aluisio Alves, with the support of the PSD, won the gubernatorial race against the candidate supported by UDN Governor Dinarte Mariz. Alves, however, is Secretary General of the UDN national organization and has publicly stated since his victory that he will maintain his allegiance to the UDN.

The internecine fight between Alves and Mariz (who led the Marinho forces) was bitter. Though there were no disturbances during the voting, the opposing factions have come to blows several times since the elections. In November, a shooting affray between the two sides broke out in the state assembly and the situation became so tense that the UDN dispatched a mediation committee (headed by Cid Sampaio) to Natal. Though Sampaio secured promises of moderation from both sides, the situation is still far from calm. Root of the trouble is, apparently, Mariz' determination to do as much to clean out the state treasury as possible before leaving office. Reportedly, he is succeeding admirably.

Santa Catarina

1960

Celso Ramos (PSD-PTB-PRP-PL)	261,496
Irineu Bornhausen (UDN-PSP)	241,502
Blank and Null Ballots	20,237
Total:	523,235

1955

Jorge Lacerda (UDN-PDC-PRP-PSP)	172,548
Francisco Benjamin Gallotti (PSD-PTB)	169,412
Blank and Null Ballots	9,481
Total:	351,441

With 90 percent of the registered electorate turning out, voting in this year's gubernatorial race [illegible] than in 1955. As predicted, Celso Ramos [illegible] (though not so narrow as that of Lacerda [illegible]) Santa Catarina to the PSD column. Ramos [illegible] candidate Doutel de Andrade, also won. [illegible] to the PSD, Quadros carried the state by a slim margin.

The Shifts in Power

As previously reported, (Embassy Despatch 313 of October 12, 1960), the gubernatorial elections caused significant shifts in the relative positions of strength of Brazil's leading parties. These

0552

1955

Moises Lupion (PSD-PDC-PTN)	185,108
Mario Batista de Barros (PTB-PR)	151,152
Othon Mader (UDN)	66,207
Luiz Carlos Pereira Tourinho (PSP)	46,082
Carlos Amorety Osório	417
Blank and Null Ballots	25,151
Total:	454,117

The victory of Ney Braga (which gives the PDC its first real gubernatorial victory ever) was one of the larger surprises of this year's elections: neither the Embassy nor Consulate Curitiba predicted it. Too, both over-estimated voter turn-out, though the 82 percent participation of Parana's electorate nonetheless demonstrates a remarkable growth in both relative and absolute terms over 1955. Faced with a lack of information as to the factors underlying this result, (other than the obvious fact that his relatively close rivals killed each other off) the Embassy can only conclude that the young and popular ex-mayor of Curitiba was better able than his opponents to represent himself to the Parana electorate as the disciple of Janio Quadros--whose electoral potency in that state was clearly demonstrated by his victory of 105,927 votes over his closest opponent, Adhemar de Barros.

Whatever its explanation, however, Braga's victory spells the end of the rancid and much-unloved PSD regime of Moises Lupion. Reportedly, Lupion is--typically--utilizing his remaining weeks in office to clean out the state coffers and pay off his supporters with money and appointments--to the anguished, albeit ineffective, cries of outrage from Braga.

Rio Grande Do Norte

1960

Aluisio Alves (PSD-PSB-PDC-PTN-PSP-Dissident UDN)	121,076
Djalma Marinho (UDN-Dissident PSD and PTB)	98,195
Total:	147,920 8/

8. The figures given are based on a newspaper account of the final results released by the Regional Electoral Tribunal. They are so high, however, that the Embassy doubts their authenticity. Therefore, no comparisions are attempted.

0551

party which, one year ago, was generally considered to be falling [redacted] subsequent to the deaths of its two long-time leaders. [redacted] local PSD resurgence, however, Janio Quadros carried [redacted] an 11,914 vote margin over Marshall Lott--clearly [redacted] as in many other places) that the PSD politicos paid [redacted] ion to the Lott candidacy. Whether in the end this [redacted] to have been a wise policy is highly doubtful.

Paraiba

1960

Pedro Gondim (UDN-PSB-PL-Dissident PSD)	148,962
Jandui Carneiro (PSD-PTB)	124,041
Blank and Null Ballots	12,644
Total:	281,647

1955

Flavio Ribeiro (PSD-UDN-PSB-PL)	180,228
Renato Bastos (PST)	19,251
Blank and Null Ballots	40,284
Total:	239,763

As can be seen from the above figures both the total vote and voter participation (some 79 percent) ran considerably higher than in 1955. As predicted, PSD dissident, UDN-backed candidate Pedro Godim won. Whether he will bring his state into the UDN column, however, or attempt to play a rôle above parties is not yet known. Gondim was extremely cautious during the campaign and only climbed aboard the Quadros bandwagon when forced to do so by a Lott endorsement of his rival, Carneiro. So far, he is not saying, but most observers believe he will gravitate toward the UDN, or, more specifically, Pernambuco governor Cid Sampaio.

Parana

1960

Ney Braga (PDC-PL-UDN)	253,552
Nelson Maculin (PTB-PCB)	225,589
Plinio Costa (PSD)	193,613
Blank and Null Ballots	50,776
Total:	723,530

0550

Maranhão §

1960

Newton Belo (PSD-UDN-PTB-PL)	137,593
Clodomir Millet (PSP-PR)	83,280
Total:	220,873

As expected, Newton Belo won handily in Maranhão, thus preserving the PSD in power in that state. As reported earlier, however, the fact that the PSD had to seek an alliance with the UDN and PTB in order to preserve its position is a further indication that the PSD is slowly losing its once-monolithic grip on the state--a phenomenon which was first noted after the 1958 congressional elections. In addition, the apparent victory of Adhemar de Barros in the presidential voting in Maranhão can hardly have improved the prestige of the PSD machine. (Though, on the other hand, it lends some credence to the pre-election rumors that Maranhão PSD chief Vitorino Feire sold his "neutrality" in the presidential race to the Quadros forces in return for UDN support of Belo.)

Pará

1960

Aurelio Corrêa do Carmo (PSD-PDC-PTB)	118,129
Zacarias de Assunção (PTN-PST-PSP)	54,235
Abelardo Klatau (UDN)	44,152
Blank and Null Ballots	15,856
Total:	232,372

1955

Joaquim Magalhães Barata (PSD-PTB)	97,307
Epilogo Gonçalves de Campos (UDN-PSP)	95,564
Blank and Null Ballots	4,876
Total:	197,747

With almost 72 percent of a much larger electorate voting, the number of ballots cast in Pará this year was considerably higher than in 1955. As expected, the PSD candidate, Aurelio do Carmo won, thus preserving PSD hegemony in Pará. Indeed, the margin of Carmo's victory was so large as to destroy the allegation that the opposition could have won if it had only stuck together (as it did in 1958). This PSD triumph represents an amazing comeback for a

§ Incomplete Returns

0549

backed the PSD) is probably the major reason for this reversal. The incomplete returns confirm the Embassy's belief that voter participation in Mato Grosso would be substantially higher this year than in 1955 when a total of 103,168 ballots were cast in the gubernatorial race.

Minas Gerais

1960

José Magalhães Pinto (UDN-PL-PRT)	752,945
Tancredo de Almeida Neves (PSD-PTB-PR-PSB)	672,088
José Ribeiro Pena (PDC- Dissident PSD-PSP-PST)	59,372
Total:	1,484, 405

1955

José Francisco Bias Fortes (PSD-PR)	850,064
Clovo Bilac Pinto (UDN)	374,283
Gentil Nascimento (PTB)	12,802
Total:	1,237,149

Though the figures above show a rise of only some 200,000in voting in the gubernatorial elections between 1955 and 60, the Regional Electoral Court reports that the total vote in Minas this year was 1,712,856 (some 84 percent of those registered)--or relatively close to the Embassy's estimate. Like all other observers, however, the Embassy can make no claim that it forsaw the surprise victory of Magalhães Pinto . . . which not only places Minas Gerais in the UDN camp for the first time since 1947, but breaks the PSD dominance of its largest (and most important) redoubt. The schisms and dissidences which led tothis result were set forth at length both by the Consulate in Belo Horizonte and Embassy prior to the elections and have been reported on since the election by the Consulate (Despatch 9 of November 3, 1960). It is worthy of note, however, that Pinto (who led his nearest rival by 80,157 votes) ran far ahead of presidential candidate Quadros (whose margin of victory in the state was a slim 13,456) and therefore can hardly be accused of riding to victory on Janio's coattails. Indeed, the results indicate that Pinto might well have won even if the dissident PSD faction had remained in the Tancredo Neves camp.

0548

much smaller than expected. Indeed, Lacerda enters office very much the "minority" governor--having polled only some 36 percent of the valid ballots cast. The prime reasons for Lacerda's failure to live up to advance electoral expectations are generally agreed to be: (1) Lacerda's cavalier campaign tactics (particularly in the latter stages of the campaign) which alienated a considerable number of voters; (2) the all-out support given to Sergio Magalhães by the Communists and their fellow travellers[6]; (3) Lacerda's cocksureness that he would win (as manifested, for example, in naming his cabinet before the elections). As a result, Lacerda's landslide dribbled away to nothingness, and he has come into office lacking the "mandate" which would have facilitated his extremely difficult task as the first elected head of a state whose economic viability is questionable and whose problems (inherited from decades of federal mismanagement) are virtually unsurmountable. Nonetheless, Lacerda has managed to patch together a majority in the Constituent Assembly and is, so far, proceeding with confidence and vigor.[7]

Interestingly, the electoral statistics released by the Regional Tribunal show a very high voter turn-out--1,000,385 out of 1,099,490 (or 91 percent).

Mato Grosso §

	1960
Fernando Correia da Costa (UDN)	62,426
Filinto Muller (PSD)	56,408
Wilson Fadul (PTB)	21,423
Total:	140,257

As predicted, Senator Correia da Costa (who is also a former governor of the state) unseated the incumbent PSD administration and put Mato Grosso back in the UDN column. As the incomplete returns indicate, the separate candidacy of the PTB (which previously

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6. Despite this fact, however, Lacerda's attacks on Magalhães as a "Communist" and/or "Communist stooge" are generally agreed to have backfired, inter alia, because Magalhães has a sister who is a nun and was able successfully to represent himself as a good Catholic.
7. The Embassy has reported and will continue to report Guanabara developments.

§ Incomplete Returns.

0547

Meaningful comparisons with the previous election are made difficult by the fact that Goias last held gubernatorial elections in 1958--final figures for which are still not available.4/

As previously reported, Borges Teixeira is the son of long-time PSD state boss, Ludovico Teixeira. Apparently a young, vigorous individual, he has declared to the press that he wants to put into execution a "development" plan similar to that President Kubitschek has carried out on the national level. At first glance, his prospects would seem rather dim: under Kubitschek, Goias has prospered, but it will presumably be on the outside looking in when Quadros takes office.5/

Guanabara

1960

Carlos Lacerda (UDN-PDC-PR-PL-PTN)	357,153
Sergio Magalhães (PTB-PSB-PCB)	333,901
Tenorio Cavalcanti (PSP-PRT)	222,942
Mendes de Morais (PSD-PRP)	51,195
Total:	965,190

As the Department is aware, the new state of Guanabara held its first gubernatorial elections this year. As expected, Carlos Lacerda --"Udenista" par excellence-- won the governorship. His margin over his PTB-PCB opponent Sergio Magalhães, however (23,252) was

4. This somewhat unusual situation is explained by the fact that the governor elected in 1958 was, under the terms of a state constitutional amendment, deliberately elected for a term of only two years--in order that, henceforth, gubernatorial elections in the state will coincide with those for the presidency. This amendment (which was unsuccessfully challenged in the federal courts) was the only concrete result of the wave of "coincidence of Mandates" proposals which swept through the country's political circles several years ago (and were widely believed, at the federal level at least, to be a scheme concocted with an eye to maintaining President Kubitschek in office). The preliminary figures for the Goias 1958 elections were submitted in Embassy Despatch 511 of November 3, 1960.

5. With the probable entrance of Kubitschek into Goias politics, however, this situation may change.

0546

Alagoas

1960

Luis Cavalcanti (UDN-PL-PTN)	38,681
Abrão Moura (PSP-PSB)	36,875
Silvestre Pericles de Goes Monteiro (PST-PSP)	30,925
Ari Pitombo (PTB)	8,005
Total:	114,486

1955

Sebastião M. Muniz Falcão (PSP)	53,085
Afranio Salgado Lages (UDN)	49,669
Total:	102,751

The total vote (exeluding blank and void ballots, on which the Embassy has no data, this year) rose by some 12,000--though it fell short of the Embassy's estimate.[3] As predicted, Major Cavalcanti was a narrow winner over Moura, the candidate of present Governor Muniz Falcão. A young army officer and national deputy, Cavalcanti, it is hoped by his supporters, may restore a semblance of order thethe wild-west politics of Alagoas. Cavalcanti is a relative newcomer to politics and not a regular party man of the UDN. (In the 1958 congressional elections, he ran on the PSD slate.) Thus, though Alagoas returns to the UDN column, Cavalcanti may be expected to follow the somewhat independent, Northeast orientation of Cid Sampaio (who campaigned for him).

Goias

1960

Mauro Borges Teixeira (PSD-PTB)	160,360
José Ludovico (UDN-PR-PSP-PTN-PDC)	130,988
Total:	291,348

Goias thus remains in the PSD column, as expected. Data released by the Regional Electoral Court states that voter abstention was 10.55 percent (or somewhat less than that predicted by the Embassy. No figures on blank and void ballots have been released.

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3. Lacking statistics on blank and void ballots, the Embassy can give no precise figure on voter turn-out--though it is evident that this ran in the neighborhood of 74 percent.

0545

AIR POUCH
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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO — DESP. NO. 561

TO : THE DEPARTMENT OF STATE, WASHINGTON. — January 4, 1961

REF : Embassy Despatch 268 of September 26, 1960; Despatch 407 of November 16, 1960; Despatch 511 of April 11, 1958; Despatch 466 of December 6, 1960.

For Dept. Use Only	ACTION	DEPT.
	REC'D 1/13	INFO OTHER CIA-10 USIA-10 ASD-ISA-4

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
Date - 1961
File Cy

SUBJECT: The Gubernatorial Elections, 1960.

Summary

Brazil this year was the scene of eleven gubernatorial elections. The results of these contests, particularly when taken in conjunction with those of 1958, have wrought a basic change in the regional political map of Brazil. The National Democratic Union (UDN), with five outright victories plus three in coalition, now--potentially at least--replaces the PSD as the party with the strongest regional base of strength. Whether or not the UDN effectively consolidates its position (and present indications are that it will not), the new leaders thus brought to prominence will probably have a considerable influence on the policies of the next Administration.

The Electoral Results

The Embassy now has final election results on nine of the eleven contests. Unfortunately, it will probably be many months before final and detailed data on these elections are available. Thus, much will remain unsaid for lack of detailed information. Nonetheless, the data presently available permits a considerable number of conclusions to be drawn.

The Eleven Contests

Given below are the results of the eleven gubernatorial contests --together with the results for previous elections, when meaningful.

1. The Supreme Electoral Court has not yet published the data for the 1958 elections.
2. It is not felt that such comparisons will be of much value in the three states where available returns are still incomplete, or in Goias (where complete results are not available in the 1958 contest).

HAQuinn:jw
REPORTER

CONFIDENTIAL

ACTION ASSIGNED TO:	ACTION TAKEN	DIRECTIONS TO RM/R
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	

ACTION COPY — DEPARTMENT OF STATE

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Virgil P. Randolph, III
American Vice Consul

cc: Amembassy Rio de Janeiro
American Consulate General, Sao Paulo

0542

Obtained promotions for all the post's locals employees (including USIS).

Moved the Consulate (and USIS) to new and vastly improved office quarters.

Obtained increases in the post's quarters, representation and educational allowances.

Arranged for the resignation of an inefficient permanent USIS local employee and his replacement by a part-time messenger, at a saving in money and an increase in efficiency.

Completely revised the post's Emergency and Evacuation Plan.

Substantially re-equipped the Consulate with new office furniture and supplies, including a badly-needed new safe, and disposed of by sale or transfer a quantity of surplus and/or obsolete equipment.

Corrected a number of budget and fiscal deficiencies in the post's operations.

Procured a merit award for the post's senior local employee.

Screened all the post's files and retired to the Department its obsolete files.

Brought current the post's administrative reporting.

The post was inspected September 12-15 by Foreign Service Inspectors Lee E. METCALF and John E. HARGROVE. Its USIS section was inspected August 10 by USIA Inspector Henry F. ARNOLD. The improvements in the post's substantive reporting are discussed in Section I above.

VII PSYCHOLOGICAL

The elction of John F. KENNEDY as President of the United States was received with satisfaction, if not enthusiasm, by the people and the press of the consular district. The Brazilians in this area believe that the new Democratic administration will focus more attention upon Latin American, and especially Brazilian, problems and affairs.

The Consulate's USIS films reached a greatly expanded audience during the quarter, owing to its arrangement with the Mayor of Santos whereby a former USIS/Santos local employee now employed by the City Hall exhibits to all the city-supported schools and other groups a constantly changing series of films loaned by USIS. During the month of October the Santos Municipal Government, using two film projectors loaned by USIS/Sao Paulo and films loaned by USIS/Santos, made 66 exhibitions before 13,117 Santos school-children and adults. In November 43 exhibitions were put on before 16,415 such persons. In December 136 of these showings were made before 19,958 persons, many of whom were adults since school vacations had commenced. Many of this audience had never before seen U.S.-sponsored films.

0541

the usual services being performed by the Consulate. During the period October-December the Consulate issued or revalidated 41 non-immigrant visas. During the quarter 80 U.S. vessels entered the port of Santos.

During much of the quarter the reporting officer was occupied with a complicated protection case involving Mr. Arnold Robert LAWRENCE, an American citizen who in good faith imported a used Lincoln automobile into Brazil via Santos on July 28, 1960. Although the car was properly documented for entry, the Santos customs authorities attempted to confiscate it as contraband. Mr. Lawrence appealed to the Consulate for help and, following the intervention of the Consul General in Sao Paulo and the Embassy, the car was at length released after Mr. Lawrence paid $3,860 in duties and $922 in dock charges, plus $555 in brokerage fees. The Consulate was able to save Mr. Lawrence $892 in dock charges and, together with the Consulate General, was instrumental in preventing the automobile from being confiscated altogether. (See the Consulate's despatch No. 14 dated December 7, 1960.)

During the calendar year 1960 Santos issued 146 non-immigrant visas and collected $721.84 in consular fees. During 1960 the post revalidated or took applications for 46 passports. During the same period 290 American ships entered the port of Santos. In calendar 1959 the post issued 109 non-immigrant visas and collected $669.50 in consular fees. In 1959 270 U.S. vessels entered the port.

VI ADMINISTRATIVE

The only administrative item of note occurring in the fourth quarter was the receipt by the Consulate's senior (32 years service) local employee, Alfredo da SILVA, Jr., of a Meritorious Service Award. This same local employee in September suffered a nervous breakdown induced by overwork, and was on sick leave during the entire quarter. It had been impossible for the Consulate to grant this employee any annual leave for eight years, owing to an acute shortage of clerical personnel at the post. Mr. da Silva had taken three weeks annual leave in August, but returned in September to help prepare for the post's inspection in September.

The year 1960 was one of great administrative activity for the post. Commencing in January 1960, with the assistance of the Embassy and the Consulate General in Sao Paulo, the Principal Officer:

Obtained a substantial wage increase for all the post's local employees and placed Santos' compensation plan for local employees on the same schedule as the Consulate General in Sao Paulo.

Instituted an equitable leave policy for the post's locals.

Hired a badly-needed third permanent local employee for the Consulate.

0540

the Brazilian ship "Loide Chile" in the Santos roads, killing the Brazilian vessel's radioman and badly damaging the "Loide Chile". Although no official findings have been made public as yet, the reporting officer understands that the Brazilian ship crossed "Tuscany's" bow, at night, without displaying bright running lights. It was the first major ship collision here in well over a year.

During the year 1960 the Santos Customshouse, largest in Brazil, collected Cr$21.800.805.675,00 (US$109,004,028.00) in revenue, the largest sum on record. This compares with Cr$17.703.575.700,00 taken in during 1959.

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Only one Russian ship visited Santos during the quarter. On November 19 the Soviet M/V "Ugleuralsk" arrived here from Nicolaiev, Russia, to discharge 6,200 tons of wheat. The ship loaded 53,000 sacks of coffee in Santos before departing for the Soviet Union via Ilheus. On December 3 the Polish ship "Slowacki" left Santos for the River Plate with a cargo of 13,300 stems of bananas weighing 266,000 kilos. On December 14 the 5,319 gross-ton Polish Ocean Lines ship "Zeromski" arrived here on her maiden voyage with 850 tons of general cargo for Santos. The ship loaded 18,762 stems of bananas and 797 boxes of pineapples for the River Plate.

The reporting officer has been reliably informed that the Russians have been considering establishing a regular steamship line to Brazil and possibly Argentina, with their own representatives in the ports of Santos and Rio de Janeiro. Apparently the Russians are studying the cargo prospects for such a line before reaching a decision.

* * *

The reporting officer has not attempted any ambitious program of economic reporting, as he feels that much, if not most, of the economic information, including statistics, concerning the port and city of Santos is available either in Rio de Janeiro or in Sao Paulo. In addition, as he is compelled to remain in his office much of the working day to administer the Consulate, he finds himself unable to gather such data as might be available. Nonetheless, the Principal Officer has endeavored to report fully to the Embassy, in accordance with its instructions, upon Soviet and satellite shipping entering this port.

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V CONSULAR

Consular operations proceeded normally during the quarter with

0539

zers from local student groups and labor unions. Osvaldo Celso Novoa LEITUGA, President of the Santos Student Center, and Luiz Rodrigues CORVO, a 22-year-old law student and newspaperman, have been identified as communist leaders who control the Student Center, the principal student organization in Santos, Their communist colleagues among organized labor who cooperated in turning the II Worker-Student Convention into a communist rally have been named as Waldemar Neves GUERRA, President of the Port Services Employees Union; Oswaldo LOURENÇO, First Secretary of the same union; Orlando SPOSITO, President of the local graphic workers union; Jose BARRETO, Secretary of the streetcar workers union; and Benedito TERESO, a motorman active in, but not a member of the same union.

According to the reporter's informant, himself an ex-communist, Corvo is the leader of the communist cell among the Santos students, and Leituga is a party organizer. Between these two, the disorganized and apathetic anti-communist student majority has been systematically prevented from effective participation in the Student Center's affairs and were excluded from the deliberations of the Worker-Student Convention. By the same token, the above-named communisy labor leaders arranged that no significant number of anti-communist workers were allowed to take part in the Convention.

The II Worker-Student Convention is the subject of the Consulate's despatch No. 16 dated December 31, 1960.

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IV ECONOMIC

Economic activity in the consular district was quiet during the quarter. The building boom in apartment houses in Santos and Sao Vicente continued apace, with more building starts here during 1960 than in any other year. Local merchants reported that Christmas business was quite good, despite high prices. Preliminary figures for the 1960 census gave Santos a population of about 265,000, up from 203,562 in 1950. Sao Vicente more than doubled in size in ten years from 32,000 to 75,000. Nearby suburbs of Santos just outside the limits of the consular district were found to have mushroomed from insignificance to well over 60,000 persons.

During the quarter the port of Santos continued to be badly congested. Strikes and heavy rains disrupted schedules and caused ships to lie in the stream for days, sometimes weeks, before coming alongside. In November the Santos Dock Company announced it would spend Cr$1.700.000.000,00 during 1961 to expand Santos' port facilities, especially the installations for discharging crude oil from tankers.

On December 28 the British freighter "Tuscany" collided with

0538

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demands for "parity" pay with the Brazilian Army. On November 15 the petroleum workers in nearby Cubatao struck against 4 private companies which utilize residual gases produced by the Pterobras refinery at Cubatao. Four days later the companies agreed to grant a 40% general wage hike, plus other benefits. On November 29 the communist-dominated bank employees union here gained a 35% wage boost, shortly after the Santos streetcar workers received a 35% general wage increase.

Meantime, on November 28 some 300 Santos Dock Company workers engaged in unloading freight cars unexpectedly went on strike, partially paralyzed the port, and emerged with a promise of Cr$10.000.000,00 they claimed was owing in back pay. Meeting together on December 4 three portworker unions, representing at least 10,000 employees, voted to ask the Santos Dock Company for a 60% wage increase to take effect January 1, 1961. Two days later the local nurses union and the commerce employees union voted to commence agitating for substantial wage boosts. During the Christmas holidays no strikes were reported, although a new outbreak is likely during the first few weeks of the year 1961.

Toward the end of the quarter finis was finally written to the dispute between communist-lining Bernardo de Abreu MADEIRA and the commerce employees union, which on March 9, 1960, amid much tumult, had voted to oust him as union president because of alleged corruption and malfeasance of office. Madeira, with powerful communist support, had fought back by refusing to accept the union's vote, appealing to the Federal Labor Ministry to set aside the union's decision, and continuing to function as president. For months the Labor Ministry refused to rule on the matter, and Madeira remained de facto union boss. But on December 5 Madeira's long reign as president ended when in the regular union election he was defeated 328 votes to 323 by Alberto de CARVALHO, an anti-communist. Shortly afterwards Madeira announced that (at long last) the Labor Ministry had ruled in his favor, set aside the March vote for his ouster, and absolved him from wrongdoing. Thus Madeira, although locally regarded as discredited, was officially rehabilitated, despite the fact that his failure to continue in power largely rendered nugatory the Labor Ministry's decision. Nevertheless, the narrowness of Madeira's defeat indicates the continuing communist strength in the Santos Commerce Employees Union.

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III SUBVERSIVE

The reporting officer has been informed that the II Worker-Student Convention held in Santos December 19-21, 1960, and sponsored by the Santos Student Center, was in fact a communist-organized and directed gathering of communists and their sympathi-

0537

Mario COVAS, Jr., a 30-year old chief of the Santos Department of Sanitation. Despite a fair amount of backing, Cavas' youth and inexperience are believed to be insuperable handicaps to his election, although he can be expected to weaken Coury and so help the PSP candidate.

Antonio Ezequiel FELICIANO da Silva, Federal Deputy from Santos, ex-Mayor of the city and long-time local politician who controls the local PSD. Feliciano's chances were hurt by his all-out support of Marshal Lott.

On December 23 the Santos City Council (Board of Aldermen) elected Fernando Dias OLIVA President of the Council, i.e., the city's second-ranking municipal officer after the Mayor. Oliva was the candidate of the PSP and of Mayor Fernandes Lopes. Oliva won handily as a result of careful spadework by the Mayor, and his victory is interpreted locally as having strengthened Luiz La Scala's prospects by tightening the PSP's grip on the City Hall.

Given the early lead of La Scala, the division in the Janista ranks and the apparent hands-off attitude of Governor Carvalho Pinto (who works well with Mayor Fernandes Lopes), observers here expect La Scala to be elected the next Mayor of Santos.

* * *

During 1960 the reporting officer has endeavored to expand greatly the volume of the post's substantive reporting, both political and labor. He has submitted his 3-4 page "Weekly Comment on Events in Santos" and prepared spot despatches as appropriate. He has also submitted a number of biographic reports during the course of the year. The post would welcome the Department's comments on how this reporting might be improved.

II LABOR

The fourth quarter saw much labor unrest and about a score of strikes, large and small, in Santos. On October 18 the Santos Dock Company was hit by a one-day strike and had to agree to a 35% wage increase for the Santos stevedores. Also during the month of October the Dock Company granted a number of benefits to its workers, and as a result was obliged to increase its charges by 15%. Next to strike were the Santos coffee loaders, who won a 38.5% wage boost in early November. On November 10 the Santos-Guaruja ferryboat workers, employees of the State of Sao Paulo, returned to work after a walkout lasting nearly three weeks over their demands to be classed as "sailors" with increased pay and benefits. On November 11 Santos railroad workers and merchant seamen returned to work following a national strike over their

0536

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FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil

DESP. NO. 17

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE JAN 5 - 1961
January 3, 1961

REF : Consulate's Despatches No. 23 of March 19, 1960; No. 1 of July 5, 1960; and No. 7 of September 30, 1960

PER-2 VO-1

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ACTION: ARA-4
REC'D: 1-11-61

INFO DEPT.: RM/R-2 REP-1 INR-7 E-3 ICA-11 SOA-3 SCS-2 SY-2 EUR-3
INFO OTHER: CIA-10 USIA-10 NSA-2 OSD-5 ARMY-4 NAVY-4 AIR-6

SUBJECT: Quarterly Summary of Events Occurring in the Santos Consular District

VAB-6 COM-6

This despatch summarizes the main events occurring in the Santos consular district from October 1 through December 31, 1960, and is based in large part upon the "Weekly Comment on Events in Santos" submitted by the reporting officer to the Consulate General in Sao Paulo by Operations Memorandum.

R/MR

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I POLITICAL

On October 3 the city of Santos gave Janio QUADROS 61.5% of the vote cast here for President; Adhemar de BARROS 20.2%; and Henrique Teixeira LOTT 18.3%. For Vice President, Milton CAMPOS carried the consular district and neighboring communities by 50,995 votes over Joao GOULART'S 31, 289 and Fernando FERRARI'S 12,497. Thus it was clear that in Santos (1) Quadros was the people's choice (2) Goulart's influence with the unions had greatly declined and (3) Barros and the PSP is still a powerful factor in local politics.

No sooner were the national elections out of the way when local interest began to focus on the Santos mayoralty elections, to be held in March 1961. By the end of the year the following major candidates had emerged:

Luiz LA SCALA, Jr., Santos Director of Public Works and protege of Mayor Silvio FERNANDES LOPES, who has carefully groomed La Scala to succeed him. La Scala is the official candidate of the locally-powerful PSP and has an effective organization and strong support.

Athie Jorge COURY, well-to-do coffee broker, State Deputy and fervent supporter of Janio Quadros, who is seeking the backing of the followers of Quadros and of Sao Paulo Governor Carlos Alberto de CARVALHO PINTO. Although the logical Janista candidate, Coury is considered by many to be unsuited for Mayor, and his leadership of the Janista forces is being contested by:

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DEPARTMENT OF STATE
INTERNATIONAL AFFAIRS
JAN 18 1961

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sees it as severe blow to U.S. prestige hemispheric relations world democratic cause. To obviate such action many papers stress Latin America must shoulder its hemispheric responsibilities and participate in some sort collective action, for most part not clearly specified. Jornal do Commercio April 27 suggests multilateral consultation based on Article 39 OAS charter or Article 6 Rio Treaty or during Quito Conference, and says solution might lie in each state's adoption internal measures against Communist penetration and "quarantine" of Cuba but never intervention.

Recent USIS-sponsored public opinion poll--a quota sample (240 cases) representative of Rio adults 18 years and over--yielded results in various respects contradictory to or divergent from trends in press, doubtless reflecting penetration into lower social sectors. Poll showed 68% opposed Brazilian participation in joint action against Castro as compared with 26% in favor (half of those in favor considered military action unjustifiable); 73% considered unilateral US military action unjustified; 17% sympathized with Cuban regime, 25% with people fighting Castro, 25% neutral; 14% said recent events had raised their opinion Castro regime (principal reasons: Cuban population fully supported Castro against invasion, 58%; he has consolidated his regime, 21%); 22% said their opinion Castro regime lowered (66% because of "regime of force, oppression, slaughter", 23% because he has brought Communism to Cuba); 16% said opinion of US had gone down (principal reasons: demonstration US interference internal affairs other countries, 38%; direct or indirect US participation in invasion, 26%); 6% said opinion US had gone up (principal reason: US fight against Communist infiltration, 41%); 23% said Castro regime good influence on Latin America (principal reasons: is promoting economic freedom, emancipation from U.S. influence, etc, 66%); 49% consider Cuba a danger (principal reason: Cuba focus Communist infiltration--59%).

CABOT

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36
Action

Date Sent: April 28, 1961
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Info

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: G-375

INFO: MAY 3 4 45 PM '61

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Pro-Castro manifestations continue numerous widespread multiform (public meetings, marches, manifestos, messages to Ambassador, Cuban Embassy, Presidents Kennedy and Quadros) but limited principally to Communists ultranationalists and radical student and labor elements controlled or influenced by them. Public meetings, as observed locally and as reported by consulates and press, have had relatively few active enthusiastic participants. Disposition toward violence noted. All but leftist press notes pro-Castro movement shallow and without real force.

Moderate elements heretofore largely inert now fighting back. Rio São Paulo students professors have repudiated Castro pro-nouncements by extremists claiming represent them. Embassy receiving messages of support from individual Brazilians along with more numerous condemnatory messages in stereotyped Commie language from extremist student labor intellectual political groups. Press reports pro-Castro meetings at Belém and Recife violently broken up by opposing groups as [redacted] observed passively. police

Various important public figures including Rio's Cardinal Archbishop and Guanabara Governor Carlos Lacerda (most recently in length y press interview being reported separately) have publidly denounced pro-Castro movement, as have most nonleftist papers. These personal and editorial pronouncements increasingly stress that Communist-dictatorial nature Castro regime precludes self-determination and thus invalidates President Quadros' use self-determination principle justify hands-off policy.

President Kennedy's ASNE speech, in conjunction failure anti-Castro invasion, major factor in awakening responsible opinion to seriousness Cuban problem and inducing criticism OCB policy. Unilateral U.S. intervention possibility of which President Kennedy envisaged has no real defenders in press which

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Rio de Janeiro 1431 April 18, 1961	" " "	" "

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INCOMING AIRGRAM *Department of State*

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Date Sent: 4/26/61
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FROM: Amcongen, São Paulo

TO: Secretary of [redacted] WASHINGTON G-28
Amembassy RIO G-15

NO:

Committee of five which presented protest petition anent Cuba to Consul General on April 25 (see telegram same date) clearly leftist. State deputies Cardosa and Lepera and labor leader Santos, Communist Party members. Other two commie-liners. Their petition (being forwarded by separate despatch) objects to President Kennedy's declarations and gives usual self-determination line. Only thirty-two signatures on petition, mostly Communist or sympathizers. Despite heavy advance publicity given march on and protest to Consulate General, it appears not even all signers of petition were present. Also appears that this is likely culminating point of dismal leftist effort in past week to stir things up over Cuba. Excluding leftist Ultima Hora, all four other leading São Paulo newspapers pro-U.S. editorially regarding Cuba. Top circulation Folha de S. Paulo particularly regrets lack of more open and decisive show of U.S. force and contrasts with USSR (Folha publisher has stressed privately that strength and power command respect among Brazilians). State deputies of committee of five spoke briefly and mildly, contrary to their usual habit, apparently deflated by advance preparation and positive response here.

COCHRAN

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as final...and the Sword of Damacles continues balancing over the head of Cuba." Diario de S.Paulo was sure that only persons of "bad faith or innocence" would believe the lies being spread by the Communists, i.e., that the United States was responsible for the invasion of Cuba. The newspaper referred to Castro as a dictator who must be opposed by all true democrats, particularly because a Soviet "foothold" had been established in the Caribbean. It would be wise for everyone to remember that the Monroe Doctrine was proclaimed to stop Russian penetration in America 150 years ago. Correio Paulistano saw in the fighting in Cuba a result of foreign private exploitive influences that threatened national sovereignty in all of Latin America. Correio described Castro as a despot who was a prisoner of Bolshevism and had led his country away from self-determination and independence. Folha de S.Paulo remarked that the United States had originally given all its sympathy and moral support to the Cuban revolution only to see the country become a dictatorship. The help being given to the invading forces by the United States was seen by Folha as a serious threat to world peace, a threat that the United States would not risk in Laos. A Gazeta commented that the most difficult task of the United States was "to show in a concrete manner to the other Latin American countries that the policy of Fidel Castro is wrong, that the firing squad is not the way to resolve social and economic problems." O Estado de S.Paulo said the fate of Castro was sealed because he had turned "one of the most beautiful revolutionary movements in the history of the Americas into the simple instrument of (Russian) external policy." The counter-revolutionary forces were Cubans who supported the original ideals of the revolution. The United States was criticized by the newspaper because it recognized the dangers of Castroism too late -- while the Russians understood from the very beginning how they could use Cuba to their own advantage.

Miscellaneous

11. List of Substantive Despatches

390 Bi-Weekly Economic Review #7-20
391 World Survey of Man-Made Textile Fiber Production
392 Protection Case of Jeremy Nice
393 Santos Weekly Report
394 São Paulo Weekly Summary No. 95

William P. Cochran, Jr.
Minister Consul General

Contributors: Pyle, Shea, Mason/Challinor, Burton
Distribution: INS/RAR, Embassy Rio 3, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife, Salvador, Santos

98

0529

meeting he once again defended exchange reform regulation 204 and blamed the sharp increases in the cost of living on profiteering and speculating.

COMMENT: (Confidential) Francisco José da Nova, former chief of security police for the state of São Paulo, told the Consulate General's Deputy Principal Officer that Castro Neves encouraged Paulista railroad workers to pull off a big strike in the near future in order to embarrass the administration of governor Carvalho Pinto (the workers have given the railroad one month to meet demands and are pressing for state expropriation). Castro Neves has been for years one of Janio Quadros' most reliable and trusted lieutenants, and Janio is now apparently going all out to prevent Carvalho Pinto from capturing the state of São Paulo as a political base.

9. Minister Installs Officers of Conselho Sindical (Official Use Only)

On April 18 Minister of Labor Francisco Carlos de Castro Neves officially installed the new board of directors of the São Paulo State Trade Union Council (CST). Luiz Menossi, president of the São Paulo State Federation of Construction Workers, was sworn in as president, and Dante Pellacani, president of the National Federation of Typographical Workers, was installed in the key position of secretary-treasurer.

COMMENT: (Confidential) During the proceedings both the Minister of Labor and Pellacani made references to Cuba's right to determine its own destiny. Since the CST was formed in September 1959 the leaders of the larger confederations have claimed the organization is illegal and violates the consolidated Brazilian labor laws. The Minister of Labor's presence at the installation just about demolishes this allegation and solidifies the Conselho's position of being one of Brazil's more important state labor federations.

Psychological

10. The Invasion of Cuba (Unclassified)

The Cuban invasion dominated the editorial columns of the São Paulo press this past week. The strongest anti-American comments, as always, were spoken by leftist Ultima Hora. Its spokesman, Dorian Jorge Freire, stated that American imperialism was in back of the invasion and the entire guilt lay with the United States; that the invasion was launched with American money, arms and planes, and supported by American ships. President Kennedy was referred to as a hypocrite, an heir to a fortune acquired from the sale of liquor. A final editorial declared that Cuba had won the battle, but the American president "does not accept the defeat

0528

but took no formal action nor participated in any public activities for or against Castro. The militant Communist minority, however, published manifestos blasting the U.S. and participated in a number of pro-Castro meetings held at Praça da Sé in the heart of downtown São Paulo. The Conselho Sindical (São Paulo State Trade Union Council, CST), which theoretically represents all the federations and unions in the state of São Paulo, convoked a special meeting on April 19 to discuss the Cuban situation. The vast majority of non-Communists stayed away and a half dozen Communists drafted a manifesto severely criticizing the United States. The manifesto was not signed by the Conselho's president Luiz Menossi nor by any of the non-Communist affiliated federations or local unions. However, José da Rocha Mendes Filho, PTB state deputy and a member of the Communist Party, had it recorded as an official action of the CST during a session of the State Assembly.

COMMENT: Many São Paulo labor leaders sympathize with the U.S. on the Cuban situation. However, they unfortunately lack the intestinal fortitude to stand up to the Communists at public meetings when the Cuban situation is discussed.

7. Vice-President Stirs Left-Wing Labor (Official Use Only)

Vice-president Jango Goulart severely criticized president Quadros' exchange reforms last week. Speaking in São Paulo to a group of Communist Party and left-wing trade union leaders at a luncheon on April 16, Goulart placed the blame for the recent sharp increases in the cost of living squarely on instruction 204. According to Goulart, the real solution would be complete elimination of remittances of profits abroad. Goulart urged the union leaders in attendance to convoke special meetings to instill in the rank and file a demand for immediate substantial wage increases.

COMMENT: (Confidential) The Consul General's labor officer has been informed by reliable non-Communists that every leading Communist Party trade union leader was in attendance. During the week the local union of metalworkers, textile workers, glass workers, and chemical workers, which are all under considerable Communist influence, held special meetings in response to Goulart's plea and beat the drums for immediate wage increases.

9. Minister of Labor Visits Interior (Official Use Only)

Minister of Labor Francisco Carlos de Castro Neves continued his visits to the interior of the State of São Paulo. On April 16 he attended a mass meeting of local workers on the Paulista railroad line at São José do Rio Claro. At this

0527

of São Paulo would declare a strike in May unless recent tuition increases were reduced. Freire alleged that an increase of 15% would compensate the schools for recent increases in the cost of living; that the schools had increased tuition charges from 25 to 70%. The decision to strike unless their demands are met was taken when delegates reportedly representing 350 thousand secondary students from all parts of the state met in an extraordinary convention in São Paulo this past week. The UPES stated that it would ask the National Council of Secondary Students to ratify the planned strike.

COMMENT: (Confidential) Efforts to end the strike of USP Polytechnic students are continuing in the hopes that it can be resolved before April 25, when the State Student's Union (UEE) has threatened to call a general strike of all university students in the state of São Paulo in support of the striking Polytechnic students. As this post reported previously, the strike is reportedly being promoted by Communists (see despatch 389). Significantly state deputy Faria Cardoso has strong Communist tendencies.

In respect to the secondary students, it is interesting to note that José Eduardo Faro Freire was one of the thirteen students arrested this past week by police for painting pro-Cuban and anti-United States slogans on the sidewalks in front of the Consulate General (see Item 1).

5. São Paulo Mayor's Wife Abroad (Official Use Only)

Amid airport statements expressing a desire for world peace and the declaration that the Cuban invaders were not respecting Cuba's right to liberty and self-determination, Maria de Lourdes Prestes Maia, wife of São Paulo's mayor, emplaned for a month's tour of Europe and the Middle East this past week. It was also said that she may visit Communist China. During her tour dona Maria will reportedly study social problems and the means to alleviate them.

COMMENT: (Confidential) The mayor's wife is reported to be a member of the Communist Party, a fact that appears to be generally known. It is also said, however, that she has no influence, insofar as Communist ideology is concerned, upon her husband.

Labor

6. Labor and Cuba (Confidential)

The reaction to the counter-revolution in Cuba in São Paulo labor circles was fairly mild. The large majority of non-Communists followed the events closely

0526

agitation promoted by the former incumbent, Sebastião Balduino de Souza. It will be recalled that de Souza was one of the two students who visited Cuba last year to invite Cuban prime minister Fidel Castro to address the 1960 graduating class of the Faculty of Law of the University of Goiás. Although de Souza has since graduated, a small coterie in the 4th and 5th year law faculties are said to be following the same leftist tendencies which he pursued.

3. João Goulart Rebuffed (Official Use Only)

The recent efforts of vice-president and national PTB leader João Goulart to create an opposition group composed of members of the PTB, the PSP, the PSD, and the PSB (see São Paulo despatch 389, April 19, 1961) received a set back this past week as paulista spokesmen for the various parties denied that any agreement for coalescent action had been reached. State deputies of the PSP and the PSD, while admitting that they had met with the vice-president, questioned his motives. Goulart seemed to be aware of this; he categorically declared that he did not intend to be a candidate for the governorship of São Paulo. The PSP directorate indicated that it would issue an official denial that any understanding had been reached; it added that the conversations with the vice-president had been conducted by "isolated" elements of the PSP. Federal PSD deputy Cunha Bueno declared in São Paulo this past week that João Goulart did not enjoy widespread popularity in São Paulo, as was proven in the presidential election; that the PSD state directorate had not received any communication from members of the PSD who had talked to Goulart.

COMMENT: (Confidential) It appears that João Goulart's efforts are fizzling out. Many anti-janista politicos feel that the vice-president's political future is dark; that he came to São Paulo to strengthen his political position because of a declining popularity in Rio Grande do Sul. Despite this, however, if Governor Carvalho Pinto and Janio Quadros disagree on a gubernatorial candidate in 1962, it is possible that a strong candidate backed by opposition parties might be a serious contender.

4. Student Strikes (Official Use Only)

The month long strike of students of the Polytechnic School of the University of São Paulo continued unabated this past week. A parliamentary commission, headed by state deputy Jethero de Faria Cardoso (PSB), which was appointed by the state Legislative Assembly to mediate the impasse (see São Paulo despatch 389, April 19, 1961), met with school authorities during the week. At the end of the week, however, little progress appeared to have been made.

Meanwhile, the president of the Paulista Union of Secondary Students (UPES), José Eduardo Faro Freire, announced that all secondary school students in the state

0525

Only a few students appear to have attended the meetings. In fact some students of the Central Academy of August 11 of the University of São Paulo opposed and condemned colleagues in the Academy who supported the Castro regime. The opposition students of the Central Academy gave vent to their feelings by denouncing a manifesto issued by the pro-Cuban students in the name of their group; they broke up a pro-Cuban rally by throwing rotten eggs at the speaker.

COMMENT: (Official Use Only) The Communists' efforts were unsuccessful; the general public and the students were generally apathetic. Although the meetings were scheduled for 6:00 p.m., a time when many people would be waiting for transportation in the praça de Sé, few people attended. While the local press reported attendance ranging from 1000 to 2000, observers of the Consulate General estimated that the meetings drew only 400 to 500 people. Both the press and the Consulate General observers noted that many of those at the meetings were only the curious who stopped for a few moments to see what was going on. Altogether, it was a pretty dismal showing; the Communists couldn't even get enough Party members to attend to give the impression of a mass meeting.

None of the members of the state Legislative Assembly were noticed at the meetings; on the floor of the Assembly itself little was said about Cuba. Communist sympathizer Jethero de Faria Cardoso (PSB) appealed to Janio to defend Cuba's right to self-determination; leftist Cid Franco (PSB) and Communist Luciano Lepera (PTB) defended the Castro regime and denounced the United States for not stopping planes from taking off inside its territory to attack Cuba. Two PL state deputies, Alberto Silva Azevedo and Mario Telles condemned Castro for imposing a dictatorship upon the country.

2. Goiás Students Invite Gagarin (Official Use Only)

Officers of the Consulate General were told this past week that the 1961 graduating class of the Faculty of Law of the University of Goiás intended to invite Soviet major Gagarin, the first man to circumnavigate the globe in space, to sponsor (address) their graduation exercises which will be held about December 15, 1961.

COMMENT: (Confidential) According to the president of the Goiás State Students Union (UEE), João Bosco Gomes Louza, the directorate of the graduating class virtually presented the members of the 1961 graduating class with a fait accompli, which the class accepted. The graduating class was not given the opportunity to vote on the proposal. Louza, a member of the 1961 graduating class of the Faculty of Law, but not of the class directorate, was said to have been elected president of the Goiás UEE in the wake of general student opposition to the leftist

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AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amconsgen, São Paulo

394
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 26, 1961
DATE

REF :

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55	ARA-4	RMA-2 INR-7 REP-1 P-3 GY-2
5/2		OTHER CIA-10 USIA-10 OSD-5 army-4 Navy-4

SUBJECT: São Paulo Weekly Summary No. 95, Week Ending April 21, 1961

LAB-6 Air-6 NSA-4 FBI-1

Index

Political
1. Communist pro-Cuban Rallies Ineffectual
2. Goiás Students Invite Gagarin
3. João Goulart Rebuffed
4. Student Strikes
5. São Paulo Mayor's Wife Abroad

Labor
6. Labor and Cuba
7. Vice-President Stirs Left-Wing Labor
8. Minister of Labor Visits Interior
9. Minister Installs Officers of Conselho Sindical

Psychological
10. The Invasion of Cuba

Miscellaneous
11. List of Substantive Despatches

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Political

1. Communist pro-Cuban Rallies Ineffectual (Official Use Only)

The Communist front organization, the Commission for Solidarity with Cuba, aided by support from the State Student's Union (UEE), attempted this past week to generate public protest against the Cuban counter-revolution. Labor leaders and students were invited to speak at the practically daily meetings held in the praça da Sé, a centrally located downtown public square. Attempts were made to follow the meetings with parades through some of the principal streets, an effort which usually ended in failure. The Social and Political police (DOPS) kept close watch on the meetings, and on their own volition posted a detail in front of the Consulate General. On April 19 three students were arrested about 2:00 a.m. for painting pro-Cuban and anti-United States slogans on the sidewalks in front of the building where the Consulate General has its offices.

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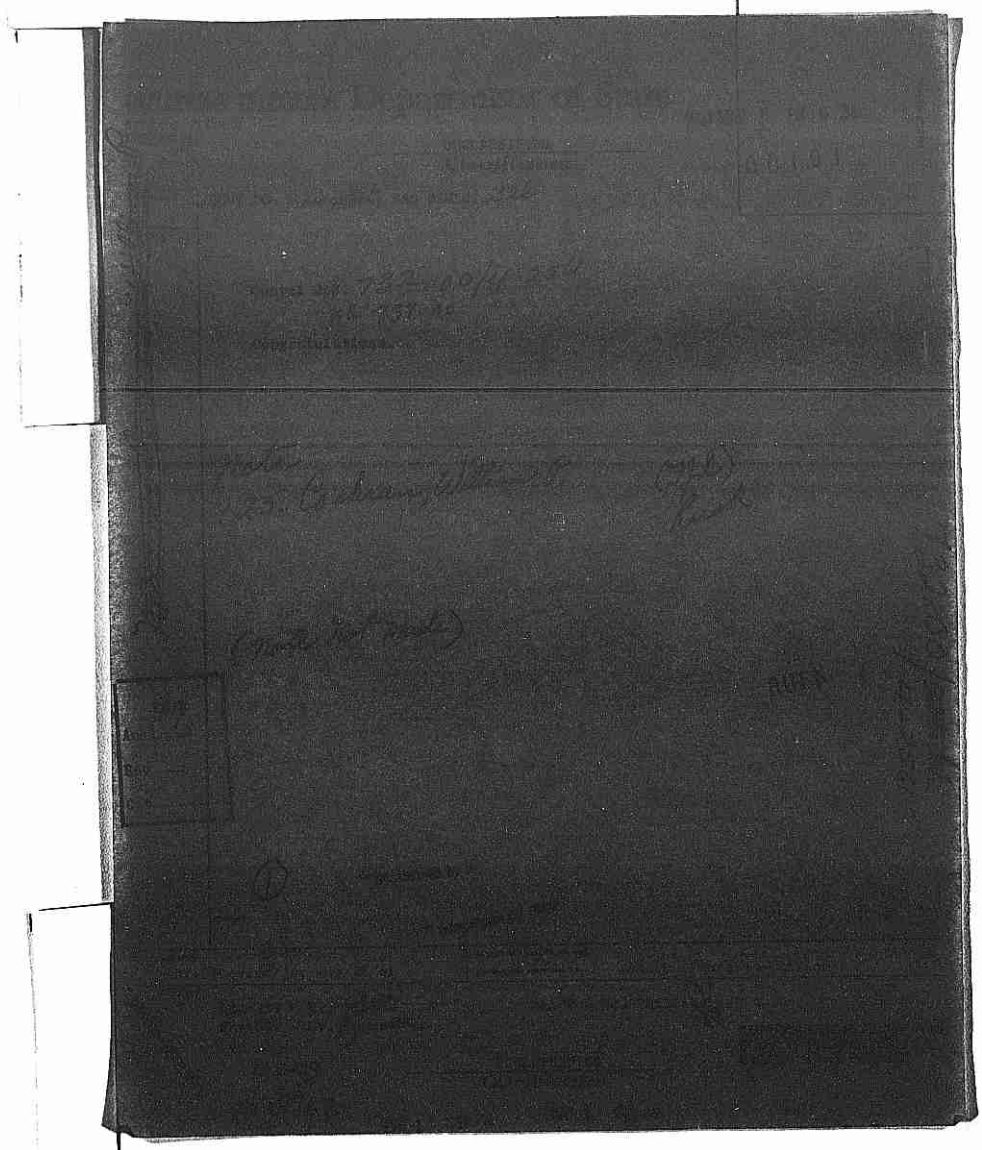
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FIDEL CASTRO."

PRESS AND PHOTOGRAPHERS WERE PRESENT AND WERE GIVEN COPIES OF STATEMENT.

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Info SS G IO P USIA INR CIA NSA OSD ARMY NAVY AIR RMR

ACTION:
INFO:
RM/R FILES 4-27-61 2677/3

FROM: SAO PAULO

TO: Secretary of State

NO: 268, APRIL 25

SENT DEPARTMENT 268, REPEATED INFORMATION RIO DE JANEIRO 95.

TODAY RECEIVED DELEGATION FROM SAO PAULO COMMITTEE FOR DEFENSE CUBA CONSISTING STATE DEPUTIES CID FRANCO, JETHERO FARIA CARDOSO, AND LUCIANO LEPERA, THIRD SECRETARY OF STATE STUDENT UNION FABIO ANCONA LOPES, AND PRESIDENT OF LOCAL UNION CONSTRUCTION WORKERS, JOSE XAVIER DOS SANTOS. AFTER HEARING THEM EXPRESS USUAL ANTI-US PROTEST ANENT CUBA, MADE FOLLOWING STATEMENT: "I LISTENED TO YOUR WORDS WITH COURTESY AND CONSIDERATION. I BELIEVE I DESERVE EQUAL CONSIDERATION.

"I AM SURPRISED THAT REPRESENTATIVES ELECTED BY THE BRAZILIAN PEOPLE SHOULD COME TO ME AS REPRESENTATIVE OF ANOTHER DEMOCRATIC NATION, TO SUPPORT A TYRANICAL DICTATORSHIP WHICH HAS SO FREQUENTLY BOASTED OF ITS TIES WITH THE SOVIET DICTATORSHIP RESPONSIBLE FOR THE BARBARIC SUPPRESSION OF THE HUNGARIAN REVOLUTION.

"I DO NOT BELIEVE THAT THE BRAZILIAN PEOPLE ARE IN SYMPATHY WITH FIDEL CASTRO. I DO NOT BELIEVE THAT THE BRAZILIAN PEOPLE, WHO SO VIGOROUSLY REJECT THE DEATH PENALTY, COULD SUPPORT A MAN AND A SYSTEM WHICH HAS EXECUTED MORE THAN 600 HUMAN BEINGS IN THE LAST EIGHTEEN MONTHS WITHOUT A JUST TRIAL. I DO NOT BELIEVE THAT THE BRAZILIAN PEOPLE, WHO SHED THEIR BLOOD IN THE SECOND WORLD WAR AGAINST NAZIISM, COULD SUPPORT A GOVERNMENT WHICH FINDS ITSELF SUBJECTED TO ANOTHER AND EVEN WORSE TYRANNY. I DO NOT BELIEVE THAT THE DEMOCRATIC PEOPLE OF BRAZIL SUPPORT A REGIME WHICH HAS SUPPRESSED IN CUBA THE RIGHT OF FREEDOM OF EXPRESSION, THE RIGHT TO FREEDOM OF PRESS, AND THE RIGHTS OF THE WORKERS. I DO NOT BELIEVE THAT A CHRISTIAN AND CATHOLIC NATION LIKE BRAZIL COULD FEEL SYMPATHY FOR AN ATHEISTIC AND BLOODY REGIM SUCH AS THAT OF

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dropped, and not due to any corrective actions taken by the port authorities. The 25% surcharge imposed on all imports into Santos by the shipping companies serving the port, effective May 15, may be rescinded if the present improved conditions continue, according to a knowledgeable source.

2. U.S. Coffee Trade Representative Visits Santos (UNCLASSIFIED)

On April 19 Mr. John F. McKiernan , President of the U.S. National Coffee Association, addressed a number of Santos coffee exporters at the Chamber of Commerce here on the work and importance of the Association. After a luncheon in his honor, Mr. McKiernan returned immediately to São Paulo.

Comment: (UNCLASSIFIED)

The reporting officer was a guest of honor at the affair.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations continued normally during the past week. The Consulate has been issuing an above-average number of non-immigrant visas in the past several weeks.

V ADMINISTRATIVE - Negative.

VI PSYCHOLOGICAL

1. Santos Reaction to Invasion of Cuba (UNCLASSIFIED)

At nightfall on April 18 a group of communist-led students and nationalists demonstrated in favor of Cuba and against the U.S. in the principal city square of Santos. The demonstrators carried signs and placards reading "Cuba Yes Yankees No", "Today Cuba Tomorrow Brazil", "The Gringos Defend the Esso Interests", "Stop the Cowardly Aggression Against Cuba", etc. The demonstration was orderly.
No threats of any sort have been received either by the Consulate or by the local binational center.

Comment: (UNCLASSIFIED)

The reporting officer believes that most Santistas dislike the idea of hostilities in Cuba, fear that the invasion may aggravate international tensions, and suspect that the U.S. is somehow linked to the attack. However, although there is considerable grumbling against the United States just now, no perceptible wave of anti-Americanism has swept Santos since most Santistas feel apparently that, U.S. help of no, the invasion represents an attempt by Cuban patriots to regain control of their homeland from a dictatorship.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-493476

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4. Consulate Guarded During Cuban Invasion (UNCLASSIFIED)

At the insistence of Dr. Helio Pereira Pantaleão, chief of the Santos Delegacia de Ordem Política e Social (DOPS) branch of the police, a guard was stationed before the building whose third floor is occupied by the Consulate on April 18 and 19 as a precaution against possible anti-American demonstrations in the wake of the invasion of Cuba by insurgents.

Comment: (UNCLASSIFIED)

No untoward incident has taken place.

II LABOR

1. Communists Retain Control of Port Employees Union (UNCLASSIFIED)

On April 13 the 2,301-member Sindicato dos Empregados na Administração dos Serviços Portuários de Santos re-elected its largely communist union governing board, with 1,675 members voting for the sole slate of candidates. Waldemar Neves Guerra continues as President, while Oswaldo Lourenço moves up to Secretary General from First Secretary. Not in the running for re-election was Antonio Rodrigues, formerly the union's Secretary General. Rodrigues, PTB first alternate on the City Council, has succeeded to a seat on the City Council by virtue of José Gomes' election as Vice Mayor.

Comment: (OFFICIAL USE ONLY)

Guerra, Lourenço, and Rodrigues are all members of the communist party, as is Felipe Ramos Rodrigues (known as "Felipão"), elected to the union's finance committee.

The communists' tight control of this important union is demonstrated by its ability to run an unopposed red slate and turn out a very goodly proportion of the total union membership to vote for it.

III ECONOMIC

1. Congestion of Port of Santos Ends (UNCLASSIFIED)

The severe congestion of the port of Santos for the past two months has virtually ended, at least for the time being. On April 19 only 2 vessels were lying in the Santos roads outside the estuary awaiting berthing space alongside, and only 5 ships were anchored within the estuary proper.

Comment: (OFFICIAL USE ONLY)

The congestion has eased only because tonnage has sharply dropped

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05 18

supported the luckless candidacy of Marshal Lott, thus alienating any possible support from the State or Federal Governments.

It became apparent that Andraus' chief preoccupation was to secure favored treatment for his Cidade Ocian real estate development in Praia Grande, a part of the municipality of São Vicente, and Andraus spent little time in his office in the São Vicente City Hall, not even maintaining a residence in São Vicente but commuting once a week or so from São Paulo. It also came to be believed that Andraus was determined to squeeze out of municipal revenues reimbursement for his campaign expenditures. Faced with demands for his resignation from all quarters and a steadily deteriorating municipality, Andraus saw no other way out than to resign.

Intrieri, who acted as mayor during Andraus' protracted absence last year, faces formidable problems. São Vicente, the oldest city in Brazil, lacks paved streets, water, and a properly functioning telephone system. Morale is at bottom in the City Hall, the municipality is deep in debt and the salaries of its functionaries are in arrear.

The reporting officer believes that Intrieri will attempt a rapprochement with Governor Carvalho Pinto and President Quadros, the latter of whom spends his vacations in São Vicente, in order to obtain increased State funds for the unhappy city.

3. Church vs. Freemasons (UNCLASSIFIED)

The struggle between the local Roman Catholic hierarchy and the municipal government here (see Weekly Comment of April 13) over freemasonry has intensified. Bishop Dom Idílio Soares failed to put in a customary appearance at the swearing-in ceremony of José Gomes, as the latter is an active Mason, and denied use to the Cathedral for a requiem mass on behalf of the late Mayor-Elect Luiz La Scala Jr., also a Mason. On April 14 a small private mass was conducted for La Scala at the chapel of the Santa Casa Hospital, but on April 17 a public mass was heard by several hundred of La Scala's friends at the new Syrian Orthodox Church in Santos, an unheard-of place for a public mass for a prominent local Roman Catholic. A similar mass was celebrated for the repose of La Scala's soul in the schismatic Brazilian Catholic Church here and also in São Paulo at an Orthodox Church.

Comment: (OFFICIAL USE ONLY)

The local Roman Catholic Church is being widely criticized for its intransigent attitude toward La Scala, who lived and died a good Catholic. At least two City Councilmen have openly attacked the Church as a result of its failure to lend its dignity to La Scala's obsequies, and 13 Councilmen have introduced an ostentatious vote of thanks to the Syrian Orthodox Church for its cooperation.

Most local Masons see no incompatibility between freemasonry and religion, and are hurt and aggrieved at the hierarchy's rigidity toward a fugure whose death all Santos has mourned.

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05 17

by my predecessor Dr. Silvio Fernandes Lopes, and it will be continued. It may even grow stronger."

Gomes later visited São Paulo to ask Governor Carvalho Pinto to continue to allocate State funds for the City of Santos, which were forthcoming in substantial sums during the previous administration of Fernandes Lopes.

Comment: (UNCLASSIFIED)

Outgoing Mayor Fernandes Lopes has informed the press (1) that he will take a short vacation and then return to work as a civil engineer (2) that he definitely will be a candidate for the State Legislature in October 1962 and (3) that he would accept an offer from Governor Carvalho Pinto to become State Secretary of Transportation & Public Works, but not at the price of changing his party allegiance, i.e., renouncing the PSP for Jânio Quadros.

This week Fernandes Lopes was conferring in São Paulo with Vice President Jango Goulart as to strengthening the alliance between the PSP and the PTB on the national level, thus embarrassing Jose Gomes who at the same time was asking Carvalho Pinto to continue his substantial State aid to Santos, although the city is presently dominated by a PTB Mayor who is backed by the PSP.

2. Mayor of São Vicente Resigns (UNCLASSIFIED)

As forecast in the Weekly Comment of February 17, São Vicente Mayor Roberto Andraus has resigned under fire, after a general strike had been called by the municipal employees on April 14 demanding, among other things, four months back pay. Thus ended 15 months of a scandal-ridden and inefficient regime which has been the butt of increasing criticism. On April 15 Vice Mayor Orlando Intrieri assumed the office of mayor, after Andraus had vainly attempted to meet with Governor Carvalho Pinto in order to withdraw his resignation.

Among Intrieri's first acts was to fire Jaime Pinheiro Guimaraes, the sub-mayor of Praia Grande and an appointee of Andraus. Intrieri also at once began to study means of effecting economies in the operation of the city government.

Comment: (OFFICIAL USE ONLY)

Andraus, a rich real estate and construction speculator ("Cidade Ocian"), was elected Mayor of São Vicente for four years in October 1959 with backing from the PSP, PTB, PSB, PRT, PL and PR. His margin of victory, however, was narrow, as he barely beat Olavo Hourneaux de Moura, supported by the PDC, PRP, PTN and PST. Intrieri was Andraus' running mate, and barely defeated his opponent Paulo Mansur. Sworn in as Mayor in January 1960, Andraus initially showed promise as a go-getter, but quickly disillusioned his backers and allowed himself to become embroiled in increasingly unpleasant controversies with his municipal employees, the press and the City Council. Andraus also

/supported

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Encl to SAO PAULO #393

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Page 1

OPERATIONS MEMORANDUM

TO: American Consulate General São Paulo Date: April 19, 1961

FROM: American Consulate SANTOS, Brazil VPR

SUBJECT: Weekly Comment on Events in Santos

REF:

THIS DOCUMENT MUST BE RETURNED TO FMR CENTRAL FILE

I POLITICAL

1. New Mayor Sworn In (UNCLASSIFIED)

Before a packed City Council Chamber Vice Mayor-Elect José Gomes of the PTB was sworn in on April 14 to succeed Mayor Silvio Fernandes Lopes. Present were PTB Federal Deputies Ivete Vargas and Frota Moreira from São Paulo, currently at outs with Vice President Goulart (see Comment below). Gomes had already asked the Regional Election Tribunal to rule on whether new elections for mayor will be required, since Mayor-Elect Luiz La Scala, Jr. died before he could formally assume office. Thus until the question of new elections is resolved, José Gomes is technically "Vice Mayor Acting as Mayor". Nevertheless, Gomes has publicly expressed his determination to serve out La Scala's full four-year term.

But a growing body of local opinion insists that new elections should be held within 90 days, although a majority within the locally-dominant PSP prefers the status quo to continue, since Gomes, albeit not a PSP member, is an ally of this party. Should new elections be held, which is likely, the PSP's candidate would probably be Fernando Oliva, current President of the Santos City Council, or possibly José Aflalo Filho, Oliva's predecessor as City Council President. Who the janista opposition contender would be is unknown, for both Mario Covas, Jr. and Athié Jorge Coury have let it be known that they would not run. The Consulate understands that Coury has promised Fernandes Lopes his support of whoever the PSP might put forth, which would seriously weaken janista efforts against the PSP and its allies.

Gomes' first act was to confirm the appointments scheduled to be made by La Scala to the Mayor's personal staff. This week, in a press conference, Gomes declared that he would continue the admirable public works program of his predecessor (and retain Mario Covas, Jr. as Sanitation Director). Gomes emphasized his ties with São Paulo Governor Carvalho Pinto by saying, "As you know, we worked for Prof. Carvalho Pinto's election. We were always with him. This policy was established by

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05 15

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FROM : Amcongen, São Paulo

393
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 25, 1961
DATE

REF :

APR 2 6 1961

20 For Dept. Use Only	ACTION	DEPT.	RPM/R-2 REP-1 INR-7 E-3 ICA-4 ARMY-4 NAVY-4
	REC'D 5-2-61	INFO OTHER	CIA-10 USIA-10 COM-10 LAB-6 OSD-5 NSA-4 AIR-6

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated April 19, 1961.

William P. Cochran, Jr.
Minister Consul General

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 3 1961

Enclosure:
Santos Weekly Report
dated April 19, 1961

cc: Amembassy Rio

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CULTURAL EVENTS

10. USIS Activities: Charlie Byrd Trio, Saint Louis Law Seminar Returnees, Round-Table Discussion With Curitiba Law Students

The Charlie Byrd Trio (guitar-drum ensemble) played one night, March 25, at the University Of Paraná Auditorium and was an outstanding success. It was the most popular U.S. cultural presentation in Curitiba since the visit of the National Symphony Orchestra in 1959 ... One of the two University Of Paraná law students who attended the January Seminar at Washington University of Saint Louis gave a long detailed press interview regarding his experiences in the "States". The interview was very favorable and stressed academic as well as touristic benefits of the seminar ... The other Paraná participant at the Seminar arranged a round-table discussion at the Law Students' Association of the University Of Paraná, where BPAO John P. Lee and Vice Consul George Scanlan waged a successful four-hour oral struggle with "Nationalist" "plants". (See Curitiba D-52, 4/19/61).

SOURCES: Local press, personal observations and conversations.
UNCLASSIFIED

11. SOVIET, Spanish, Italian, Austrian, And Swedish Activities

Soviet, Spanish, Italian, Austrian, and Swedish institutions in Curitiba announced various types of university level scholarships, good for from nine months' to six years' study. The Soviet offer is the most generous of all, and except for the Spanish grants, is the only one which does not require current university level knowledge of a foreign language.

SOURCES: Local press.
UNCLASSIFIED

COMMENT: This is the first time that the "União Cultural Brasil -URSS" (Brazil-U.S.S.R. Cultural Union) has advertised its presence in Curitiba. It is open from 3:00 PM to 5:00 PM each afternoon and is located at Rua Gabriel dos Santos, 44.
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MISCELLANEOUS

12. Paraguayan Consulate Opened In Curitiba

The Paraguayan government has nominated Jorge Ruben PENA to be consul in Curitiba and to open a consulate here. Up to now the Paraguayan consulate in Paranaguá has had jurisdiction over all of Paraná except Foz do Iguaçú. Pena is a Paraguayan, and it is understood that he is a good friend of President Stroessner.

SOURCES: "Diário do Paraná", April 5, 1961, personal conversations.
UNCLASSIFIED

Edward M. Rowell, Consul

0513

8. U.S. Latin American Policy: Dillon Visit, Alliance For Progress

Secretary Dillon's visit to Rio was widely publicized and received friendly treatment. Although commentators still say the U.S. "owes" Latin America aid for development, they are being less cynical and more hopeful about U.S. actions in this field ... In contrast, there has been practically no mention, either news or editorial, of President Kennedy's "Aliança Para O Progresso". In one of the few comments, the Alliance was called a "victory for Kubitschek's Operation Pan America", while another columnist said the U.S. "is suddenly waking up to the real dangers in Latin America", implying that we had no choice but to launch the Alliance.

SOURCES: Local press, personal observations and conversations.
UNCLASSIFIED

COMMENT: Since the "Alliance For Progress" speech was general and took place in distant Washington, it naturally received much less attention than the intense activity surrounding the Inter-American Development Bank meeting in Rio and Secretary Dillon's call on President Quadros. Reaction to the Dillon visit should build more favorable attitudes towards all U.S. development activities in Latin America.
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9. Other International Developments: Laos, Red China Status, Soviet Astronaut

There was considerable worry over the Laotian situation as a threat to the peace, with general approval of U.S. measures so far, though one writer said that the present U.S. approach is similar to President Truman's actions prior to the Korean War ... Some observers believe U.S. acceptance of Red China in the Laotian negotiations presages a change on U.S. attitudes regarding Red China in general ... The successful voyage of Yuri GAGARIN monopolized headlines for a week and evoked generous editorial appreciation of the Soviet scientific achievement. However, only two ultra-leftist commentators attempted to disparage the U.S. through their writings on the Soviet astronaut.

SOURCES: All local press. UNCLASSIFIED

COMMENT: There is still no comprehension of the real problems involved in extending the Red China-Nationalist China conflict to various international organizations ... Gagarin's flight is viewed as a scientific feat of general use to humanity, and not as a specific military or cold war advance.
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PSYCHOLOGICAL EVENTS

5. Janio Quadros After Two Months In Office: Domestic And Foreign Policies In General

Except for the leftists who continue to attack Quadros vehemently (mainly on SUMOC Instruction 204), the general reaction to Quadros' first months in office is very favorable. SUMOC Instruction 204 is controversial, but more or less accepted as a necessity. Even a local socialist paper (PSD) was more pained at Quadros' lecturing the people like immature children (April 4 speech), than at the specific measures he has taken ... There is general approval of Brazil's new "independent maturity" in dealing with all parts of the world, and the Walter MOREIRA SALLES (U.S.), Roberto CAMPOS (Western Europe), and João DANTAS (Eastern Europe) missions were all equally applauded. Even conservatives view the new approach not as a "Third Force" maneuver, but as simple "maturity".

SOURCES: Local press, personal conversations.
UNCLASSIFIED

COMMENT: See Curitiba D-50 (4/18/1961) for comment on Brazilian equidistance vis-à-vis the U.S. and U.S.S.R.
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6. Anti-Trust Law

Comment on Brazil's proposed anti-trust law is interesting in that some efforts have been made by non-Red local editorialists to divorce the need for the law from specific problems in U.S.-Brazilian political or economic relations. This improvement in the psychological climate may be credited in part to some recent Consulate-USIS activities (e.g., see Curitiba D-52, 4/20/1961).
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7. Brazil, Portugal, And Angola

Leftists attacked "Portuguese suppression of Angolan independence" and "anti-black racial policies" (sic), while the "Centro de Comunidade Brasil-Portugal" distributed leaflets saying "Yankees get out of the Azores and out of Angola", much to the surprised mirth of the local citizenry. However, the mass of articulate opinion waivered on Brazilian policy toward Portugal and its colonies, fearing that immediate Angolan independence would only throw the area into U.S. or U.S.S.R. spheres of influence, and out of the Luso-Brazilian community. The bulk of the populace couldn't care less what happens to Angola.

SOURCES: Local press, personal observations and conversations.
OFFICIAL USE ONLY

COMMENT: The Declaration, mainly the 17 points, was attacked by both right and left; by the right because it went too far left, by the left because it climbed on the "Nationalist" band-wagon for demagogic reasons ... The leftists' charge seems at least partly correct. However, the PDC's younger leaders are determined to accomplish some social and economic reforms which are repugnant to conservatives in order to preserve a maximum of political and economic liberties in a changing world ... The PDC decision to adopt a leftist vocabulary demonstrates the Reds' success in gaining popular acceptance of their own definitions of economic and political phenomena. It implies that we may have to make some changes in our public affairs vocabulary also.
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3. Santa Catarina Elections

April 9 elections in 12 Santa Catarina counties produced 11 PSD victories and a lone UDN win. On April 10 the State Legislative Assembly elected new officers for the current year, voting in a completely new PSD-PTB-PSP-PDC slate pledged to support Governor Ramos. The new Assembly president is João Estivalet PIRES (PSD).

SOURCES: "Estado" (Florianopolis), April 5, 11, 12, 1961.
UNCLASSIFIED

COMMENT: The county vote shows general approval of the new state government after its first two months in office. It may also partly be a result of the March 23 to 25 meeting in Florianopolis ... The Legislative Assembly vote removes Ramos' worries about necessary support for his administration. He is now expected to accept Ambassador Cabot's invitation to visit the United States.
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4. Presidential Office In Santa Catarina

Following his plan to maintain direct personal representatives in each of the state capitals, President Quadros nominated Augusto WOLFF to be sub-chief of the Presidential Office in Santa Catarina. Wolff is a recent graduate of the University Of Santa Catarina, and was part of Ramos' staff at the March 23 to 25 Florianopolis meeting. No other appointments in this consular district have been announced.

SOURCE: "Estado" (Florianopolis), April 5, 1961.
UNCLASSIFIED

05 10

bank which would receive funds from the National Economic Development Bank, PL-480 cruzeiros, and government profits on coffee exchange. The new federal price support program for agricultural commodities, and the establishment of a National Wheat Institute also partially resulted from this meeting.

SOURCES: Local press, personal observations and conversations. See Curitiba D-45, 4/7/1961. UNCLASSIFIED

COMMENT: The regional meetings are intended to make federal administration more effective by reducing red-tape. If Janio really has the funds to back his decisions (and from the way the meeting was conducted it appears that he does), he has achieved a tremendous improvement in administrative efficiency ... Janio impressed all participants with his incisiveness and command capacity ... The granted funds may make the governors beholden to Janio for the successful completion of their administrations, and, therefore, for their political futures ... Brizzola was the most impressive of the three governors, possibly because he is the most experienced ... Labor Minister Castro Neves dealt at length with union leaders, showing them they can expect more by working directly with the federal government and the Ministry, than by trying to treat only through a political party. OFFICIAL USE ONLY

2. Christian Democrat Party (PDC) Convention In Curitiba

The PDC held its annual national convention in Curitiba April 8 to 9 in honor of Paraná Governor BRAGA, who is the only PDC governor in Brazil to be elected while a member of the party. Main accomplishment was the issuance of a "Declaration Of Principles" which supports individual and national liberty, opposes tyranny ("marxist and capitalist"), defends private initiative and the right to private property but confirms the need for governmental regulation, supports the UN and opposes imperialism and colonialism. Appended to the declaration was a 17-point platform for this year's political campaigns. The platform had several "neo-Nationalist" departures from earlier PDC policy, including: (a) formation of a Latin American Bloc to fight imperialism (both economic and political); (b) combat against the indiscriminate remittance of funds, profits, and interest to foreign countries; (c) trade and diplomatic relations with all peoples (by implication Iron Curtain); (d) participation of labor in the management and profits of industry; and (e) recognition of Petrobrás' "untouchability".

SOURCES: Local press. See Curitiba D-50, 4/18/1961. UNCLASSIFIED

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FOREIGN SERVICE DESPATCH

FROM : American Consulate, Curitiba, Brazil

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DESP. NO.

APR 28 1961
April 25, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : Cm-5 S/AE-4 REP-1. L-V ICA-11 IO-4 E-7 P-3 S/BWC-1

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19	AMB-5	INFO RMK-V FE-4 EUR-5 INR-7 S/S-3 S/P-1 G-1
	REC'D 5-5	OTHER CIA-15 USIA-10 OSD-5 Army-4 Navy-4 Air-6 AEC-4 NSC-2 NSA-4 IR-3

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD MARCH 16 - APRIL 15, 1961

CONTENTS

1. Quadros Meets Southern Governors
2. PDC Convention In Curitiba
3. Santa Catarina Elections
4. Presidential Office In Santa Catarina
5. Quadros After Two Months In Office: Domestic And Foreign Policies
6. Anti-Trust Law
7. Brazil, Portugal, And Angola (Reflections On U.S.)
8. U.S. Latin American Policy: Dillon Visit, Alliance For Progress
9. Other Developments: Laos, Red China, Soviet Astronaut
10. USIS Activities
11. SOVIET And Other Curitiba Cultural Activities
12. New Paraguayan Consulate In Curitiba

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MAY 8 1961
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POLITICAL EVENTS

1. Quadros Meets Southern Governors

President Quadros met the governors of Brazil's three southern states March 23 to 25 to discuss problems relating to regional economic development. This was the first of a series of meetings the President plans to hold in various parts of the country. By the time he left, Janio had promised Cr$ 25 billion for Parana development over the next seven years (biggest portions for power and highways), federal help for power, communications, and education in Santa Catarina, similar assistance to Rio Grande do Sul, and had backed Leonel BRIZZOLA's request for a regional development council and a regional development

cc.: American Embassy, Rio de Janeiro (2)

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Info SS G SP SAL L H P USIA SCA INR CIA NSA OSD ARMY NAVY AIR RMR

FROM: Sao Paulo

TO: Secretary of State

NO: 262, April 19, 3 p.m.

Tels, no action E87/B JW Wilson (Rec'd) 4-21-61

SENT DEPARTMENT 262; RIO DE JANEIRO 94

Two Cuban demonstrations yesterday. First, of students alone in morning, quickly degenerated into battle between pro and anti-Castro students. Second, in evening, announced as "massive rally" of students, workers and state deputies, attracted only 400 (despite press reports of 2000) including no state deputies, and only six identifiable students by count, plus few labor leaders. Disbanded after usual speeches and parade.

COCHRAN

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that the loss in the race for space was due to inter-service rivalry in the American armed forces and lack of planning.

Miscellaneous

14. List of Substantive Depatches

378 São Paulo State Development Plans
379 Germany Studies Economic Development Assistance to Latin America
380 Pulp Production in Brazil
381 Visit of International Metalworker's Secretary
382 São Paulo Reaction to Granting of Monopoly of Rubber Imports to Bank of Amazonas
383 Swedish paper Manufacturers Considering Production in Brazil of Newsprint from Ucaliptes
384 Visit of State Deputies to U.S.
385 Santos Weekly Report
386 Visit of Senator Fulbright
387 Francisco Carlos de Castro Neves, Federal Minister of Labor
388 Refusal of Visa to Henrique Galvão
389 São Paulo Weekly Summary No. 94

William P. Cochran, Jr.
Minister Consul General

Contributors:

Pyle, Shea, Mason/Challinor, Burton

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0506

Dillon. O Estado de São Paulo said that the high quality of the American delegates proved the great interest of the United States in the recovery of the Brazilian economy. The newspaper blamed the unstable economy in Brazil on political interference from the communist-nationalist block. The sacrifices required by SUMOC instruction 204 and the assistance of the Inter-American Bank and the Americans, make "the moment particularly auspicious for Brazil". Commenting on the speech of Douglas Dillon O Estado noted that the Secretary of the Treasury demonstrated the American spirit of cooperation in the economic and social development of all the nations in the Hemisphere. "The United States...is firm in its decision to help us abolish the handicap that the injustices of nature created for us." Later editorials were critical of the Eisenhower policy on Latin America aid as the "finest flower of Republican conservatism", but praised Kennedy's Alliance for Progress as very practical. The Diario de São Paulo stated that the United States had been opposed to the creation of a hemisphere bank until Juscelino Kubitschek's Operation Pan-America was proclaimed, but now it was not only supporting economic development but social development as well. According to Diario, Dillon's speech will do much to raise the prestige of the Bank and give confidence to the member states. Folha de São Paulo appreciated the fact that the affirmations of Dillon were in perfect alignment with the Alliance for Progress and other pronouncements of the Kennedy government. It was also pleased with talk of long-term loans instead of short ones. Correio Paulistano saw Operation Pan-America as the "cry of the 20th Century" and the Kennedy plan as further support for it. Washington's offer of assistance was seen by A Gazeta as approval of the independent policies of Janio Quadros. According to it, the "heroic boldness" of Quadros had been accepted by the U.S. Government.

13. The Soviet Man in Space (Unclassified)

O Estado said there were no adjectives to express the accomplishment of Yuri Gagarin and the Soviet Union. The feat carried a message of wisdom: that peace and solidarity may be the only conditions for man in the era that has just begun. An editorial in Ultima Hora described the Soviet achievement as the "major scientific accomplishment in the history of humanity". The "age" of Gagarin was going to produce understanding among all peoples and the interdependence of all nations. Folha de São Paulo commented that the reason the United States did not put a man in space first was that it gave preference to raising the standard of living of its people. "We prefer the democratic regime that loses battles in one or another sphere of activity, but that always wins in the prosperity and general progress of nations." Correio Paulistano stated that the United States has lost its position of world leadership to the Russians. The newspaper suggested

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rise in the cost of living. He admitted that the cost of living had risen sharply in the city and state of São Paulo. However, he stated it has not risen too sharply in other states. He told the labor leaders that the government was studying the possibility of nationwide escalator clauses, i.e. automatic cost of living adjustments tied in with a government price index, and that these increases would be paid out of existing profits.

COMMENT: (Confidential) Since taking office Castro Neves has reversed himself a number of times on the question of the imposto sindical. He has at times stated he favors its immediate elimination and at other times he backtracks and states he favors gradual elimination. In any event he has the Communists and pelegos who have been living off of it for years quite shaken up.

11. Left Wing Trade Unions Oppose Instruction 204 (Confidential)

São Paulo trade unions, under considerable Communist Party influence, are sharply attacking president Quadros' exchange reform Instruction 204 and the price increases which it has sparked. The large local union of metalworkers, which is controlled by a combination of left-wing socialists and Communists, sponsored a municipal conference of metal, machine and appliance workers on the weekend of April 7 - 10, and inter alia approved a resolution demanding immediate revocation of Instruction 204. Some 13 local unions in the important ABC industrial triangle (suburban cities of Santo Andre, São Bernardo and São Caetano) are circulating a manifesto condemning Instruction 204, stressing particularly the burden it places on the working class. At a meeting with Labor Minister Castro Neves in Campinas, union leaders representing 21 unions in Campinas presented him with a petition which was critical of 204 (see Item 10). Unions in Santos are now holding a series of meetings to decide their position regarding the exchange reforms. The conservative State Federation of Commercial Workers, however, has approved and is circulating a manifesto praising and pledging full support to the administration's reform measures.

COMMENT: (Confidential) After a brief period of hesitation and indecision the Communists have realigned their forces and are unanimously attacking Quadros' exchange reforms.

Psychological

12. The Inter-American Bank and Dillon (Unclassified)

São Paulo's newspapers devoted a total of 17 editorials to the Inter-American Development Bank meeting in Rio de Janeiro and to American delegate Douglas

0504

São Paulo despatch 377, April 12, 1961) visited the state Legislative Assembly this past week to solicit support and intervention. The Assembly subsequently appointed a ten member commission headed by a former student, Jethero de Faria Cardoso (PSB) to discuss the impasse with university authorities. The State Student's Union (UEE) threatened to call a general strike of all university students in the state on April 25 unless the issues were resolved beforehand.

COMMENT: (Confidential) A reliable informant, a successful local engineer and a former Polytechnic student, informed officers of the Consulate General this past week that the strike of students at the Polytechnic school is being promoted by Communists. The strike was said to have occurred because the professor who occupies the chair of the Roads and Traffic refused to employ a card carrying Communist as an instructor. Reportedly, the students succeeded in getting the aforementioned professor out of his position for a short time about a year ago prior to the final examination. By this maneuver the students avoided taking the examination which would have been given by the professor in question. The students were thus able to take an examination given by another professor whom they considered would be less demanding. The professor, who holds the chair of Roads and Traffic, reportedly, is firm, straightforward, and a competent educator, who expects his students to have a reasonable knowledge of the courses taught under his supervision.

Labor
10. Minister of Labor Again Comments on Imposto Sindical (Official Use Only)

Labor Minister Francisco Carlos de Castro Neves last week continued his attacks on the imposto sindical (compulsory union dues collected annually from all urban workers regardless of whether unionized or not and equal to one day's pay, which is the principal source of funds for most labor organizations). Speaking to a group of labor leaders while visiting Campinas, the Labor Minister stated once again that he favored elimination of the imposto sindical and termed it nothing more than subsistence for phony labor leaders and pelegos (labor leaders who maintain themselves in office by following Labor Ministry direction). He then threw a bombshell into the midst of the labor leaders in attendance when he admitted the possibility of the government closing down all trade unions who do not sign up 50% of potential members as voluntary dues paying members during the coming year. (Most Brazilian trade unions have only an estimated 10% voluntary dues paying members and depend on the imposto sindical.) The Minister devoted a great deal of time to defending instruction 204 (which radically altered the existing exchange system) after being presented with a manifesto signed by 21 trade unions which criticized the Quadros administration's instruction for sparking the recent sharp

0503

COMMENT: (Confidential) João Goulart's attempt to strengthen his own weak position in São Paulo by forming a political alliance of the four parties would appear to have many hurdles to overcome before it can be successful. Goulart is at odds with São Paulo PTB regional president Ivete Vargas, and an attempt to overthrow her would likely cause further local disharmony; the PSB has been weakened and racked with dissension (a sizeable group which supported Janio during the 1960 presidential election created the Ação Socialista (Socialist Action) faction; other dissidents who subsequently supported Emilio Carlos for mayor were recently expelled); and the reaction of the PSP leader, Adhemar de Barros, who is in Europe, remains to be seen. Among other things, perennial candidate Adhemar de Barros would likely consider the proposed political alliance in terms of his own political aggrandizement.

8. Lethargy in State Assembly (Official Use Only)

José Adholpho Chaves do Amarante (PTN), majority leader of the state Legislative Assembly, moved in several directions this past week in an attempt to get a lethargic Legislative Assembly to consider pending legislation. The majority leader met with the governor's representative, Portugal Gouveia, chief of the governor's Civil House, with representatives of all of the secretaries of state, and with the representatives of the departments directly under the governor, in an endeavor to get the various departments of the state to attend more promptly to the inquiries and requests of the members of the Legislative Assembly. Chaves do Amarante indicated that he would (in an apparent attempt to secure greater attendance and a quorum), schedule discussion of proposals of particular interest to certain deputies each day.

COMMENT: (Official Use Only) It is alleged that many state deputies are concerned over the prospect that they will have to run for reelection in 1962 against a particularly large number of federal deputies who no longer find the national legislature attractive. (Many of the paulista federal deputies are said to feel that the new capital of Brasilia offers fewer amenities and is less accessible than Rio.) Also, many state deputies are reported to feel that the state government does not give them "benefits" needed to maintain political strength.

9. USP Polytechnic Students Continue Strike (Official Use Only)

A series of three day strikes in sympathy with the striking students of the Polytechnic School of the University of São Paulo took place this past week at various schools throughout the state of São Paulo. Meanwhile, little progress was made in settling the strike at the Polytechnic School, which has been in progress for three and a half weeks. The students, who are demanding the removal of two faculty members and the appointment of a commission to investigate the teaching ability of the professor who occupies the Roads and Traffic chair (as

0502

6. Reaction to Janio's Economic Program (Official Use Only)

President Janio Quadros' recent speech defending the exchange measures that he has taken and his anti-trust proposal continued to arouse comment in São Paulo this past week. Janista supporters in the São Paulo state Legislative Assembly expressed support of the president's actions; opposition members continued to criticize. The São Paulo Institute of Lawyers considered the original anti-trust proposal faulty and suggested that it be revised. Quintanilha Ribeiro, chief of the president's Civil House, declared in São Paulo this past week that the anti-trust proposal would be passed by the end of April. São Paulo federal PSD deputy Ulysses Guimarães, appointed to study the anti-trust proposal by the Constitution and Justice Commission of the Federal Chamber, was also in São Paulo to consult with various members of his party and with business leaders to ascertain their views. He averred that the proposed anti-trust legislation would pass. He added, however, that aspects of the law which would permit persecution or arbitrary action by the government would be eliminated. An Ourinhos journalist who supported governor Carvalho Pinto and Janio in the elections of 1958 and 1960 respectively, organized a Popular Front in the Sorocabana area of the state to explain and defend SUMOC's instruction 204.

COMMENT: (Official Use Only) It looks as though the janistas are moving in to rectify their past mistake of failing to mobilize public support prior to issuing instruction 204 which caused sharp increases in the prices of basic necessities. According to one local source, paulista labor leaders and students were invited to Brasilia where they were received by Quintanilha Ribeiro, the president's private secretary, José Aparecido de Oliveira, and other government auxiliaries, with a view to soliciting their active support of the president's economic program. The same source states that a minimum wage adjusted to cost of living was promised labor leaders as part of a quid pro quo for their support.

7. João Goulart and Local Party Alliances (Official Use Only)

Vice-president and national PTB leader João Goulart held discussions this past week with paulista politicians at his recently purchased fazenda (plantation) at Araraquara and in São Paulo in an endeavor to form an opposition group composed of members of the PTB, the PSP, the PSD, and the PSB. Reportedly, João Goulart is seeking to form a political alliance of anti-janista forces which would support an agreed upon gubernatorial candidate in 1962. São Paulo PSD senator Auro Soares de Moura Andrade has been suggested, in what would appear to be a trial balloon, as a possible gubernatorial candidate in 1962 of the anti-janista alliance.

0501

Casv alho Pinto is using the same tactics to indicate that Coutinho Nogueira is his personal choice as were used by Janio Quadros, when he was governor of São Paulo, to build up Carvalho Pinto, then state Secretary of Finance, as his (Janio's) successor. During that period Janio gave Carvalho Pinto credit for putting state finances on a sound footing.

4. Captain Galvão's Visa (Official Use Only)

At the suggestion of Embassy Rio, where he filed his visa application, Captain Galvão (internationally known for the recent seizure of Portuguese ship Santa Maria) spoke at the beginning of this week to this post's Consul General about a visa. The Consul General warned Galvão of possible imprisonment under the 1908 extradition treaty with Portugal. Galvão persisted but assured the press that no visa was yet denied. When the visa was denied for a reported fraudulent bankruptcy conviction in Portugal in 1957, Galvão denied the truth thereof, saying he had been politically imprisoned for several years at the time and had been involved in no (repeat no) legal bankruptcy proceedings. He advised this post at the end of the week that he would attack this dishonesty of the Portuguese Government in a press interview. Local press at the end of week reported the story released from Washington.

5. UDN National Presidency (Official Use Only)

In the past few weeks São Paulo's federal deputy Herbert Levy has been holding the spotlight at various local UDN conventions in the state and appears to have solid party support in the state for the UDN national presidency. However, in the past week Mr. João Agrapino, Minister of Mines and Energy, while acknowledging in São Paulo that Herbert Levy is the leading candidate, observed that the UDN had many leaders.

COMMENT: (Confidential) It appears that the opposition forces which supported Emilio Carlos for mayor have left the field of battle to facilitate unity behind Herbert Levy (for example, both Abreu Sodré and Father Godinho, UDN state deputies, are and will be out of the country for several weeks). The failure to get Herbert Levy elected president at the party's national convention in São Paulo in 1959 both strengthens São Paulo's claims to the presidency this time and serves as a warning that defeat can come again (Herbert Levy has not been too effective in doing business with President Janio Quadros in the past. Indications are that UDN national president Magalhães Pinto and Guanabara governor Carlos Lacerda would prefer someone else).

0500

peaceful relations among governments so that better solutions may be found for the problems of humanity".

COMMENT: (Official Use Only) It is noteworthy that local scientists and legislators issued restrained statements. Instead of phrasing their remarks in terms of a leftist type of eulogy, their statements are comparable to that which would be expected from leaders in the United States, saying in effect, -- we are delighted, but we hope that you will share the knowledge obtained from the flight with the rest of humanity.

2. Janio vs Carvalho Pinto (Official Use Only)

From several sources during the past week come reports that Janio's chief of staff, Quintanilho Ribeiro, while in São Paulo this past week, informed governor Carvalho Pinto that Janio would be completely neutral in next year's gubernatorial campaign in São Paulo.

COMMENT: It may be so, but!! It will be recalled that Janio "turned over complete political responsibility" in São Paulo to Carvalho Pinto before the recent mayoralty elections and then afterwards gave direct and indirect support to the candidate opposed by the governor.

3. Governor Carvalho Pinto's Successor (Official Use Only)

São Paulo governor Carvalho Pinto on two separate occasions this past week strongly intimated that his choice for the governorship in 1962 would be state Secretary of Agriculture, José Bonifácio Coutinho Nogueira. During the inauguration of several buildings of the New University City, the governor declared that he was concerned with the continuity of his administration and had already prepared a Plan of Action for use by his successor. The governor's statement was particularly noteworthy due to the fact that Coutinho Nogueira was at his side. Toward the end of this past week the governor was much more forthright. During the signing of regulations to implement the recently passed agricultural reform bill, the governor declared that Coutinho Nogueira "is a man of whom we can be proud for his vision, courage, and hispublic spirit. Thanks to his capacity as Secretary of Agriculture he has been able to give to our agriculturists better prospects than they have ever had before".

COMMENT: (Official Use Only) The governor is known to have favored Coutinho Nogueira for some time as his choice for the governorship in 1962.

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(Security Classification)

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732.00/4-1961

FOREIGN SERVICE DESPATCH

FROM : Amconsgen, São Paulo

389
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 19, 1961
DATE

REF :

4-20-61

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	RM/R-2 REP-1 INR-7 E-3 ICA-11 EUR-5 IO-4 VO-1
	REC'D 4-24-61	INFO OTHER CIA-10 USIA-10 LAB-6 OSD-5 NSA-4 ARMY-4 NAVY-4 AIR-6 Com-10

SUBJECT: São Pauly Weekly Summary No. 94, Week Ending April 15, 1961

Index

Political
1. Paulista Reaction to Soviet Man In Space
2. Janio vs Carvalho Pinto
3. Governor Carvalho Pinto's Successor
4. Captain Galvao's Visa
5. UDN National Presidency
6. Reaction to Janio's Economic Program
7. João Goulart and Local Party Alliances
8. Lethargy in State Assembly
9. USP Polytechnic Students Continue Strike

Labor
10. Minister of Labor Again Comments on Imposto Sindical
11. Left Wing Trade Unions Oppose Instruction 204

Psychological
12. The Inter-American Bank and Dillon
13. The Soviet Man in Space

Miscellaneous
14. List of Substantive Despatches

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
APR 25 1961

732.00/4-1961 HBS
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MAY 1 - 1961
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Political

1. Paulista Reaction to Soviet Man In Space (Official Use Only)

The paulista press this past week gave considerable coverage to the Soviet Union's feat of circumnavigation of the globe by a man in space. Local comment generally praised it as a notable achie[illegible]

Forty-five state deputies this past week, members of practically all political parties, signed a telegram which was sent to Nikita Khrushchev congratulating "the Soviet people for their magnificent conquest for humanity, through Soviet science, of sending the first man into space". The deputies stated that "they expect this remarkable act, which is universally applauded, will inaugurate

See last page/1ew

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-2- 1443, APRIL 19, 7 PM, FROM RIO DE JANEIRO

ACCORDING SOURCE CLOSE PRESIDENT HE RECEIVING IN RESPONSE REQUEST DETAILED INFORMATION FROM BRAZILIAN DIPLOMATIC MISSIONS (EMBASSY TELEGRAM 1425) REPORTS STRONG ANTI-US REACTION OTHER COUNTRIES.

CABOT

LM-21

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FROM: RIO DE JANEIRO

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TO: Secretary of State

NO: 1443, APRIL 19, 7 PM

ACTION: BT RSM

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RM/R FILES

REFERENCE: EMBASSY TELEGRAM 1431

RELATIVELY SMALL PRO-CASTRO ANTI-US PUBLIC DEMONSTRATIONS STAGED YESTERDAY IN VARIOUS BRAZILIAN STATE CAPITALS. APPARENTLY NO VIOLENCE EXCEPT POSSIBLY RECIFE WHERE ACCORDING ONE UNCONFIRMED PRESS REPORT CROWD STONED BUILDING WHERE AMERICAN CONSULATE HOUSED (PRESUMABLY SAFELY) ON HIGH FLOOR. COMMUNIST-EXTREME NATIONALIST INSTIGATION AND DIRECTION AGITATION EVIDENT. COMMUNIST-INFLUENCED STUDENT LABOR ELEMENTS PREDOMINANT IN MANIFESTATIONS.

YESTERDAY'S DEMONSTRATIONS RIO BEGAN WITH PUBLIC MEETING (ESTIMATED ATTENDANCE: 1,500 INCLUDING CURIOUS BYSTANDERS) NEAR STATE LEGISLATURE. PART THIS CROWD -- MOSTLY STUDENTS -- SUBSEQUENTLY HELD SECOND RALLY AT MUNICIPAL THEATRE AND STILL SMALLER REMNANT (200-250) MARCHED SOME FIVE MILES (UNDER POLICE ESCORT) TO CUBAN EMBASSY FOR FINAL DEMONSTRATION. POLICE BLOCKED DEMONSTRATORS ACCESS AMERICAN EMBASSY EN ROUTE.

COMMUNIST LEADER LUIZ CARLOS PRESTES ADDRESSED FIRST MEETING AND ATTENDED LATER RALLIES. COMMUNIST-LINKED NATIONALIST PARLIAMENTARY FRONT DEPUTIES AND OTHER LEFTIST POLITICIANS ALSO PARTICIPATED PROMINENTLY.

BRASILIA PRB LEADER CHAMBER DEPUTIES ALMINO AFONSO AND ADMINISTRATIONS VICE-LEADER JOSE SARNEY (UDN) DENOUNCED INVASION AND ALLEGED US COMPLICITY THEREIN.

ACCORDING SOURCE

732.00/4-1961 BW

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Control: 11156
Rec'd: April 18, 1961 [illegible] 56
12:50 p.m.

ACTION
INFO:
RM/R FILES

FROM: Sao Paulo

TO: Secretary of State

NO: 261, April 18, 11 a.m.

PRIORITY

SENT DEPARTMENT 261, REPEATED INFORMATION RIO DE JANEIRO 93.

Efforts organize protest meeting 6 p.m. last night re Cuba only moderately effective, some 500 (press reports more) gathering at downtown square. Reported plan for march through city at 11 p.m. apparently failed, for no sign of it noted up to midnight. Consulate General guarded by police at their initiative. All seems quiet.

COCHRAN

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0495

Though this makes "capitalism" an anathema, "Communism" is one also ("socialism" is not). Hence to the extent we become involved in discussions of "capitalism versus communism", we are discussing two objects which are both foreign to the interests of the target audience. This causes the audience to view "capitalistic countries" (i.e., the U.S.) and "communistic countries" (i.e. the U.S.S.R.) on the same plane. The final result is to induce the audience to try to find a third grouping for itself outside of the spheres of the two giants, and to feel there is nothing lost morally, economically or politically in trying to play one off against the other.

To try to reshape the local understanding of these words would be fruitless. Therefore, we must invent a new vocabulary of our own 2/ with which we can convince Brazilians of the congruence between our own goals (domestic and foreign), and theirs. For example, it might be more worthwhile to call our politico-economic system "Economic Democracy", rather than "Capitalism."

2/ A very popular device with the Soviets.

18

0494

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Page 1 of 2
Encl. No. 2
Desp. No. 50 (4/18/61)
From Curitiba

FW 732.00/4-1861

COMMENTS BY CONSULATE, CURITIBA, on DECLARATION ISSUED BY XIIth NATIONAL CONVENTION OF BRAZIL'S CHRISTIAN DEMOCRAT PARTY

Rec'd 5-9-61

Action ARA-4
RMR-2
INR-7
CIA-10
NSA-4
ARMY-4
NAVY-4
AIR-6

Party's Objectives

The charges of demagoguery seem reasonable, at least in part. The party's candidates will do their campaigning on the 17 points, and not on the "basic principles" of the declaration. The 17 points follow the lead of Brazil's "Nationalists" (Reds), and their "natural" derivation from the basic principles is tortuous. Jânio Quadros campaigned on a similar platform in 1961.

Attitude of Paraná PDC: Ney BRAGA

Braga is representative of the Paraná PDC's "forward thinkers." He is (a) strongly "anti-communist"; (b) pro-Western and friendly to the United States; (c) in favor of any business which brings economic or social advantage to Parana, and this includes acceptance of Iron Curtain missions, if necessary; (d) strongly in favor of drastic economic and social reforms, including most of the reforms listed in the 17 points; (e) a proponent of government regulation of private enterprise, and government planning to promote the common welfare.

PDC Declaration and U.S. Objectives

Though the 17 points depart from PDC statements of earlier years, and although some of them seem to attack some cherished American values, on the whole the platform is compatible with American interests. The desire for broader distribution of the national income, for general social reforms, and for a stronger U.N., have been American goals for many years. We gain much more by dealing sympathetically with groups intent on needed and moderate reforms (even if some of those measures disturb certain parts of our own body politic), than by rigidly obstructing those changes so that they are eventually introduced by persons violently opposed to us.

A Thought on Definitions

On reviewing this and other statements of recent years, it is apparent that a new economic vocabulary is growing in Brazil. For example, a "trust" is any private company operating in international trade and taking a disproportionate share of profits out of its foreign branches. "Capitalism" is conceived as a ruggedly individualistic politico-economic situation in which a few captains of industry make exhorbitant profits, squeeze the poor, exercise control over most of the economy, and are so powerful economically that they are able to impose their will politically in both domestic and international spheres. 1/

1/ These difinitions have nothing in common with [illegible] American understandings of the words, but they are generally accepted among student groups and journalistic opinion molders in Curitiba.

RRowell/jtb

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16 - Adopt decentralization as a process to make administration efficient and planning, coordinating and controlling with the purpose of scientific processes for the effective solution of this problem.

17 - Need for rural labor organization, regulation of the right to strike, and establishment of labor legislation for rural workers.

0492

8 - Combat against the indiscriminate remittance of funds, interest, and profits to foreign countries, remittances which excessively burden the national economy, regulating this matter by law, preferably in the form of a "Brazilian Code of Investments".

9 - Land reform which, in accordance with regional characteristics, eliminates unproductive "latifundios" (large landed estates) and "manifundios" 1/ by the just distribution of rural property, thereby making possible the organization of rural workers, safe from exploitation and oppression, in democratic communities of production and resulting - for the agricultural laborer - in stable economic and social conditions which provide for well-being and the increase of productivity.

1o -Reform of the income tax legislation, exempting from tax any income of less than five times the official minimum wage, charging tax without exemption on any income above this amount in a progressive scale and without limit, and charging considerable tax on extraordinary profits, save investments which require a lower tax.

11 - Fight for the approval of an "Anti-Trust" Law which grants ample facilities to the administration to combat and eliminate the origins of exploitation formed by the concentration of economic power and its interference in production and consumer markets.

12 - Promote the reform of the structure of an enterprise by providing the worker with participation in its profits, property, and management, whenever labor's part in the registered capital(through a fund for the application of capital) justifies it.

13 - Defend "Petrobras" as an instrument of Brazil's economic liberation, therefore considering it "untouchable".

14 - Entrust government with full powers to promote any task in favor of the social and economic well-being of the governed (primary and elementary technical education, medical and hospital assistance, fomenting of production, public security, urban and rural transporation, distribution of electric energy, water supply, urban sewage system, etc.), granting them a greater part of the public income.

15 - Reform of the electoral system, misused because of the interests of national and foreign economic groups, so that electoral campaigns do not depend on financial power, the state publicising the names of candidates on equal terms.

1/ We are uncertain what this word means, but believe it indicates large company operations which keep their labor bound to the land and the company through various devices, such as the permanent indebtedness of the worst of the "Company store" systems.

0491

Fraternity - It confirms the inspiration of all public life by the spirit of Fraternity, contrary to the egoistical indifference of bourgeois individualism and to class, race, nationalist, or religious hatred.

This Declaration of Doctrinary Principles is completed by the following norms which are intended to condition the choice of program and action of the Party in the politico-administrative, economic-financial, and human-social fields:

1) Conciliate, in the politico-administrative field, the principles of equality and liberty with the requirements of hierarchy and order.

2) Conciliate, in the economic-financial field, the application of free enterprise and the use of private property with the requirements of common social well-being and the right of equal opportunities which must be guaranteed to every Brasilian to achieve his individual well-being.

3) Harmonize, in the social-human field, the mutual rights and obligations of capital and labor within the postulates of contractual, distributive and social justice in order always to tie concessions to growing labor demands with new stimuli for higher labor productivity and, on the other hand, to respect the intrinsic dignity of the individual in his relations with society and the state.

The Christian Democrat Party, founded on the basic positions which are mentioned above, adopts as essential points for its immediate political actions:

1) - Nationalism, interpreted as an attitude which aims at the elimination of economic vulnerability and social oppression and which is a means of providing the country with the full exercise of its sovereignty and the maximum of benefits from its economic resources by which the social level of its population can be improved.

2) - The liberation of underdeveloped countries and the forming of a block of Latin American countries against the oppression of imperialisms.

3) - The necessity of unity among free peoples against colonialism which suffocates freedom.

4) - The principle of equality among sovereign states and, consequently, the suppression of the veto right granted to the United Nations' big powers.

5) - Disarmament of militarized nations as a means of alleviating world tension created by the cold war and establishing an atmosphere in which violence can be surpassed by justice.

6) - Trade and diplomatic relations with all peoples.

7) - The right of all nations to choose, democratically, the form of government which each one judges appropriate for itself.

0490

Encl. No. 1
Desp. No. 50
From AmConsulate, Curitiba

UNCLASSIFIED
(Classification)

TRANSLATION

The XIXth National Convention of the Christian Democrat Party (Partido Democrata Cristão - PDC), held in Curitiba on April 8 and 9, 1961, decided to approve the following Declaration of Principles: The Christian Democrat Party aims at working in favor of the installation in Brazil of true political, economic, and cultural democracy. To achieve this aim, it is prepared to promote action on a broad popular basis and calls for collaboration with its effort of all those who accept the ideological line of "Christian Democracy" established upon the following basic positions:

Third Force - Christian democracy is a third ideological position, differing from liberalism and from marxism. Contrary to Capitalism which denies justice and to Communism which destroys freedom, Christian Democracy fights for the establishment of a social order which brings justice into being without destroying freedom.

The Individual - (Christian Democracy) confirms the Personal Dignity of Man as the basic value of economic, social, and political order. It rebukes and combats any regime which reduces men to simple instruments of economic power or to masses guided by the state. Consequently, it proclaims the necessity of a continued effort to humanize all sectors of social life.

Common Wealth - It confirms that the reason for any political action is the common welfare and that the bringing about of this, under contemporary social conditions, needs Reforms of Structure of social institutions and not only the moralization of habits or simple measures of patronal assistance.

Pluralism - It confirms that such reforms of structure and the promotion of the common welfare cannot be obtained by state intervention but rather by Decentralization or Communitarian Pluralism which respects and fortifies intermediary social groups such as the family, the county, unions, enterprises, schools, cooperatives, and others which cannot be absorbed or eliminated by the centralizing power of the state.

Property For Everybody - It confirms the right to property of everybody, especially with regard to house, land, and means of production. It combats the concentration of property in the hands of a minority or the suppression of property by the state.

International Community - It confirms the necessity of organizing nations into an International Community which, inspired by the principles of solidarity, defends the basic rights of the human being, establishes judicial equality for states, recognizes the principle of self-determination, promotes development, and guarantees peace. It therefore refutes Imperialism, Colonialism, and any tendency which provokes disaccord and war.

Published in "O Estado do Paraná", April 11, 1961, page 3.
Translated by: HHEKock, American Consulate, Curitiba

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The PDC position has been attacked by both the left and right. An editorialist in a local far-left paper, O DIA, stated that the PDC's "Nationalist orientation" is merely a Johnney-come-lately attempt to climb on a band-wagon already put in motion by the genuine defenders of Brazil's independence and nationalism, the PTB and the PSB (and, implicitly, the PCB). The Christian Democrats are accused of unabashed demagoguery. OFFICIAL USE ONLY

The attack from the right concentrates on the inherent conflict between a Christian position and attempt to work with anti-Christian communist regimes ("relations with all peoples"). The rightists also criticize the PDC's adoption of the "comuno-nationalist" philosophy, which they define as crypto-Soviet subversion and not a genuine Brazilian nationalism. By implication this accuses the PDC of being either immoral or purely demagogic, or both. This criticism was carried in "O Estado de São Paulo", and reprinted in "Diário do Paraná".

Concerning these reactions it is interesting that the Curitiba papers which attacked the Declaration, are also papers which opposed Ney BRAGA in his campaign for governor last year. And the papers which have approved the Declaration (O Estado do Paraná, Tribuna do Paraná, Correio do Paraná) are those which supported Braga. OFFICIAL USE ONLY

The Consulate's comments on the PDC's Declaration and Program of Action are classified, and are transmitted separately as Enclosure n°. 2. OFFICIAL USE ONLY

Edward M. Rowell
American Consul

Encl #1 att to m.n.

Enclosure n° 1 - Declaration of XIXth National Convention of Christian Democrat Party.

Enclosure n°2 - Consulate's Comments (classified) - Transmitted separately.

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FOREIGN SERVICE DESPATCH

Dso
DESP. NO. 575

APR 18 1961
April 18, 1961
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FROM : Amconsul, CURITIBA

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

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	4-29-61	RM/R-2 INR-7 CIA-10 USIA-10 OSD-5 NSA-4 Army-4 Navy-4 AIR-6

SUBJECT: CHRISTIAN-DEMOCRAT PARTY (PDC) HOLDS NATIONAL CONVENTION IN CURITIBA APRIL 8 - 9, 1961

(1)

The Christian-Democrat Party (Partido Democrata Cristão - PDC) held its annual national convention this year in Curitiba on April 8 and 9. It took place here in honor of Ney BRAGA, national party vice president, who, as the only PDC-er in Brazil to be elected governor while a member of the party, is one of the party's outstanding successful politicians.

The most important product of the convention was the "Declaration of Curitiba". (Enclosure 1 is a complete translation). The Declaration has two parts, a statement of "principles", and a 17 point program of political objectives. The statement of principles seems to be fairly standard. The party supports individual and national liberty, both economic and political, opposes all tyrannies ("both Marxist and capitalist, of the right and the left"), exalts the rights of the individual, espouses private initiative in the economy (but also supports adequate governmental regulation), firmly sustains the right to private property, promotes international peace, disarmament and the U.N., and opposes imperialism and colonialism. UNCLASSIFIED

In launching a program of immediate political objectives from this sturdy and traditional platform, the conventioneers came up with a new and eccentric orbit for the PDC. Significant points: (a) "formation of a Latin American Bloc to fight imperialist oppressions"; (b) suppression of the veto right in the United Nations; (c) "combat against the indiscriminate remittance of funds, interests and profits to foreign countries"; (d) trade and diplomatic relations with all peoples; (e) organization of rural labor; and (f) participation of labor in the profits of industry. The program also states that the PDC is nationalist, that Petrobras is untouchable, and that land reform, tax reform and anti-trust legislation are immediate necessities. UNCLASSIFIED

732.00/4-1861 HBS

cc: Embassy, Rio de Janeiro

1961 MAY 25 11 50 AM

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 3 1961

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12:07 p.m. AM 10509

ACTION:
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RM/R FILES

Location file.
ARA:EST (R
Jw Wilson (Line)
4-19-61

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1431, April 18, 7 p.m.

PRIORITY

Press report nonviolent pro-Cuba demonstration Recife last night in streets and before American Consulate led by Francisco Juliao leader Pernambuco peasant's leagues. No demonstration yet reported elsewhere but press says Rio University students and maritime and port workers planning demonstrate 5 p.m. today front Guanabara state legislature, Committee Solidarity Cuba sponsoring demonstration 7 p.m. Cuban Embassy under leadership Josue de Castro and third pro-Castro meeting scheduled later at National Students Union (UNE). Some indication student intent demonstrate at American Embassy. UNE, Brazilian Union Secondary Students, their respective Guanabara branches, Central Directory Catholic University students and Sao Paulo State Students Union all have issued pro-Castro pronouncements according press.

Press reports Para state legislature voted nearly unanimously regret of invasion. Pro-Communist-Nationalist Federal deputies Jonas Bahienses; Jose Joffily, Sergio Magalhaes have denounced aggression in Congress and called on Brazilian Government support Castro. GGuanabara governor Carlos Lacerda only political voice thus far raised in praise of invasion.

Cuban Charge Helio Gerardo Armentaros in press interview yesterday distributed notes characterizing Saturday's bombardment Cuba and subsequent invasion as US aggression and reportedly said Cuba would accept Soviet aid in repelling invaders.

CABOT

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0486

W I T H D R A W A L N O T I C E

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FROM : Amcongen, São Paulo — 385 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — April 14, 1961 DATE

REF :

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	RMLR-2 REP-1 INR-7 E-3 ICA-11 SCS-2
	REC'D 4-24-61	INFO OTHER CIA-10 COM-10 LAB-6 USIA-10 ARA-4 OSD-5

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
SÃO PAULO, BRAZIL

DEPARTMENT OF STATE
INTER AMERICAN AFFAIRS
APR 25 1961

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated April 13, 1961.

William P. Cochran, Jr.
Minister Consul General

FILED
APR 28 4 58 PM '61

732.00/4-1461 HBS

Enclosure:
Santos Weekly Report
dated April 13, 1961

cc: Amembassy Rio

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0484

W I T H D R A W A L N O T I C E

RG: 059

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ENTRY: CDF60-63

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FOIA RETRIEVAL #: 949515 01575 00031

0483

Page No 4
Encl #1
Desp #311
São Paulo

'port expansion.

2. Vacationers Jam Santos (UNCLASSIFIED)

The Holy Week vacation saw Santos and São Vicente jammed with vacationers from São Paulo. São Vicente played host to President Jânio Quadros and São Paulo Governor Carvalho Pinto. At least 200,000 visitors were in the consular district over Easter.

Comment: (OFFICIAL USE ONLY)

Although São Vicente is Quadros' favorite holiday retreat, he refuses to do anything to alleviate the city's acute financial problems out of hostility to Mayor Roberto Andraus, whose stormy 15 months as chief magistrate of São Vicente has earned him a host of enemies and demands for his impeachment.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE - Negative.

VI PSYCHOLOGICAL

1. USIS Films Still Reaching Large Santos Audience (UNCLASSIFIED)

During the month of March the Santos municipal government, using two film projectors loaned by USIS/São Paulo and films from USIS/Santos, made 100 film exhibitions before 23,396 Santos school-children and adults, thus continuing the Consulate's broad coverage of a greatly expanded local audience.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1955-403476

0482

CAPT Torres emphasized in his speech that he would exert himself to improve the congestion in the port and the piling up of imported goods in the warehouses of the Santos Dock Company.

II LABOR

1. Out-of-Town Stevedores Forbidden to Work in Santos (UNCLASSIFIED)

At a meeting of the Santos Stevedores Union on April 2 the local union voted to reverse its decision reached April 24, 1960, which allowed 2 to 4 out-of-town stevedores to be included in each stevedore gang working in this port.

The decision last year was made in order to assist unemployed stevedores from other Brazilian ports. So angry at the reversal, on the grounds that it struck at union solidarity, was Santos Stevedore Union President Laerte Carneiro da Silva that he at once announced his resignation as Santos delegate to the National Stevedore Federation, which he confirmed the next day in a letter to Federation President Oswaldo Pacheco da Silva.

Comment: (OFFICIAL USE ONLY)

More and more out-of-town stevedores have flocked to Santos since last April, swelling the ranks of the so-called bagrinhos (spare stevedores) who have been eager for work on any ship, to the displeasure of the regular members of the Santos union who have been aggravating the recent congestion of the port by preferring to work only ships with cargo whose handling is more lucrative to themselves. The union's restriction of employment of outsiders is thus aimed at eliminating competition with the union and strengthening it in its contracting negotiations with the freight carriers.

III ECONOMIC

1. Congestion of the Port of Santos Continues (UNCLASSIFIED)

The severe congestion of the port of Santos has improved somewhat during the past week. On April 7 some 18 vessels were anchored in the Santos roads outside the estuary awaiting berthing space alongside, and 11 ships were anchored within the estuary proper.

Comment: (OFFICIAL USE ONLY)

The reporting officer has heard increasing criticism from shipping companies of the management of port operations during the current crisis by the Santos Dock Company. More than one shipping executive has suggested that the Dock Company has not been making the most efficient use of its facilities in order to aggravate the situation and force the federal government to approve its plans for port

☆ U. S. GOVERNMENT PRINTING OFFICE: 1958-402476

0481

Comment: (OFFICIAL USE ONLY)

La Scala's death, now apparently but a metter of time, would be a severe check to the ambitions of the local PSP organization, which counted on running Santos for the next four years. Although José Gomes (PTB) is the Vice Mayor-Elect, he has never taken office and hence is probably ineligible automatically to succeed La Scala. It seems, if La Scala succumbs, as if writs will have to be issued for a new election to be held in about two months time. The reporting officer would assume in that event that Gomes will be the PSP mayoralty nominee, facing tough opposition from the local janistas. The reporting officer has heard rumors that Janio Quadros would like to see Mario Covas, Jr., La Scala's runner-up in the recent contest, as the janista "unity" candidate, with Athié Coury bowing out, perhaps with some sort of solatium from the Quadros government. Some observers claim, however, that Covas would not run out of respect for La Scala.

If the janistas here can decide upon a strong "unity" candidate they should be able to elect a successor to the ill-fated La Scala and thus unexpectedly wrest control of the city away from the PSP.

Be this as it may, the fact remains that at the moment the local political picture is confused and will begin to crystallize only when La Scala's fate is decided.

2. Communist Re-elected President of the Santos Students Center (UNCLASSIFIED)

On April 3 Oswaldo Leituga was unanimously re-elected President of the Santos Students Center for the period 1961-1963. Ilssa João Indes was elected Vice President.

Comment: (OFFICIAL USE ONLY)

The Students Center claims to represent all the students in the city. Nonetheless, only 26 were on hand for the election and Leituga, a communist, was the only candidate. The election bore all the earmarks of a typical communist-run farce: last-minute announcement of time and place, minimum participation and disciplined voting by a small communist bloc (in this case virtually the entire attendance).

3. New Captain of the Port (UNCLASSIFIED)

On April 7 CAPT Aureo Dantas Torres assumed charge as Captain of the Ports of the State of São Paulo and Maritime Labor Delegate in Santos, in the presence of a throng of well-wishers, including the reporting officer.

Comment: (UNCLASSIFIED)

CAPT Torres/

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0480

FORM SG-662
9-1-59

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Page No 1
Encl # 1
Desp # 371
Sao Paulo

OPERATIONS MEMORANDUM

ara

TO: American Consulate General Sao Paulo Date: April 7, 1961

FROM: American Consulate SANTOS, Brazil VPR

SUBJECT: Weekly Comment on Events in Santos

REF:

THIS DOCUMENT MUST BE RETURNED

I POLITICAL

1. Mayor-Elect of Santos Gravely Injured (UNCLASSIFIED)

Fate has intervened to upset the delicate political balances in this city.

About 1 p.m. on April 4 Mayor-elect Luiz La Scala, Jr. of the PSP suffered a brain concussion when the taxibab in which he was riding was struck by a Volkswagen sedan. Taken unconscious to the Santos Santa Casa Hospital, La Scala was operated on by Dr. Gilles Henry Duchene, a neurosurgeon.

Meantime Athié Jorge Coury, the defeated janista rival of La Scala in the March 26 election, telephoned São Paulo Governor Carvalho Pinto, who immediately despatched State Health Secretary Fauze Carlos and Dr. Matos Pimenta, an eminent surgeon, to La Scala's aid. Dr. Pimenta arrived too late to assist in the operation and returned to São Paulo, but only after several more doctors were called in on the case. Santos Mayor Silvio Fernandes also rushed back from São Paulo to be at his protege's bedside. By late afternoon a large crowd of friends, including virtually every politician in Santos had gathered at the hospital.

La Scala seemed to take the operation as well as could be expected but by nightfall his condition took a turn for the worse and he had to be placed in an iron lung. On April 5 his condition did not improve, and in the afternoon Dr. Luiz Decurt Menezes, a heart specialist, arrived from São Paulo. That night La Scala seemed to rally a bit, and Governor and Mrs. Carvalho Pinto were in Santos to pay their respects to La Scala's family. President Quadros was also in touch with La Scala's father to express his concern and to offer whatever assistance he could. On April 6 the condition of the unfortunate Mayor-elect remained extremely grave and early in the morning of April 7 the six doctors attending him issued a bulletin stating that he continued in a deep coma from his skull injury and "in spite of all the measures taken, the prognosis is unfavorable, with the chances for the patient's survival almost nil." When the reporting officer spoke with La Scala's father at the hospital at 10:30 a. m. on April 7, he appeared to have dispaired of his son's life.

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CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
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SÃO PAULO, BRAZIL

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FOREIGN SERVICE DESPATCH

FROM : Amconsul, São Paulo

371
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 10, 1961
DATE

REF :

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E.S.T./I.S.J. W. Wilson
4-17-61

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		OTHER CIA-10 USIA-10 NSA-4 OSD/S DEPARTMENT OF ARMY DEPARTMENT OF NAVY AIR-6

SUBJECT: Santos Weekly Report

DEPARTMENT OF STATE
OFFICE OF
INTER - AMERICAN AFFAIRS
APR 19 1961

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated April 7, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/4-1061 H3S

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Enclosure:
Santos Weekly Report
dated April 7, 1961

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Drafted by: ARA:EST/B:RGranahms 4/10/61

Telegraphic transmission and classification approved by: EST - Mr. A. W. Hemba

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 1351, April 7, 7 p.m.

File location
BRA:EAT/A
JM Carlson 4-12-61

President Quadros attempting allay mounting popular discontent over rising prices following recent exchange reform and contain exploitation thereof by leftist, nationalist and other opposition elements, on April 4 spoke nearly 2 hours over nationwide radio television hookup. Text his speech being pouched today and translation, with comment, will follow.

RMR

Core of President's speech was (1) defense of exchange reform measure, instruction 240, as necessary to Brazil's recuperation; (2) attack on past administration's policies and on profiteers as responsible for current rising prices; (3) announcement of new government economic measures designed increase production and curb inflation (a decree establishing "fair" minimum prices for certain agricultural commodities (EMBTEL 1324) and an "anti-trust" bill to halt abuse of economic power). President also promised submit bills on "extraordinary profits", profits remittances abroad, income taxes, banking reform. He reminded people he had promised them difficult times initially and asked them patriotically accept continued sacrifices for one year.

732.00/4-761 BW

Politically speech particularly noteworthy for statements indicating charismatic pretensions (e. g. he would pursue his course indifferent to either public disapproval or applause "because I am with the truth") and for emotional delivery reminiscent of Hitler. These features of speech, which contrasted sharply with reiterated expressions of dedication to democratic regime, are widely remarked in both leftist and moderate-conservative papers (including various pro-Quadros organs).

Indications are that speech has not helped Quadros among conservative sectors and has stimulated rather than deterred leftist-nationalist opposition to him which since issuance instruction 240 has been gaining force.

CABOT

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NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

0476

incentive, the instigation of Moscow and Peking... However, no matter how clear these things are, most Western nations refused to see them and, narcotized by an insidious propaganda, they fell into the trap, they accepted as authentic a tragicomedy staged in Northern Angola by aliens and designed to compromise Portugal at the 'psychological moment' when the Afro-Asian petition was presented to the General Assembly."

Miscellaneous

9. List of Substantive Despatches

357 The Santa Maria Incident
358 Information on Foreign Firms Receiving Continuing or Revolving Credit from Export Import Bank
359 Local Political Reaction to Exchange Reform
360 Trade Contact Survey on Behalf Metal Craft Products
361 Prestes Maia's Smashing Victory
362 São Paulo Quarterly Review, 1st Quarter 1961
363 São Paulo Weekly Summary No. 92

William P. Cochran, Jr.
Minister Consul General

Contributors:

Pyle, Mason/Faria, Burton

Distribution:

INS/RAR, Embassy Rio 3, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife, Salvador, Santos

0475

Cuba." Diario de S. Paulo's Gilberto Rosa expounded similar views: "The Revolutionary Council set up in the United States will not make any substantial contribution to the counter-revolution cause; in addition to that, it will give Fidel Castro a chance to yell against the unbearable North American intervention in Cuba, and give Khrushchev a no less tempting chance to make 'warnings' in the name of peace." In an unsigned editorial, the same newspaper stated that "as the facts were clearly showing, the process of disintegration of the Cuban dictatorship is progressing rapidly", giving as a "sure evidence" Pardo Llada's escape. "Without the slightest doubt, facts are showing", Diario went on, "that the chances for the realization of Fidel Castro's dream of becoming a Latin American revolutionary leader have disappeared completely." According to O Estado de S. Paulo, Chancellor Gromyko's willingness to accept Indonesia's suggestion that the United States-Cuba question be taken to the United Nations "also gives the impression that the Soviet Union is preparing to abandon Castro." The newspaper added: "It is no more a matter of supporting Fidel against the United States, but now also a question of supporting him against the Cuban people."

8. Angola (Unclassified)

Labeling the United States as the "great enemy of dictatorial regimes", traditionally anti-Salazar O Estado de S. Paulo was highly "pleased with the resumption by American foreign policy of its tradition of intransigent defense of man's fundamental rights." In a later editorial, the same paper condemned Brazil's decision not to vote in the Angolan case at the United Nations, "which is entirely contrary to President Janio Quadros' recent statements and casts doubt over all the new policy adopted by Itamarati (Ministry of Foreign Affairs) on African affairs." After pondering that "we could never identify Portugal with the dictatorship that is oppressing it and leading it -- without the people's consent -- to a suicidal action in Africa" O Estado concluded: "It is precisely because of friendship to Portugal that, at the United Nations, we should not fail to stay beside the United States and the overwhelming majority of member nations." Leftist Ultima Hora's Dorian Jorge Freire expressed an identical opinion: "By abstaining from voting at the U.N. on the Angolan problem, Brazil took the most regrettable action of recent times. Janio no longer has the right to speak about independence, dignity of international affairs and emancipation of the peoples." (O Estado and Ultima Hora very seldom agree on an international issue.) Writing for conservative, Catholic-minded Correio Paulistano, political commentator Meira Mattos, however, displayed completely different views on the matter: "Only the naïve cannot see that the events which are stirring Angola...are not the result of Angolan demands, but of the ambition of those greedy Negro leaders. Only the innocent cannot see behind these maneuvers the stimulation, the

0474

6. Mayor Adhemar's Last Minute Manipulations (Official Use Only)

Mayor Adhemar de Barros this past week signed the recently passed city ordinance which grants substantial salary increases to those city employees who are university graduates. It will be recalled that the proposed ordinance caused considerable acrimonious debate in the city council's chamber, that 25 million cruzeiros were reportedly collected to insure passage of the proposal (see São Paulo despatch 356, March 28, 1961). Mayor Adhemar during this past week also promoted a number of city employees.

The president of the municipal chamber, Manuel Figueiredo Ferraz, the mayor's son-in-law, was accused of bad faith by other city councilmen for his failure to hold the proposed ordinance pending the report of a special commission of inquiry, which had been appointed by the city council, to investigate the alleged irregularities. City councilman Prestes Franco (PTN) averred that Ferraz had stated that he would veto the proposal if he were acting mayor; that Ferraz waited until after the mayoralty election before sending the proposed ordinance to the mayor in order not to prejudice the candidacy of Cantidio Sampaio.

COMMENT: Mayor-elect Prestes Maia declared, before his departure for the interior of the state (see Item 2) that he would respect appointments and promotions of city employees except those made irregularly.

Psychological

7. The Cuban Question (Unclassified)

Despite the lull of Holy Week holidays, significant local editorials appeared on the Cuban question. "We are sure that all the democratic peoples of this continent will give full moral support to the movement expected to burst out soon in Cuba, aiming at the substitution of Fidel's regime, which betrayed the ideals of its own revolution, for another one more authentically revolutionary", leading O Estado de S. Paulo asserted. However, the newspaper said it was against the "publicity given by the Cuban exiles to the establishment of a Revolutionary Council, whose headquarters are apparently in the United States", and added: "Honestly, one cannot accept the establishment within the United States of a Revolutionary Council which before actually starting to fight behaves like a government and noisily announces a program whose implementation will depend on the success of that fight. The attitude of the group headed by Varona is seriously harmful to the United States, causes friction between the United States and the democratic public opinion of this continent, and above all hands ammunition to Fidel Castro, who certainly will find in this one more 'evidence' that the American Government, by continuing to stimulate intervention plans, is working out a new 'invasion' of

0473

The PSB in São Paulo took action this past week to expel the party faction that supported the mayoralty candidacy of Emilio Carlos.

COMMENT: (Confidential) The PSB dissidents who supported Emilio's candidacy may join the Ação Socialista (Socialist Action) faction, which was created by the sizeable PSB group that broke away to support Janio Quadros for president last year. A PSB-PTB fusion must seem a welcome restorative to the PSB of São Paulo which has been considerably weakened in recent years by internal conflict.

5. Elections in the Interior (Official Use Only)

Although returns on the March 26 elections for local offices in 50 interior municipios of the state (a division of local government corresponding roughly to a county) are still unofficial, scattered and fragmentary, it appears that the more conservative UDN and other pro-administration parties have fared unusually well. The electors in the 50 municipios (exclusive of São Paulo and Santos, where elections were also held on March 26) were generally voting for mayor, vice-mayor, and councilmen. However, in some cities only a mayor and vice-mayor were chosen.

Preliminary reports on the March 26 elections indicate that a UDN candidate emerged victorious in six mayoralty elections and the PDC in seven. A mayoralty candidate supported by both the UDN and the PDC was successful in three other municipios. The UDN and the PDC were successful in winning six contests each for vice-mayor; in three other contests the candidate for vice-mayor supported by both parties was elected. In eleven cases the UDN elected more members to city council than any of the other parties; in seven instances the newly elected UDN councilmen constituted a majority of the councilmen chosen. The PDC's record was also noteworthy; in eight municipios it elected more members to the city council than the other parties; in four cases the PDC councilmen constituted a majority of those elected. In a number of other municipios the successful mayoralty candidate had the support of the UDN and PDC, along with other pro-administration parties. The absentee rate apparently varied from 4 to 32% and averaged about 17% (about the same as São Paulo, see Item 1).

COMMENT: The elections which took place on March 5 in the 16 interior municipios followed much the same pattern, except that the PTN emerged in second place. The PDC elected a total of three mayors, three vice-mayors and 41 city councilmen; the PTN elected two mayors, one vice-mayor, and 28 city councilmen. The absentee rate differed little from that in the other local elections in March, being 16.2%.

0472

It may have also been due to his reported extreme irritation at Emilio Carlos' defeat (Abreu Sodré was one of Emilio's principal supporters). Janio Quadros undoubtedly knew in advance of the extremely accurate pro-election poll by the Instituto Brasileiro de Opinião Publico e Estatistica (IBOPE) which was published on the day of the election. The poll indicated that Prestes Maia would receive 46.5% of the votes (as against 45% actually polled), Emilio Carlos 22.5% (he received 27.4%), Cantidio Sampaio 20% (correctly estimated), and Farabulini Junior 2.8% (he obtained 3.1%).

3. State Assembly Committees (Official Use Only)

The São Paulo State Legislative Assembly has been discussing the chairmanships of the various legislative committees ever since the present session of the Assembly started on March 14. The deadline for forming the committees was March 30.

COMMENT: It is expected that party representation on the various committees will remain unchanged, although individuals may be substituted for other members of the same party. It is also expected that the two key committees, Justice and the Finance Committees, will be retained by the UDN and PDC respectively. The Legislative Assembly appears to be following the same pattern used in its recent election of Assembly officers when the president of the Assembly, Abreu Sodré, and three other incumbents were reelected. All of the parties retained the same position in the election of assembly officers which they had held during the previous year with one exception (see São Paulo despatch 347, March 21, 1961).

4. PSB-PTB Fusion (Official Use Only)

Former São Paulo state deputy Wilson Rahal, a leader of the extreme nationalist forces in the local PSB, expressed his support this past week for the amalgamation of the PSB and PTB. Rahal said negotiations nationally to that end are proceeding apace; that he expects the merger to be effected shortly; that the parties need to combine in order to give greater clarity to democratic processes in the country. Also, São Paulo PSB leaders, in a statement this past week hailing the victory of Prestes Maia, called attention to the heavy vote given to Freitas Nobre, the successful PSB candidate for vice-mayor, and Rio Branco Paranhos, the PTB runner-up (see Item 1). Local PSB leaders stated that the results of the contest for vice-mayor indicate that "the people did not let themselves be influenced by propaganda, but by men proven in public conflict".

0471

The absentee rate, considerably higher than in the presidential election of last October 3, was about 17%.

Freitas Nobre (PSB) emerged the winner in the race for vice-mayor receiving 222,592 votes against 171,611 for the runner-up, Communist PTB candidate, Rio Branco Paranhos. Popular indifference to the race for vice-mayor, as this post has mentioned previously, was reflected in the fact that 170,227 votes were cast in blank; 53,637 others were voided by electoral authorities. Freitas Nobre received less than 25% of the votes cast for the capital city's number two position.

COMMENT: The election results in São Paulo reflect the discontent of the populace who have had eight years of unhappy experience with politicos. The electorate therefore turned to an "administrator and not a politician." The candidacy of Emilio Carlos, because of his janismo identification also suffered severely from sharp price increases in basic commodities during the week preceding the election as a result of SUMOC instruction 204 (see despatch 356). Prestes Maia stated that he hoped that "the decision of the paulistano people in taking their destiny into their own hands will be an example to the rest of the country." Insofar as his city cabinet is concerned, Prestes Maia stated that he is going to pick two technicians for the two most important positions, that of Education and Public Works. He added that a member of each of the parties supporting him (i.e., PTB, the UDN, and the PDC), would be appointed to other cabinet positions.

2. Janio Meditates in Mato Grosso (Official Use Only)

It was a quiet week in São Paulo. Governor Carvalho Pinto went to a nearby beach resort; the state Legislative Assembly did not meet during Holy Week and mayor-elect Prestes Maia rested in the interior of the state. Janio Quadros, in São Paulo to vote on March 76, was expected to spend some time this past week with Abreu Sodré, president of the São Paulo state Legislative Assembly. The president, however, abruptly left São Paulo for a fazenda (plantation) in the Mato Grosso everglades. Reportedly, he was accompanied by brigadier Faria Lima, the former São Paulo state Secretary of Public Works, who is now head of the federal National Bank of Economic Development.

COMMENT: (Confidential) It is known in São Paulo that Abreu Sodré expected to see Janio on Saturday, March 25, when Janio arrived in the capital city. Janio was expected to spend a part of the week at Sodré's summer place in Santos. Janio's change in plans may have been due to his usual unpredictability.

0470

AIR POUCH
PRIORITY

CONFIDENTIAL
(Security Classification)

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ho auth 8/7/15 RW Tuleton by dpn 4-13-67

FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 363 DESP. — April 5, 1961 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

APR 6 - 1961

P-3

For Dept. Use Only	ACTION	INFO	DEPT. / OTHER
25	Ara-4		Rep-1 RmR-2 INR-7 E-7 ICA-1 190-4
	REC'D 4-10		CIA-10 Lab-6 Com-6 Army-4 Navy-4 NSA-4 USIA-10

SUBJECT: São Paulo Weekly Summary No. 92, Week Ending April 1, 1961

Index

Political

1. Prestes Maia Elected Mayor
2. Janio Meditates in Mato Grosso
3. State Assembly Committees
4. PSB-PTB Fusion
5. Elections in the Interior
6. Mayor Adhemar's Last Minute Manipulations

Psychological

7. The Cuban Question
8. Angola

Miscellaneous

9. List of Substantive Despatches

Political

1. Prestes Maia Elected Mayor (Official Use Only)

Prestes Maia's overwhelming victory at the polls was the outstanding event of the past week -- one that was otherwise relatively quiet with thousands of paulistanos journeying to the nearby beaches, or to the interior of the state to take advantage of the two day holiday on March 30 and 31. Prestes Maia received 462,635 votes for mayor, or 45% of the total votes cast (in fact, the three other mayoralty candidates combined only received 4,668 more than the winner); Emilio Carlos received 230,110, or 22.4%; Cantidio Sampaio 205,674, or 20%, and Farabulini Junior 31,519, or 3.1%. Rui Novais, the PSB mayoralty nominee, who withdrew during the week before the election (see São Paulo despatch 356, March 28, 1961) received 3,225; 32,577 votes were cast in blank and 61,602 were declared void. A total of 1,027,342 electors exercised their right of franchise.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
APR 11 1961

732.00/4-561 MBS CLASSIFIED FILE

See last page/lfw
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NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

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0469

Encls. P4 São Paulo D364

$2,000 per day for freighters) whose vessels are held in Santos awaiting berthing space. On March 24 the Centro voted down a proposal that a surcharge be placed on exports from Santos as well.

If the port congestion eases before May 15, the surcharge probably will not be placed into effect.

2. Huge Receipts Collected by Santos Customs (UNCLASSIFIED)

On March 29 the Santos customs collected Cr$567.679.791,60, the largest amount ever recorded in one day.

Comment: (UNCLASSIFIED)

This sum was reached beaause brokers rushed to pay duties at the rate of Cr$222,51 to the dollar before increases go into effect next month.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE

1. Consulate's Damaged Vehicle Repaired (UNCLASSIFIED)

The Consulate has had the windshield of its official Chevrolet sedan repaired in São Paulo, and the vehicle is now operative. (See Weekly Comment of March 24.)

VI PSYCHOLOGICAL

1. Local Press Reaction to Santos Mayoralty Elections (UNCLASSIFIED)

A Tribuna, which strongly backed Mario Covas, Jr. in this week's mayoralty election, has expressed dignified and resigned disappointment at his defeat, while the left-leaning O Diario, which backed conservative Athié Coury, another janista, has declared editorially, but inconsistently, that "all four candidates obtained votes from supporters of Quadros, which confirms our thesis that janismo is a myth and does not exist as a current of popular opinion precisely from its lack of genuineness."

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-493478

0468

P 2
Encls. to São Paulo
D 364

political unknown, will henceforth be a power to be reckoned with in Santos on the strength of his good showing. The election virtually finishes the political career of Antônio Feliciano who, however, continues as Federal Deputy from Santos, while Coury remains a State Deputy in the São Paulo State Legislature.

The Consulate understands that Mayor Fernandes Lôpes will go to Europe on vacation after La Scala takes office next month.

II LABOR

1. Santos Union Leader to Visit Russia (OFFICIAL USE ONLY)

The reporting officer has learned that Serafim Mendes, non-communist President of the Santos Tallyclerks Union, on March 25 in Rio de Janeiro was invited to visit Russia, reportedly as the guest of the Soviet Union. Mendes will be accompanied by at least three other union leaders, reportedly from Rio de Janeiro.

Comment: (OFFICIAL USE ONLY)

The Consulate's informant has promised further details shortly of Mendes' visit.

2. Santos Delegate to Construction Workers Federation (UNCLASSIFIED)

Henrique Mathias, President of the 1,500-member local Construction Workers Union, has been elected First Secretary of the Federation of Construction Workers of the State of São Paulo, running on a unity slate.

Comment: (OFFICIAL USE ONLY)

Mathias has been reliably identified to the reporting officer as a communist.

III ECONOMIC

1. Congestion of Port of Santos Continues (UNCLASSIFIED)

The severe congestion of the port of Santos still continues. On March 30 there were 24 vessels anchored in the Santos roads outside the estuary awaiting berthing space alongside, and 14 ships anchored within the estuary proper.

Comment: (OFFICIAL USE ONLY)

On March 15 the Santos Centro de Navegação agreed to impose a 25% surcharge, effective May 15, on all imports into Santos so as to help counterbalance the losses incurred by shipping lines (about

/$2,000

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0467

FORM DS-662
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Enclosure to D 364 São Paulo 13 P-1

OFFICIAL USE ONLY

OPERATIONS MEMORANDUM

TO: American Consulate General, São Paulo Date: March 30, 1961

FROM: American Consulate SANTOS, Brazil VPR

SUBJECT: Weekly Comment on Events in Santos

REF:

THE UNITED STATES OF AMERICA
SÃO PAULO, BRAZIL

I POLITICAL

1. Santos Mayoralty Results (UNCLASSIFIED)

On March 26, with 77,889 ballots cast out of a possible 91,227, Luiz La Scala, Jr. (PSP, PTB and PL) was elected Mayor of Santos with 28,286 votes, and his running mate José Gomes (PTB) was elected Vice Mayor with 33,369 votes. Both candidates received communist support.

The runners-up for Mayor were Mario Covas, Jr. (UDN, PST, PTN and PR) with 22,369 votes, Athié Jorge Coury (PDC, PRP, PRT and Ação Socialista) with 18,259 votes, and Antônio Feliciano (PSD) with 5,803. Also-rans for Vice Mayor were Nelson Noschese (PR) with 17,262 votes, Jayme Peres (PDC) with 12,537 and Newton Aragão (independent) with 5,666. Some 3,172 blank or invalid votes were cast for Mayor, and 8,543 such votes were recorded for Vice Mayor. Abstentions - 13,338 - were high.

Abel Tenorio de Oliveira was elected Mayor of nearby Cubatao by 2,936 votes over Luis de Camargo da Fonseca (2,420 votes) and Clovis Campos (269).

Comment: (OFFICIAL USE ONLY)

The results of the hard-fought campaign, which were correctly forecast by the reporting officer (see Weekly Comment of March 24 and 17) were a personal triumph for incumbent Mayor Silvio Fernandes Lopes, Santos PSP leader and mastermind of the La Scala-Gomes campaign, who will now be able to perpetuate his influence at the City Hall. The election was , in a sense, a defeat for the janistas in Santos, who were split between two candidates, Covas and Coury. But had one or the other been able to run as a "unity" candidate, there is little doubt that the janistas would have beaten La Scala, since their combined vote was over 40,000, much higher than La Scala's 28,286.

La Scala in 1945 was associated with Prestes Maia in São Paulo, and is considered pro-American.

The election signifies the continued local dominance of the PSP, but the 30-year-old Mario Covas, Jr., five months ago a

/political

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 364 DESP. NO. — April 5, 1961 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : SD-1 S4-2 P-3 U/AP-1

For Dept. Use Only	ACTION	DEPT.
25	Ara-4	Ref-1 RMR-2 INR-7 E-7 TM-1 U/O-1
	REC'D 4-10	INFO OTHER: Ara-10 Lab-6 USIA-10 NSC-2 NSA-4
		Com-10 FBI-1 Army-4 Navy-3

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated March 30, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/4-561

DEPARTMENT OF STATE
OFFICE OF
INTERNATIONAL AFFAIRS
APR 11 1961

Enclosure:

Santos Weekly Report
dated March 30, 1961.

cc: Amembassy, Rio

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COMMENT: Braga's anti-communistic speech was all the more striking since he knew the Polish Consul was standing right in front of him. Though I could not see the Pole because I was beside him, Vice Consul Scanlan says he turned a very light egg shell color (possibly with thoughts of the Polish NKVD in mind), while our Portuguese colleague commented that the Pole's distinctive goatee nearly fell off.

OFFICIAL USE ONLY

Edward M. Rowell
American Consul

0464

MISCELLANEOUS

13. French Senator Visits Paraná Regarding Resettlement of Algerian Colons

Invited by the new Paraná government at the urging of UDN Chairman Newton CARNEIRO, French Senator Henri LONGCHAMBON visited Curitiba and Dutch and German settlements at Castrolanda and Entre Rios to study the possibilities of resettling displaced Algerian colons in Paraná. The colons would be experienced mainly in fruit culture and irrigation. SOURCES: Local press, personal conversations. UNCLASSIFIED

COMMENTS: The Paraná government is anxious to attract technically qualified immigrants. Paraná's outstandingly successful dairy and wheat communities were formed by Dutch and German immigrant groups, respectively. ... Reportedly, Senator Longchambon was not too enthusiastic about resettlement in Paraná, perhaps because he still hopes against hope for a solution permitting the colons to remain in Algeria. OFFICIAL USE ONLY

14. Czech and Polish Consular Activities

Paraná and Santa Catarina state governments have been informed that an exquatur was granted to Jiri KRATKY to be Czech Consul in São Paulo, with jurisdiction to include Paraná and Santa Catarina. Reportedly KRATKY will come to Paraná with the Czech Ambassador in April or May to discuss commercial business. ... The Polish Consul in Curitiba, Piotr GLOWACKI, called on the new governor of Santa Catarina, Celso RAMOS, on February 24. Among items discussed was an official Polish invitation to Governor Ramos to visit Poland. SOURCES: Local press. UNCLASSIFIED

COMMENT: Governor RAMOS has tentatively accepted a U.S. invitation to go to the United States in May or June. A regerse in the Santa Catarina Legislative Assembly elections (See Item 3, above) would cause the governor to cancel the trip. OFFICIAL USE ONLY

15. Consular Corps Protocol Call on Paraná Governor Evokes Anti-Communist Blast

In early March the Curitiba Consular Corps finally made its joint protocol visit to Governor BRAGA to congratulate him on taking office. In responding to the congratulatory speech by the Consular Society's President, Braga emphisized two subjects: his own innate anti-communism, and his determination to help destroy communism, including by means of economic and social improvements in Paraná; and his friendship for all western countries, and especially the United States. In the latter context Braga publicly acknowledged and expressed thanks for an invitation from Ambassador Cabot to visit the United States, and indicated that he was declining only because of very grave administrative problems in Paraná. Braga also requested the consuls present to avoid, if possible, any formal ambassadorial visits to Paraná until after July1. SOURCES: Personal observations UNCLASSIFIED

0463

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(Classification)

CULTURAL EVENTS

10. Miscellaneous U.S. Press and Cultural Activities

The following activities received full, special, and favorable coverage during the month: A USIS sponsored press interview by Joseph BLACK, a young American architect touring Latin America by rail and bus en route to a two year contract in Brasília; the lecture tour of Professor Roy Allan ANDERSON, noted Seventh Day Adventist who has been visiting São Paulo; the award by Voice of American of a Zenith Transoceanic Transistor Radio to Brasilian Army Captain Doralvo MIWARD, a resident of Curitiba; the initiation of a Brazil-U.S. "Pen Pal Club" by the Curitiba binational center; the quarterly convocation of the USOM-Brazil Education Division in Curitiba, and assignment of a new technician to Curitiba; a farewell ceremony by the University of Parana orchestra in honor of departing USOM Communications Media Advisor Ernst SCHLOMANN whose wife has been a beloved orchestra member for the past two years; the protest of a Curitiba Rotary Club over Schlomann's departure and the fact that no replacement would be sent, together with an address to the Rotary by the Consul describing Point IV in Brazil and especially in Paraná; the establishment of a USOM Audio-Visual Center in Florianópolis, Santa Catarina; and the anticipated arrival of 5600 tons of PL-480 wheat in Parana ports (Paraná has been suffering a wheat shortage). SOURCES: Local press. UNCLASSIFIED

MILITARY AFFAIRS

11. Transfer of Admiral Commanding Fifth Naval District

Rear Admiral Augusto Hamann Rademaker GRUNEWALD has been transferred out of the obscurity of the Command of the Fifth Naval District (Paraná, Santa Catarina, Rio Grande do Sul) headquartered in Florianópolis, to be Comander in Chief of the Fleet. No replacement has been named. SOURCES: Local press, personal observations. UNCLASSIFIED

COMMENT: Admiral Grunewald was well known as a "Janista" prior to last October's election. OFFICIAL USE ONLY

12. New Curitiba Air Base Commander

The former commander of the Brazilian Air Force's Curitiba Ground and Specialist Officers School, Air Brigadier Lauro Oriano MENESCAL, has been re-assigned to Rio de Janeiro without being given a new job. From October 1960 to February 1961 Menescal was acting commander of the Second Air Zone headquartered in São Paulo. He has been replaced in Curitiba by Air Brigadier Anysio BOTELHO, who, we understand, was formerly in charge of civil air traffic in Rio de Janeiro. SOURCES: Personal conversations. UNCLASSIFIED

COMMENT: Several private sources have stated that Brigadier Botelho was an ardent Lott supporter, and that he is being "placed on ice" in Curitiba for the time being. OFFICIAL USEONLY

OFFICIAL USE ONLY



But there is also real concern among all political groups that Quadros may turn himself into a "dictator"... It is interesting that Quadros' "approved" actions in some fields thus far have failed to eliminate opposition in other areas. For example, PTB leaders in Parana and Santa Catarina are no less critical of Quadros' elimination of domestic price controls simply because he has initiated diplomatic relations with Hungary, Rumania and Bulgaria. OFFICIAL USE ONLY

8. The U.N. and the Congo

Local press comment has almost universally objected to the Soviet proposed organizational changes in the U.N. and the elimination of Dag Hammarskjold as Secretary General. ... Only a very few newspapers (including one socialist paper) managed to keep Lumumba's universally abhorred death in perspective to general Congo problems. Most papers and people remain blissfully ignorant of the covetousness of the Congo's neighboring countries, and of the role of Lumumba and his backers in fomenting Congolese chaos. SOURCES: Local press, personal conversations. OFFICIAL USE ONLY

COMMENT: The press comments do not reflect the views of many local university students who are visibly affected by leftist propaganda. Many of these students, seriously concerned with the decline in U.N. influence, have swallowed the Soviet bait, hook, line and sinker, and now believe that the Security Council should be reorganized on a regional basis, with the U.S. and Europe with one vote, Soviet Eurasia with another, Africa with another, "independent Asia and the middle East with another, and Latin America with a fifth vote.
OFFICIAL USE ONLY

9. Thoughts on U.S.-Brazilian Relations, U.S. Policies

The leftist press has joyfully applauded every Quadros twist of Uncle Sam's beard, even the unofficial tug of granting an interview to a "Prensa Latina" correspondent after consistently refusing to see a "Time" reporter. However, the liberal to conservative press has been outspokenly cautionary against such antics. ... Though initial press releases regarding the "Peace Corps", the "Food For Peace" probram and the "World Food Bank" received excellent publicity, there has been little editorial comment on these proposals, and what statements have been made have implied that use of U.S. agricultural surpluses in the Food For Peace program is at least as beneficial to the U.S. as it is to any recipienets. ... Most moderate press columnists believe that the new administration has brought a change in diplomatic methods, rather than a change in policies. SOURCES: Local press, personal observation. UNCLASSIFIED.

COMMENT: Regardless of whether or not there have been any substantive changes in recent U.S. policies, there are beginning to appear the first few faint cracks in the wall of reserve of local students toward U.S. "economic imperialism" and "war recklessness". OFFICIAL USE ONLY

0461

6. "Movimento Nacionalista Estudantil" Established

On March 1, 1961, Curitiba university students formally established a local Nationalist Student Movement with headquarters in the swank Curitibano Club building. President of the first directorate is Newton NOGUEIRA, and other members are Nilson Theodoro de FARIAS, Marly GENARI, Sueisa UEMURA, Carlos de ARRUDA and Ruy PIGATTO. The movement has been at a low level of activity since its organization. Precise political leanings of the directorate are unkown.
SOURCES: Diário do Paraná, March 2, 1961 UNCLASSIFIED

PSYCHOLOGICAL EVENTS

7. First Reactions to Quadros Government: Full Time Work for Civil Servants; SUMOC Instruction 204; Presidential Contact with State Governments; Relations with Iron Curtain Countries; "Third Force" International Politics

Although civil servants themselves are disenchanted with the President's attempt to have them work full time, almost all other sectors of the public are very much in favor of this move. ... Thoughts are strangely mixed on SUMOC Instruction 204 which gradually moves the exchange rate for essential imports (oil, wheat, fertilizer) up to the free market rate. Although some socialists and far-leftists attack the move on the basis of its supposed effect in boosting the cost of living, most such liberal economic thinkers welcome the Instruction as a necessary step toward correcting basic national ills. In contrast, while recognizing the need for some such measures, economic conservatives fear that the implied economic readjustments may be so painful as to cause violent social unrest which would be put down only at the expense of establishing Quadros as de facto dictator. ... Businessmen and the incumbent governments of Paraná and Santa Catarina are generally pleased with President Quadros' initiative in establishing direct and more efficient relations with the states by having special legates in each state capital and by meeting personally with governors in the provinces. The few criticisms of this presidential tactic center on the fact that it short-circuits legislative authorities and tends to reduce the influence of party organizations. ... Broadened relations with Iron Curtain countries are universally applauded, by the leftists for political reasons, and by the rest for reasons of national pride and prestige. Even the most conservative and best educated people are starry- eyed and unrealistic about the terms and possibilities of trade with Soviet Eurasia . ... Although most leftists predictably applauded Janio's "third force" invitation to Yugoslavia's Tito to visit Brazil, the invitation was criticized in the socialist press. Both socialists and conservatives believe Brazil should act first to strengthen the inter-American system (and, incidentally, to emerge as undisputed leader* with "Asian style neutralists".
SOURCES: Local press, personal observations and conversations. OFFICIAL USE ONLY

COMMENTS: On the whole, the general reaction to Janio Quadros' first two months in office is one of reserved approval. There is recognition of the need for unpalatable reforms and a certain willingness to take them.

* of the Latin American Bloc) before becoming too involved

0460

COMMENTS: Unlike Paraná where the new administration owes much to Ney BRAGA's personal following, Celso RAMOS' election is the result mostly of a party coalition. Dependence on this alliance makes Ramos particularly vulnerable to the whims of the Legislative Assembly since it is the parties which count, and not the man. For this reason, the April election is extremely important to Ramos' developing administrative plans. At present it looks as though his coalition will win with a majority of three. OFFICIAL USE ONLY

SUBVERSIVE

4. "Ligas Camponesas" in Northern Paraná

Northern Paraná's communists are intensifying their efforts to establish their own version of Pernambuco-style "Ligas Camponesas". A first and uncertain step at the new organization took place in Londrina at the "First Congress of Parana Rural Workers" held August 5-7, 1960. Now a second Congress is to be held in Maringá on August 12-15, 1961 (originally planned for May 12-14). The Congress is being organized so that a small leftist organizing committee will have absolute control over all the Congress' actions. Francisco JULIÃO is again expected to be guest of honor. SOURCES: Personal conversations, Gaseta do Povo, Tribuna do Paraná, Última Hora. OFFICIAL USE ONLY

COMMENT: Social and economic conditions in Paraná between Londrina and Jacarezinho are much more suspicious for the "Ligas Camponesas" than they are west of Londrina. ... The Catholic Church is alert to this new communist ploy, and is actively opposing it. A few (but not enough) business and political groups are also watching it carefully.
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5. Local Leftists Agitate Against Closing ISEB

Curitiba ultra-nationalists, leftists and communists campaigned intensively in late February against Janio QUADROS' proposal to close the communist infiltrated Instituto Superior de Estudos Brasileiros (ISEB). Spark plug of the movement was Paraná PSB president General Agostinho PEREIRA Filho who is publicly known as a communist. The Paraná PTB executive committee also sent the President a telegram protesting the planned action. SOURCES: Local press. OFFICIAL USE ONLY

COMMENT: While local communists are concerned about the possible demise of ISEB, the majority of students, politicians and people have no feelings about it one way or the other. In such circumstances the far leftists have successfully massed the support even of anti-communists, while the political opportunists have been more eager than ever to join this special band wagon. Even voices which were once outspokenly anti-ISEB are now silent. OFFICIAL USE ONLY

0459

requires that the mayor obtain the council's permission in order to leave the country. Taking advantage of the council's damaged ego, left-wing PTB state deputy Waldemar DAROS blasted Mattos for "protecting the interests of foreign trusts and betraying laborite principles by delaying expropriation of the city electric company (AMFORP owned) and telephone company (IT&T)." SOURCES: Local press; personal conversations. UNCLASSIFIED

COMMENT: Mayor Mattos' natural instincts regarding foreign owned public utilities are to try to find a modus vivendi. However, these instincts have often been overcome by the mayor's political ambitions with the PTB. The mayor is not likely to long resist any strident party demands for expropriation, should such demands arise..... Iberê reportedly returned from Egypt very much impressed with the efforts the Egyptians are making toward "industrial development". The mayor was cynical, though, about the extreme brevity of the audience President Nasser granted him and his companions. OFFICIAL USE ONLY

2. Elections in 76 New Paraná Counties in October, 1961

The Paraná electoral court has called elections for October 8, 1961, in the 76 new counties created in northern and western Paraná in the past year (58 founded in July, 1960, 18 in January, 1961). The counties are now being run by prefects named by the discredited Lupion PSD government. SOURCES: Local press, personal observations. OFFICIAL USE ONLY

COMMENT: In an earlier era in Brazil it would have been assumed that PSD incumbents in the county governments would guarantee the election of PSD officials. However, the trends of the 1958, 1959 and 1960 elections, together with the current complete demoralization of the Paraná PSD, imply that the contests will be a struggle mainly between the opposition PTB and the opposition UDN-PDC-PL groups. In the most of the new counties the PTB has a much stronger organization than the UDN-PDC-PL, and in southwestern Paraná the PTB outspokenly fought PSD corruption, even when it was unsafe to do so. ... The October 1961 vote should be an important signpost as to the public acceptance, political sophistication, and electoral future of the coalition backing Ney BRAGA. OFFICIAL USE ONLY

3. Crisis in Santa Catarina State Legislative Assembly

An arbitrary decision by the President of the Santa Catarina Legislative Assembly not to allow introduction of a bill which would cancel salary increases granted by last year's lame duck administration, provoked a majority of the legislature into withdrawing and forming a "rump assembly". The threat of federal intervention("rump" government is unconstitutional), plus the desire to put the best foot forward for Janio QUADROS' meeting with three southern governors in Florianópolis halted the separatist movement. However, the political stew still seethes in anticipation of the April 18 election of new officers in the legislative assembly. OFFICIAL USE ONLY
SRCUCES: All Curitiba and Florianópolis press, personal conversations.



AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amconsulate, CURITIBA

44
DESP. NO.

APR 4 1961
April 4, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

Pub. ho action
REA: ISA/B: Gillelen
(by line) 4-13-61

	ACTION	DEPT.
20 For Dept. Use Only	APA-4	INFO RM/R-2 INR-7 EUR-5 Cu-5
	REC'D 4-11-61	OTHER CIA-10 USIA-10 OSD-5 NSA-4

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
APR 13 1961

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD FEBRUARY 16 - MARCH 15, 1961

CONTENTS

1. Repercussions of Curitiba Mayor's Visit to UAR
2. Elections in 76 New Parana Counties in October, 1961
3. Crisis in Santa Catarina Legislative Assembly
4. "Ligas Campenesas" in Northern Parana
5. Local Leftists Agitate Against Closing ISEB
6. "Movimento Nacionalista Estudantil" Established
7. First Reactions to Quadros Government: Full Time Work for Civil Servants; SUMOC Instruction 204; Presidential Contact with State Governments; Relations with Iron Curtain Countries; "Third Force" International Politics
8. The U.N. and the Congo
9. Local Thoughts on U.S.-Brazilian Relations, U.S. Policies
10. Miscellaneous U.S. Press and Cultural Activities
11. Transfer of Admiral Commanding Fifth Naval District
12. New Curitiba Air Base Commander
13. French Senator Visits Parana Regarding Resettlement of Displaced Algerian "Colons"
14. Czech and Polish Consular Activities
15. Consular Corps Protocol Call on Parana Governor Evokes Anti-Communist Blast

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POLITICAL EVENTS

1. Repercussions of Curitiba Mayor's Visit to UAR

Curitiba's PTB mayor, Iberê de MATTOS' sudden departure for Egypt as the guest of the UAR evoked sharp criticism from the city council which was not informed beforehand of the mayor's intended trip. The city charter

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0457

results of a local wage survey, which indicated that the Consulate's local salaries are well below those paid by competitive local business. No reply has yet been forthcoming from the Embassy.

On February 21 the reporting officer was sworn in as an FSO-5 and Consul.

VII PSYCHOLOGICAL

Santos was enthusiastic over the inauguration of John F. KENNEDY as President of the United States, in confidence that the new Democratic administration would give increased and sympathetic attention to Brazilian requests for monetary assistance.

Santos was of course even more interested in the inauguration of Jânio Quadros and awaited eagerly his broom-sweeping reform measures. But by the end of the quarter some of the earlier ardor had cooled as the inevitable reaction and disillusionment with Quadros' austerity measures commenced to be felt in Santos, most especially concerning the devaluation of the cruzeiro and the concomitant and continuing rise in prices. Especially bitter has been the left-leaning local daily O Diario, whose communist labor reporter, Luiz Rodrigues CORVO, on March 15 darkly declared that the devaluation "will bring on a new social crisis" and that "the labor movement will react, without a doubt". O Diario, despite irrefutable evidence to the contrary, has recently proclaimed editorially that "janismo is a myth and does not exist as a current of popular opinion". Although Quadros remains personally popular in Santos, his austerity measures are not popular, and the average Santista is increasingly frustrated with spiraling living costs.

Virgil P. Randolph, III

Virgil P. Randolph, III
American Consul

0456

out of business a goodly number of local traders thriving on illegal or semi-legal market operations. The opposite side of this view is that the Brazilian Government might create a state monopoly of all coffee exports. This drastic move would put every exporting firm out of business, but, if the monopoly were honestly administered, it would produce much revenue for the federal government and end smuggling once and for all. Indeed, many Santos coffee exporters are convinced that even if Brazil were sharply to reduce the price of its coffee, it would not be able to sell a great deal more of it on the world market.

Local coffee brokers and exporters frankly have no idea what policies the Quadros administration will adopt toward Brazil's chief product. Some feel that Jânio will let the market take care of itself, while others see the government keeping the interior satisfied by continuing the present support program. Some observers here profess to detect a trnd to government support of coffee in the guise of producing cooperatives, which now enjoy substantial tax advantages and preferential consideration in shipment from the interior to port warehouses, a distinct boon when the high Brazilian interest rates are taken into account. In fact, there is some coffee in Santos shipped in August 1959 which has not yet been released by the Brazilian Government.

The reporting officer at this one-man post regrets that lack of time and assistance precludes more careful and detailed reporting on local economic trends and conditions.

(BEGIN UNCLASSIFIED)

V CONSULAR

Consular operations at the post proceeded normally during the quarter with the usual services being performed by the Consulate. During the period January-March the Consulate issued or revalidated 38 non-immigrant visas. During the quarter 71 U.S. vessels entered the port of Santos.

During the quarter the Consulate made every effort to simplify and speed up the non-immigrant visa issuance process. Except in unusual cases, no visa applicant must now wait more than 20 minutes from the time of entering the Consulate until receiving a visa.

VI ADMINISTRATIVE

On January 6 the reporting officer formally presented to Alfredo da SILVA, Jr., the post's senior local employee, a Meritorious Service Award. Considerable local publicity was given the ceremony.

On February 11 the Consulate forwarded to the Embassy the



quarter, with as many as 42 vessels awaiting berthing space alongside at any one time and freighters having to wait up to 10 or more days to discharge cargo. This congestion, the subject of a special investigation ordered by President Quadros, prompted the Santos Dock Company to take such emergency stop-gap measures as permitting discharge by lighter, loading ships at oil docks and nesting ships in pairs alongside. On March 15 the shipping companies in Santos decided to impose a 25% surcharge, effective May 15, on all imports into Santos in order to help make up for lost revenue and the expenses incurred by the delays caused by the port congestion. All this emphasized the growing inadequacy of the Dock Company's installations to handle the volume of ships and cargo passing through the port, which in 1960 totalled 4,086 vessels with a total of 12,365,751 tons of cargo, of which 10,060,297 tons were imports and 2,305,454 tons were exports. (See the Consulate's despatch No. 28 dated March 17, 1961.)

During the quarter no Russian or East German ships called here.

The biggest economic news in Santos during the quarter related to smuggling. Towards the end of January Santos customs officials began to crack down on the illegal importation of luxury items and made a number of spectacular seizures of contraband goods, thus reversing the previous attitude of the Santos Customshouse towards corruption and inefficiency (see Consulate's despatch No. 23 of February 6, 1961). But this was overshadowed by the announcement at the end of February that the Brazilian Government had uncovered a vast coffee-smuggling ring in which were implicated a number of prominent local coffee exporters and merchants. The Santos coffee trade was unanimous in its opinion that the sincerity of the Quadros administration in prosecuting malefactors, no matter how highly placed, would stand or fall on the vigor with which the ring is brought to book. According to a well-known coffee exporter long associated with the local coffee trade, virtually every local coffee exporting firm in Santos recently has been engaged in illegal operations either selling coffee for less than the legal registration price of .3377 cents per pound and refunding the difference to the buyer, or else selling at a higher price and pocketing the difference.

The general consensus of opinion in the local coffee trade is that the really sensible solution for Brazil's coffee problems is for Brazil to arrange multilaterally for an equitable share of the world market based on world production. In the meantime, the business of exporting coffee to the United States and such important European markets as Sweden and Belgium is becoming concentrated into fewer and fewer hands. Similarly, there is a considerable body of local opinion which holds that in the long run the best method of eliminating the smuggling of coffee out of Brazil is to free the exchange rate of the cruzeiro, a move which would of course drive

0454

from endorsing the PSP's Luiz La Scala and his PTB running mate José Gomes, he did announce that communists would support the PSP in the State of São Paulo. Prestes' remarks were later amplified by Arlindo Alves LUCENA, Political First Secretary of the Santos Communist Party, who declared that the party in Santos would indeed back La Scala and Gomes, but not because this choice was dictated by any national communist leader, but because La Scala and Gomes represent "a continuation of the present administration /of Mayor Fernandes Lopes/ to whose victory we contributed in 1957." Although some observers feared that communist support would do La Scala and Gomes more harm than good, the Bishop of Santos, Dom Idílio José SOARES privately voted for them, and the Consulate is reliably informed that La Scala neither encouraged or bargained for communist support which appears to have been spontaneous, although he did not reject it, votes being votes in an election.

The Prestes visit to Santos and its implications were the subject of the Consulate's despatch No. 29 of March 20. (See also the Consulate's despatch No. 24 dated February 21.)

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IV ECONOMIC

Business activity continued at a fairly high level in Santos during the quarter although interest rates remained high (at least 1½% per month) and credit was a bit tight, although ready money was available for those who could pay for it. By the end of the quarter some consumer resistence was being encountered owing to higher prices. The principal economic fact of life which continued to agitate the Santista-in-the-street was the rising cost of living, especially the cost of staple foods and rent. These high prices were specially in evidence during the Carnival and Easter vacation seasons, when several hundred thousand visitors jammed the consular district.

During the quarter, especially after mid-February, coffee shipments moved at a satisfactory rate, apparently due to low inventories in the United States occasioned by year-end delays in ordering caused by uncertainty as to the policies of the Quadros administration. All during the quarter there has been a lack of good-quality coffee. At the same time, the practice of shippers granting rebates on coffee exported to the United States seems to have been eliminated, except possibly by one or two European-flag companies. Bananas continued to be Santos #2 export, the bulk going to Argentina, although in February banana prices in Buenos Aires fell sharply due to oversupply and poor quality of the fruit shipped out of Santos.

Congestion in the port of Santos became acute during the

0453

The election spells the end of the local political career of the fourth mayoralty contender, PSD Federal Deputy Antonio FELICIANO, who ran last with only 7½% of the vote cast. The election was also a severe check in the political fortunes of Jayme PERES, a reputed communist, incumbent Vice Mayor and Coury's running mate on the PDC ticket for the same position. Peres ran a poor third, well behind Coury.

Probably the most significant result of the election is the emergence of the 30-year-old Mario Covas, Jr. as a strong political personality and the local white hope of the janistas, whose political potential, should they be able to unite, is now greater than ever in Santos. (See Section III and also the Consulate's despatch No. 30 of March 29, 1961.)

II LABOR

The labor scene in Santos during the quarter was quiet. Only one strike, a four-day walkout by the Santos laundrymen's union in February over back pay, occurred in the consular district, although in January a dock strike was averted only when the Santos Dock Company granted the three portworker unions (port employees, port workers and truck drivers) a 40% general wage increase. In nine months the local dockworkers won wage increases amounting to 77%. The communists failed to win any gains in union elections and could not prevent the re-election of an anti-communist slate in the important coffee loaders union, although they did elect a communist from Santos as First Secretary of the Sao Paulo Construction Workers Federation and re-elected a fellow traveller to the directorate of the Small Craft Engineers Union and a communist delegate to the union's Federation.

It appears to the reporting officer that the local unions have adopted a wait-and-see policy before pressing demands for higher wages under the new administration. However, the economic austerity measures announced by President Quadros in March provided the communists with ammunition for new agitation, and the continuing increase in the cost of living presages a new outbreak of labor discontent and unrest during the coming weeks.

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III SUBVERSIVE

On March 17 the local communists publicly gathered to hear Luiz Carlos PRESTES, in Santos to formulate policy to guide the communist line in the March 26 mayoralty elections. A surprise attender of this rally was PSP City Councilman and ex-President of the City Council Jose AFLALO Filho. Although Prestes pointedly refrained

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FOREIGN SERVICE DESPATCH

31
DESP. NO.

FROM : Amconsul SANTOS, Brazil

TO : THE DEPARTMENT OF STATE, WASHINGTON.

APR 7 1961
April 4, 1961
DATE

REF : Consulate's Despatches Nos. 30, 29, 28, 27 and 24, dated respectively March 29, 20, 17, 16 and February 21, 1961

20 For Dept. Use Only	ACTION	DEPT.
	ARA-4	
	REC'D 4-15-61	INFO RM/R-2 REP-1 INR-7 E-3 ICA-11 CIA-10 USIA-10 COM-10 LAB-6 NSA-4 ARMY-4 NAVY-4

SUBJECT: Quarterly Summary of Events Occurring in the Santos Consular District

This despatch summarizes the main events occurring in the Santos consular district from January 1 through March 31, 1961, and is based partly upon the "Weekly Comment on Events in Santos" submitted by the reporting officer to the Consulate General in São Paulo by Operations Memoranda.

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I POLITICAL

The principal developments in the consular district during the quarter revolved about the hard-fought mayoralty campaign, which ended March 26 with the election of Luiz LA SCALA, Jr. (PSP, PTB and PL) and his running mate José GOMES (PTB) as Mayor and Vice Mayor, respectively. They can be expected to give Santos a reasonably honest and efficient government during the next four years, and will emphasize the improvement of municipal public works.

The election results were a personal triumph for outgoing Mayor Silvio FERNANDES LOPES, local PSP chief, who masterminded La Scala's victory and so ensured the continuation of his own influence at the Santos City Hall and the PSP's continued control over the city government. But the PSP's victory was made possible only by a split in the local janista opposition, which had two candidates running against La Scala, namely Mario COVAS, Jr. (UDN, PST, PTN and PR) and Athié Jorge COURY (PDC, PRP, PRT and Ação Socialista). The personalities, issues and maneuverings in the four-way mayoralty race were described in detail in the Consulate's despatch No. 27 of March 16. Covas, a political unknown only five months ago, ran a strong second with 22,369 votes to La Scala's 28,286, while Coury polled 18,259. Thus, had the supporters of Jânio QUADROS been able to unite behind either Covas or Coury, they very likely would have been able to defeat the PSP, as the split opposition garnered 52% of the total vote.

cc: Amembassy Rio de Janeiro; amconsul São Paulo

Virgil P. Randolph
REPORTER

CONFIDENTIAL

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
APR 17 1961

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Date Sent: April 3, 1961
Rec'd:

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INFO: as action
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FROM: Amcongen, São Paulo

TO: Secretary of State

NO: G-25

RPTD INFO RIO G-14

Possibly significant is trip last week by São Paulo state Secretary of Justice Queiroz Filho to state of Bahia where he conferred at length with Governor Juracy Magalhães on behalf of Governor Carvalho Pinto. Will be recalled that Juracy distrusted and did not favor Janio Quadros for presidency even after his party, the UDN, endorsed Janio's candidacy; that support of Janio and Janista lieutenants to candidate Emilio Carlos helped frustrate Carvalho Pinto's manoeuvers this year for a more acceptable mayoralty candidate in São Paulo. Queiroz Filho, PDC national president, friend of Carvalho Pinto, now presides frequently over latter's cabinet to resolve political party conflicts vis-a-vis state departments. PDC broke with Janio over his 1954 campaign for governor and estranged in 1960 over Janio's non-support of Ferrari for vice-president. Foregoing not intended to suggest any possible break in support for Janio in near future, but rather possible discreet long-range soundings on measures of political self-defense by São Paulo's governor. Foregoing admittedly speculation. Queiroz denounces and denies suggestions of strains between Carvalho Pinto and Janio over mayoralty contest. Local news reports say he refused to discuss conversation with Juracy with reporters afterwards. Carvalho Pinto undoubtedly irked that Janio was willing to thwart good government for personal political ends in key post of São Paulo mayor.

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Document Ser.#:

DESP 901 FR RIO DE JANEIRO TO STATE

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To a question about the establishment of a Simca automobile factory in the State, he replied that the information he had was in the affirmative but that he did not have any detailed knowledge. He also disclaimed any knowledge of the rumored financing by a French firm of the construction of water works and sewage systems in the interior of the State.

6. Consular Corps Activities

West German Consul Mayer Labastille retired from the foreign service at the age of 65 after over six years in Belo Horizonte, and left for Germany with his wife. They were both well liked in the community, in private as well as in official circles. Prior to his departure the State Government honored him with a decoration.

Consul Labastille was the first German Consul in the State, having opened the consulate in September 1954. His long tour of duty was marked by a great deal of activity in the German colony, including the establishment of a German-Brazilian cultural center in 1955. Consul Labastille is the brother of the founder of the Varig airline who came to Brazil to reside shortly after the first World War. Consul Labastille's replacement has not yet arrived.

Edmund A. da Silveira

Edmund A. da Silveira,
American Consul

0448

5. Important Visits

PSD Federal Deputy Abelardo JUREMA, majority leader in the Chamber, visited Belo Horizonte during February to hold talks with members of his Party. The purpose of these talks was to establish a unified policy of opposition to the government of President Jânio QUADROS between State and Federal PSD deputies. The visit was the first of a series to be made for the same purpose to other parts of Brazil.

Comment:

The press pictured Abelardo Jurema and his companions as euphoric over the results of the talks. Nothing since then, however, has justified the euphoria.

Federal Minister of Mines and Power João AGRIPINO also came to the State to visit a number of mining centers and enterprises. He breakfasted with Governor MAGALHÃES PINTO. The Minister did not give a press conference, explaining that his only objective was to become better acquainted with those areas in the State of Minas Gerais which came under the Ministry.

Comment:

The reporting officer has heard that Governor Magalhães Pinto's ideas regarding the contemplated revision of mining legislation differ in important aspects from those espoused by President Quadros. In view of the importance of Minas Gerais as a mining State, and of the close relationship that exists between the Governor and the President, it is probable that the Governor is being consulted so that their differing points of view may be harmonized.

Another distinguished visitor was the French Ambassador in Brazil, Jacques BAEYENS, who was in Belo Horizonte during February 23-26. His program included official visits to the Governor, whose dinner guest he was, the Mayor, the Municipal Chamber, the State Assembly, and the president of the University of Minas Gerais. He visited also the French cement factory, COMINCI, participated in the inauguration of new quarters for the Franco-Brazilian Cultural Association, and gave a press conference in the residence of the French Consul.

The French Ambassador left an excellent impression even though the statements he made at the press conference regarding the possibility of French investments in the State were not particularly encouraging or flattering. He said that although no investments of French capital were being contemplated for Brazil this year, such investments could take place provided the Brazilian Government created a favorable climate. Therefore, he added, the investments depended directly on the attitude of President Quadros and would derive principally from private industry and not from the French Government.

0447

He was asked if he intended to follow President Quadros' example by dismissing government employees hired toward the end of his predecessor's term of office. His answer was that he was not obsessed with the idea of throwing people out of their jobs but that he had already ordered a study of the employee situation and that he would certainly put an end to job inflation by getting rid of all excess personnel.

Describing the financial situation, he gave a stark picture of the public coffers. The State, he said, is Cr$ 20 billion in debt, has only Cr$ 140 million in the treasury, and foresees a deficit of Cr$ 10 billion for the 1961 fiscal year.

The question of the Hanna Company, which has a concession in the State for the exploration of iron ore, was brought up in connection with the recent visit to the Government Palace of representatives of that company. The Governor said that he had authorized the State Economic Commission to prepare a report on the exploration and export of iron ore in the State and that the Hanna Company wanted to know the views of the Government. The Governor did not state, however, what these views were. He merely said that since the subject in question was also the responsibility of the Federal Government and since the studies being made contemplated the possibility of revising the code of mines, he had been in consultation with the Federal authorities.

Comment:

By and large the Governor's press interview reflected his preoccupation with fashioning a broad basis of political support for his program of administrative reform and economic development. Realizing full well the problems raised by the fact that his own Party is in such a small minority, he has risked discontent in the UDN in order to gain adequate backing from other political organizations. This backing is the more necessary in view of the hardships involved in straightening out a very chaotic financial and administrative situation. Largely for this reason the Governor, in typical fashion, understated the forces of conflict and stressed the idea of compromise. There is little or no doubt of the Governor's determination to reach an accommodation of views with potential opposition party leaders. Because he is truly interested in having a good administration and because in so far as political ideology is concerned there is not much difference between one party and another, he feels that no political principle is compromised if he is not overly concerned with satisfying individual whims of members of his Party.



than according to weight. Since the purchase price per head was fixed on the basis of fattened cattle and the cattle bought were more often than not underweight, the Secretariat incurred a considerable loss by the time the meat reached the public.

Other charges were made to the effect that government funds had disappeared or been misspent, that because of negligence cattle had been stolen from government property, and that payrolls were padded with the names of persons who had never performed any services for the Secretariat and did not even know where their supposed offices or place of work were located. In connection with the padding of the payroll, the Secretary has promised that a thorough study of the situation will be made for the purpose of dismissing all those employees whose services are fictitious or can be dispensed with.

A very uncertain future is also contributing to the stresses within the Secretariat of Agriculture. An extremely heterogeneous organization, it stands to lose a number of important but disparate departments and functions to the new Secretaries of Labor and Social Welfare and Economic Development when and if these cabinet posts are finally established.

4. The Governor's Press Interview

On February 27, the Governor gave a collective press interview, his first one after taking office. It lasted almost two hours and was attended by reporters and photographers from all the newspapers. In the course of the long interview he made a number of interesting statements related to the political situation, administrative problems, the state of public finances, and the position of the American-owned Hanna Company in the State of Minas Gerais.

In reply to the question of whether or not the Governor was attempting to create a united political front in the State, he said that he was talking with party leaders and deputies to get their united support for measures that would benefit the entire population. These objectives, he maintained, would be more accurately described as administrative rather than political in nature. One reporter then asked the Governor if he did not envisage difficulties for his Administration in the fact that his Party, the UDN, numbered only 11 out of 74 deputies in the Assembly. The Governor replied that his Administration would find the means to show the deputies its gratitude for their support and that he would strive to create a climate of understanding and avoid hatred and resentments.

To another reporter who made a reference to discontent in UDN ranks stemming from the Governor's wooing of other parties, the Governor answered that the UDN's standing would not suffer. Since, however, other political groupings had contributed to the victory at the polls, he continued, it was only fair that they be consulted.



Although the State Government holds a controlling share in these companies, their directors are in practice independent. This independence has given rise to nepotism and encouraged uneconomic and monopolistic practices. Moreover, vested interests have become pressure groups well entrenched in positions of political and economic influence.

Of no less importance politically is the fact that these mixed-capital companies were created under the previous PSD Administrations with the backing of the PR. These Parties are, therefore, reluctant to undo what they did and risk political losses. It should be noted that the PSD and the PR are the two largest parties in the Assembly. At least on one occasion the entire PR bench withdrew from the Assembly to prevent a quorum from being present when the controversial bill was about to be called for a reading.

3. Rumored Resignation of the Secretary of Agriculture

It appeared for a while that Secretary of Agriculture Abel Rafael PINTO would be the first casualty in the Governor's cabinet. The rumors were insistent and plausible enough to elicit a formal denial from the Secretary. The denial in itself indicated that there was some basis to the rumor.

The Secretary stated that there were certain groups which had been always intent on compromising officials of the Secretariat of Agriculture, where there had been many shady dealings that would scandalize the public if brought to light. It is necessary, he said, that political mediocrity not be allowed to interfere in matters that are mainly of a technical nature and which affect the business of public administration. He urged the discard of so-called traditional politics, with their emphasis on the employment of obsolete methods, in public administration.

Comment:

Indications are that certain groups connected with the Secretariat of Agriculture were involved in corrupt practices in the sale of cattle for slaughter by that Secretariat. When investigation of these practices was threatened, it appears that the persons involved applied pressure on the Administration for the removal of the Secretary.

The situation became all the more delicate because the present Secretary's predecessor was a PTB man whose conduct in public office has been questioned. In view of the Governor's current and fairly successful efforts to obtain PTB support, many political figures in the PTB as well as in the UDN have deemed it inappropriate to stir the embers of past scandals. The Governor has stood in public by his Secretary of Agriculture, which does not preclude some behind-the-scenes compromise.

The questionable practices included the purchase of cattle for slaughter by the Secretariat of Agriculture at a fixed price per head rather

0444

getting the posts it wanted. It refused, therefore, to accept any other posts and abstained from the voting altogether.

The outcome of the election highlighted the Governor's quiet and effective manner of political bargaining and the advantage of the personal relationship he enjoys with top-ranking political leaders of other parties who are in control of party policy. This locus of power is not generally found among the deputies in the State Assembly, and it is for this reason that not infrequently declarations made by the State deputies reflect passing moods rather than actual party policy. It is known that in this particular instance the Governor had held conversations with PSD Senator Benedito VALADARES from Minas Gerais, head of the State section of his Party, in which the Senator virtually committed his Party to give the Administration parliamentary support. The other side of the bargain was that the Administration would respect the PSD strongholds in the municipalities by supporting the PSD mayors and deputies in their electoral districts. Although this part of the bargain has caused much unhappiness even among the UDN deputies in the State Assembly, there is no question of their support of the Administration.

It is not at all improbable that relations between the Administration and the PR will improve when the Governor meets Federal Minister of Industry and Commerce BERNARDES Filho, the PR national president and a native son of Minas Gerais, in the near future. Bernardes Filho's views will have much to do with the position of the PR bench in the State Assembly. Moreover, it would appear that the PR cannot hope to hold its large following among the rural electorate unless it strikes some kind of bargain with the Administration that will enable the Party to exercise a degree of political patronage.

2. Administration's Difficulties in Establishing New Cabinet Posts

The Administration has submitted a bill to the Assembly setting up the already created Secretariat of Labor and creating two new posts, Economic Development and Administration. Failure to obtain a quorum in the Assembly has so far prevented the bill from being brought to the floor for a vote. Although only the PR and the PSP have openly opposed the bill, it is clear that the measure is extremely controversial and is, in fact, finding few enthusiastic backers among the State deputies, including members of the Governor's own Party, the UDN.

Comment:

Overt criticism of the proposed legislation emphasizes the financial burden that would result from the establishment of new cabinet posts to perform functions already assigned to other government departments. In a recent conversation with one of the cabinet Secretaries, however, the reporting officer learned that the real point of controversy was the probable subordination of the virtually independent mixed-capital companies to the proposed Secretariat of Economic Development.



1. Election of Executive Committee in State Legislative Assembly

A new executive committee of the State Legislative Assembly was elected on March 2. The presidency of the Assembly was retained by the Social Democratic Party (PSD) which has the largest delegation in the Assembly. Deputy Francisco de Castro PIRES, Jr. is the new president. The first vice presidency went to Manuel Taveira de SOUSA of the National Democratic Union (UDN), which also held this position in the 1960 legislative session. The Labor Party (PTB), with the fourth largest representation in the Assembly, received two posts, those of first and fourth secretaries, occupied respectively by Wilson Modesto RIBEIRO and Godofredo PRATA.

The other three posts on the executive committee were taken by three of the four minor parties represented in the Assembly: the second vice presidency by Said Paulo ARGES of the Progressive Social Party (PSP); that of second secretary by Jose FERNANDES Filho of the Christian Democratic Party (PDC); and that of third secretary by Sebastião Navarro VIEIRA of the Popular Representation Party (PRP).

Comment:

The most striking fact in the composition of the present executive committee is the absence of the Republican Party (PR), although it is the second largest party in the Assembly and had held two posts in the outgoing committee -- those of second vice president and second secretary. This mishap, coming as it did on the heels of the Party's failure to gain a State cabinet position, underlined the PR's decline in political power.

The PR is in large part responsible for the awkward situation in which it finds itself. Evidently piqued for having been left out of the cabinet, it joined forces with the PSD to oppose the Governor's proposed legislation for the creation of two new cabinet posts and a UDN candidate for the presidency of the Assembly, which the PSD held and claimed as the majority party. The PR bench claims that in exchange for this position it received a promise from the Assembly PSD leader that the PSD would support the PR candidate for the important post of first vice president, a post that has been held by the UDN and which the PR demanded as the second largest party in the Assembly. In employing these tactics, the PR undoubtedly felt that it would enhance its bargaining position with the Administration.

All evidence indicates that, in fact, the PR had been given to understand by the PSD bench leader that his Party would support the PR's claims on the executive committee. What happened instead was that the Governor, in a demonstration of consummate political maneuvering, bypassed the PR and went one step further in his successful courting of the PSD by persuading the UDN deputies to give up their Party's rival claim to the Assembly's presidency in exchange for the first vice presidency. With the PSD and the PTB benches on the side of the Administration, the PR had no chance of

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FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, Belo Horizonte — 30 DESP. NO. — April 3, 1961 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : -

No action req'd. DRB:13&7/B
Wilkinson:jlw 4/7/61

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20 For Dept. Use Only	ACTION	DEPT:						
	REC'D	INFO	OTHER					
	APR-4	RM/R-2	INR-7					
	4-11-61	CIA-10	USIA-10	OSD-5	NSA-2	ARMY	NAVY-4	AIR-6

SUBJECT: POLITICAL SUMMARY FOR FEBRUARY 1961 - STATE OF MINAS GERAIS

Table of Contents

1. Election of Executive Committee in State Legislative Assembly
2. Administration's Difficulties in Establishing New Cabinet Posts
3. Rumored Resignation of the Secretary of Agriculture
4. The Governor's Press Interview
5. Important Visits
6. Consular Corps Activities

732.00/4-361

The first month of the new Administration has shown its seriousness of purpose and full awareness of the grave problems it has to face. Although the Governor made a start in setting the administrative machinery in order, his energies were concentrated on the difficult task of knitting together many varied and conflicting political groupings to give him the vital parliamentary backing he needs to carry out the ambitious program he promised the electorate.

In this first month of office he gave promise of success and demonstrated his political sophistication by the quiet manner in which he operates and his ability to deal directly with the key political leaders of virtually all parties. The future, however, remains very uncertain, and no member of the main team in the Administration can be described as being overwhelmed with optimism, although there is dedication, confidence, and hope.

CAA

Ccs: Pol. Section/Embassy ~~through~~
Couns. for Consular Affairs

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EAdaSilveira:kfk
REPORTER

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0441

April 12, 1961

Dear Mr. Pike:

Thank you for your letter of March 31, 1961, enclosing a letter from Mrs. Helen Conforto of Long Island, New York. We appreciate this opportunity to learn of your constituent's views. I have brought her comments and those of her son to the attention of Department officials concerned with Brazilian affairs.

I am returning your constituent's letter for your files. If we may be of any further assistance to you, please do not hesitate to call on us.

Sincerely yours,

Brooks Hays
Assistant Secretary

732.00/3-3161

Enclosure:

From Mrs. Conforto,
March 29, 1961.

The Honorable
Otis G. Pike,
House of Representatives.

P/OPS/JRPanks/DF/lv Route thru ARA/EST 4/11/61

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APR 11 1961 PM
APR 12 1961 AM
APR 12 1961

0440

OTIS G. PIKE
FIRST DISTRICT, NEW YORK

COMMITTEE:
ARMED SERVICES

Congress of the United States
House of Representatives
Washington, D. C.

1609 NEW HOUSE OFFICE BUILDING
WASHINGTON 25, D.C.
TELEPHONE: CAPITOL 4-3121, EXT. 3826

DISTRICT OFFICE:
130 OSTRANDER AVENUE
RIVERHEAD, NEW YORK
TELEPHONE: PARK 7-2332

ACTION
is assigned to

P

March 31, 1961

The Assistant Secretary of State
for Inter-American Affairs
Department of State
Washington 25, D. C.

Dear Sir:

The enclosed letter contains some interesting observations of an American citizen who is working in Brazil.

Your Brazilian Affairs Officer may be interested in Mr. Conforte's comments.

Cordially,

Otis G. Pike

OTIS G. PIKE

OGP:aa

File
Pltrs 4/14/61 gp

Encl

1961 APR 5 PM 4 39

732.00/3-3161

Letter [illegible]
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0439

URGENT

A CONGRESSIONAL - FOR IMMEDIATE ACTION

A reply or written acknowledgment must be made within Three Working Days (*See RP 152.4 or II - Guide Lines*).

If for any reason, a problem is anticipated, drafting officer should immediately call H - Extensions 4286, 4747 or 4748.

M-119
5-2-50

0438

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36
Action
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Info
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USIA
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ARMY
NAVY
AIR

RMR

FROM: Sao Paulo

TO: Secretary of State

NO: 247, March 28, Noon

PRIORITY

SENT DEPARTMENT 247, PRIORITY RIO DE JANEIRO 88.

Unofficial returns give Prestes Maia smashing victory with approximately 45 percent of total vote for Sao Paulo Mayor. This greater than combined vote of two other leading candidates. Supporters of Prestes Maia surprised by margin. Efforts of supporters of Emilio Carlos to build a Janista bandwagon for Emilio as chosen candidate of Janio Quadros failed and in effect backfired due to crying public resentment in past week over price increase following upon National Governments exchange reforms. PSB Socialist candidate Freitas Nobre, with approximately 25 percent of total vote, victor for Vice-Mayor over Communist candidate Rio Bramco Paranhos. Despatch follows.

COCHRAN

ER

732.00/3-2861 HBS

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NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

0437

W I T H D R A W A L N O T I C E

RG: 059 TAB #: 29

ENTRY: CDF60-63 1 / 10 / C /
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BOX: 1575

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Folder Title: 732.00/3-2861 HBS

Document Date: 28/03/61

Document Ser.#:

DESP 356 FR AMCONGEN SAO PAULO TO STATE

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X Security-Classified Information

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FOIA RETRIEVAL #: 949515 01575 00029



Comment: (UNCLASSIFIED)

Argentine importers are also complaining of the inferior quality of much of the Brazilian bananas received in Buenos Aires, which has provoked consumer resistence and helped drive prices down.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE

1. Consulate's Official Vehicle Damaged (UNCLASSIFIED)

On March 21 the reporting officer discovered that the post's official vehicle, a 1960 Chevrolet sedan, had had two large holes punched into its front windshield, completely shattering it, while the automobile was parked on a busy street behind the Consulate. The damage was immediately reported to the police, who are investigating.

Comment: (UNCLASSIFIED)

From the size and nature of the holes in the windshield, the damage was either caused by a heavy truck backing into the car while it was parked, or was deliberate. The automobile was otherwise undamaged.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-493478

0435

II LABOR

1. Merchant Marine Union Election (UNCLASSIFIED)

On March 6 the 600-member Sindicato dos Motoristas e Condutores da Marinha Mercante de Santos unanimously (97 members voting) re-elected Odair Ribeiro Leal President and elected Genézio Alcebiades Pereira Secretary and Benedito Quinteiro Treasurer. All the small craft engineers in Santos are members of this union.

Comment: (OFFICIAL USE ONLY)

The Consulate is informed by a reliable source that Genézio Alcebiades Pereira is a communist fellow traveller and that Luiz Ferreira Lima, a delegate to the union's Federation, is a communist.

III ECONOMIC

1. Port Congestion Continues (UNCLASSIFIED)

The severe congestion of the port of Santos continued this week, although somewhat diminished as compared to last week. On March 24 there were 18 vessels anchored in the Santos roads outside the estuary awaiting berthing space alongside, and 13 ships anchored within the estuary proper.

Comment: (OFFICIAL USE ONLY)

The reporting officer has learned from a trustworthy source that President Jânio Quadros himself telephoned the Captain of the Port last week to tell him that no ship in Santos should be delayed in loading or unloading for any reasons arising out of a dispute over wages brought by the Santos stevedores. A stevedore union official was in the office of the Captain of the Port and listened in on the conversation.

2. Banana Export Prices Fall (UNCLASSIFIED)

The price of bananas in Buenos Aires exported through Santos continues at about 90-100 pesos per stem (see Weekly Comment of January 19, 1961), after having reached 190 pesos per stem at the beginning of the year. Since January banana exports from Santos, the port's second largest agricultural export after coffee, have declined sharply, due to (1) torrential rains in January and February which flooded many low-lying banana plantations near Santos (2) the alarming spread of the Sigatoka disease and (3) the congestion of the port of Santos, which has interfered with regularly scheduled shipments and caused the fruit awaiting loading to spoil.

/Comment:

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-493476

0434

The reporting officer's final prediction for the outcome of the race is as follows:

MAYOR	VICE MAYOR
(1) Luiz La Scala, Jr.	(1) José Gomes
(2) or (3) Athiê Jorge Coury	(2) or (3) Nelson Noschese
(2) or (3) Mario Covas, Jr.	(2) or (3) Jayme Peres
(4) Antônio Feliciano	(4) Newton Aragão

2. Luiz Carlos Prestes Visits Santos (UNCLASSIFIED)

On March 17 Luiz Carlos Prestes, Secretary General of the Communist Party of Brazil, visited Santos briefly and spoke before about 300 persons at the local offices of Novos Rumos. He pointedly failed to endorse by name Luiz La Scala, Jr. as expected, but declared that communists would support the PSP in general, and Cantidio Sampaio in Sao Paulo in particular. Prestes also vigorously attacked the Quadros administration and especially the Minister of Labor, condemned the murder of Patrice Lumumba and lauded Russian technological progress in the cold war.

Comment: (OFFICIAL USE ONLY)

The meeting was well attended by local communists, particularly in the labor field. The reporting officer believes that Prestes deliberately refrained from endorsing La Scala by name so as not to alienate the Catholic vote, although he left no doubt that the PSP candidate was the communists' choice. The Prestes visit is fully treated in a despatch from the Consulate which has already been forwarded to the Department.

On March 22 Arlinso Alves Lucena, First Secretary of the local communist party, was quoted in O Diario as commenting a propos of the Prestes visit, "Our support for any candidate does not depend upon any public announcements or stem from any agreements with our political leaders. Our understandings are with the people of Santos. And if we support La Scala and José Gomes it is because they represent a continuation of the present administration for whose victory, as everybody knows, we also contributed to in 1957. And we have not been sorry for this support to this day.... We wish at this opportunity to urge the people to vote on March 26 for Luiz La Scala and for José Gomes. We ask our companions to redouble their efforts in order to give us a smashing victory to our candidates."

Alarmed at such an unequivocal endorsement, La Scala and Gomes have announced that they have made no deals with the communists and that if they vote for them it would be "without their desire and against their will."

/II Labor

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0433

FORM DS-682
8-1-50

OFFICIAL USE ONLY

PAGE No 1,
ENCL #1
DESP # 352
SAO PAULO
3-28-61

OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo Date: March 24, 1961

FROM: American Consulate SANTOS, Brazil VPR III

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Santos Mayoralty Campaign (OFFICIAL USE ONLY)

With the election for Mayor and Vice Mayor to be held in Santos on March 26, the local mayoralty race for all intents and purposes ended March 24, since no campaigning is permitted by law for 48 hours before the polls open. The most important development in the campaign in the past week has been the announcement of communist support (see item 2 below) for Luiz La Scala, Jr. (PSP, PTB and PL candidate) and for José Gomes (PTB nominee for Vice Mayor), which probably has cost them votes among the Roman Catholics of this city. Nonetheless, the reporting officer believes they will be elected over their 3 respective opponents, with La Scala winning by a fairly narrow majority and Gomes by a wider one.

La Scala, Gomes and their supporters this week intensified their campaign in a last-minute all-out effort, as did Mario Covas, Jr. (UDN, PST, PTN and PR candidate), who appealed to the voters of Santos on television, and Athié Jorge Coury (PDC, PRP, PRT and Ação Socialista nominee), both of whom are much-advertised followers of Jânio Quadros. On March 23 O Diario, which is under considerable communist influence and increasingly leftist-oriented, endorsed Athié Coury; A Tribuna, conservative and strongly in favor of Quadros, for several weeks has made known its support for Mario Covas.

Antônio Feliciano (PSD) by the campaign's end was trailing the field, and this week it was reported that he had offered to drop out of the race and throw his support to Mario Covas in return for Cr$4.000.000,00. The Consulate also understands that Covas has spent Cr$20.000.000,00 on his campaign, much of it contributed by his well-to-do in-laws and by Carlos Paiva, a prosperous local despachante.

Comment: (OFFICIAL USE ONLY)

/The reporting officer

VPRandolphIII/vpr

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0432

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

352
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 28, 1961
DATE

REF :

End Report in 12.

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	INFO RM/R-2 REP-1 INR-7 E-3 ICA-11 SD-1 ARMY-4 NAVY-4
	REC'D 4-3-61	OTHER CIA-10 USIA-10 AGR-8 COM-10 HAR-6 NSA-4 OSD-5

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated March 24, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/3-2361 HJS

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Enclosure:
Santos Weekly Report
dated March 24, 1961

cc: Amembassy Rio

APyle/lfw
REPORTER

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Page 1 of
Encl. No. 1
Desp. No. 51
From PÔRTO ALEGRE

For Party and Consulate Staff Use Only

PROGRAM FOR VISIT OF AMBASSADOR CABOT
AND PARTY TO PÔRTO ALEGRE - MARCH 20-22, 1961

March 20 - Monday

12:30 Arrive at Gravatai (Military) Airport
13:30 Private luncheon at the Consular Residence
15:00 Call on Governor Brizola
15:30 Call on President of State Assembly
16:00 Call on President of Tribunal of Justice
16:30 Call on Commander of 3rd Army
17:00 Call on Mayor
17:30 Press Conference at City Hotel
19:00 Reception at the Country Club offered by Governor

March 21 - Tuesday

9:30 Visit to Consulate, including USIS and USOM quarters. Presentation of staff to Ambassador.
10:00 Visit to the Industry Center and
10:30 Visit to Permanent Industrial Exposition
12:30 Lunch with Alumni Club at Palácio do Comércio
14:30 Sightseeing
16:30 Visit to the Instituto Cultural Brasileiro Norte Americano
19:00 Reception at Consular Residence

March 22 - Wednesday

9:00 Departure from Gravatai for Livramento

March 24 - Friday

Departure from Livramento and Rio Grande do Sul

For Party and Consulate Staff Use Only

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Brazil's resuming relations with the Iron Curtain Countries and Red China? And what can you say about the situation between Cuba and the United States? The three major papers gave ample space to the interview with the Correio do Povo making a special point of emphasizing the Ambassador's remarks to the effect that Cuba was a hemisphere problem rather than a U.S. problem. Even the Ultima Hora gave,what for it must be considered a favorable coverage: failing to find material to capitalize on, this paper treated the interview in a rather breezy, non-substantial manner, headling its article with "Tudo OK em Brasilia". At 09:30 the following morning, the Ambassador gave a 10 minutes recorded interview with a reporter from the Radio Difusora. Of the questions asked here, the one concerning Governor Brizola's charge of the recent wheat agreement being prejudicial to the wheat growers of Rio Grande do Sul was the most outstanding.

Comment: The Ambassador's visit, brief though it was, established a presence of the United States in RGS as only such a visit can. It noticeably strengthened the Consular and USIS programs, oriented media more favorably toward the U.S., gave a boost to many of those friendly to the U.S. in this area, and generally augmented American prestige in RGS.

Percy Warner
American Consul

Encl.: 1 att'm. in.

cc. Amembassy RIO (with enclosure)

0429

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YR 611.32
Note 123-Cabot, John M.

FOREIGN SERVICE DESPATCH

FROM : Amconsulate PÔRTO ALEGRE — 51 (DESP. NO.) — March 24, 1961 (DATE)

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

MAR 24 1961

20 For Dept. Use Only	ACTION	DEPT.						
	ARA-4	Rm/R-2	INR-7	P-3	ICA-11			
	REC'D	INFO OTHER						
	3-29-61	CIA-10	USIA-10	OSD-5	NSA-4	ARMY-4	NAVY-4	AIR-6

SUBJECT: AMBASSADOR CABOT's VISIT TO RIO GRANDE DO SUL

Memo from Zuk 4/18/61 EMH

The Ambassador accompanied by Mrs. Cabot, the Air Attaché and Mrs. Kalb, and Lt. Col. Lucas, assistant air attaché visited RGS in the Embassy C-47, March 20-24 inclusive. The program of his visits in Pôrto Alegre (enclosure 1) included calls on the Governor, the presiding officer of the State Assembly and General Osvino Ferreira Alves, Commander of the 3rd Army, as well as a press conference.

The Governor demonstrated a most friendly attitude, remarking to the Ambassador that he admired the latter's frank and open statements on affairs here and noted that he, the Governor, also liked to make his views known with the frankness which characterizes the "gaúcho" of this region. Deputy Anschau (PRP) presiding officer of the Assembly whose term ends next month, received the Ambassador with several deputies including Dep. Adalmiro Moura (formerly PSP-now independent), former State Secretary of Economy and Deputy Euclides Kliemann (PSD). These deputies demonstrated particular interest in President Kennedy's current aid program and asked how participation in it by RGS could be arranged. Gen. Osvino Ferreira Alves, who received the Ambassador with an especial display of friendliness and interest, met the Ambassador on arrival, and was present with a full turnout of his staff at the reception in the Consular residence. Gen. Osvino is due for transfer to Rio next month as Chief of Army personnel which might account in part for his marked cordiality.

The press conference was attended by representatives from the Correio do Povo, Jornal do Dia, Diário de Notícias (Diários Associados) and the Ultima Hora. The questions asked Ambassador Cabot were those anticipated. The atmosphere was friendly and cordial and took approximately 40 minutes. At the end of this time it was necessary for the Ambassador to excuse himself so that he could leave for the reception honoring his visit and given by Governor Brizola. Questions asked included : Can you tell us something of President Kennedy's Peace Corps? Do you think the Exchange Reform will affect trade between the U.S. and Brazil? What about American Aid to underdeveloped countries? Was there really an incident between Berle and Janio Quadros? What is your opinion about

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Page No 4
Encl # 1
Desp # 346
Sao Paulo
3-21-61

Moore-McCormack office.

Comment: (UNCLASSIFIED)

The cocktail party was poorly attended by representatives of local shipping lines, coffee brokers and exporters and municipal officials, but the guests were impressed at the port data available in Portuguese and well-mounted graphic displays of the port installations in Long Beach.

3. Grain Ship Arrives (UNCLASSIFIED)

On March 16 the S/S "Marine Trader" arrived in Santos with more than 10,000 tons of U.S. wheat for Brazil, arranged pursuant to a recent agreement between Brazil and the United States. It may be some time before the ship can come alongside to discharge its cargo.

Comment: (UNCLASSIFIED)

Owing to a severe wheat shortage in Santos and Sao Paulo, the ship's arrival drew unusually heavy and favorable publicity in the Santos press.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE - Negative.

VI PSYCHOLOGICAL

1. O Diario Views the News (UNCLASSIFIED)

Commenting in O Diario upon the recent exchange reform of the Quadros Government by which the import exchange rate of the dollar was raised by 100%, Luiz Rodrigues Corvo, a communist student leader and the newspaper's chefe de reportagem wrote that "such a measure will further reduce the value of the cruzeiro and subtract from the buying power of salaries, bringing on a new social crisis. The labor movement will react, without a doubt. It remains for us to await it."

O Diario in the same edition (March 15) editorially stated, anent the Santos mayoralty campaign: "two conclusions may be drawn, (1) the four candidates are receiving janista support and none of them is janista because all of them lack authenticity (2) janismo, whether taken as a political movement or as an ideological current, does not exist in Santos and, we believe, does not exist in Brazil."

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0427

Reg No 3
Encl #1
Desp #346
São Paulo
3-31-61

Ensacadores de Café de Santos, the city's oldest union, installed its new president, José Silvano de Andrade, an anti-communist. He replaces Expedito Guedes Rodrigues, President of the Santos Forum Sindical de Debates (City Central), who becomes the union's First Secretary and delegate to the National Federation (see Weekly Comment of January 27).

III ECONOMIC

1. Port Congestion Worsens (UNCLASSIFIED)

Congestion in the port of Santos has steadily increased. On March 17 at least 25 ships were awaiting space alongside from the Santos roads outside the port, and more than 12 vessels were anchored inside the estuary. The situation has become so acute as to warrant a rare visit to Santos by the President of the Santos Dock Company, Dr. Candido Guinle de Paula Machado, who stated to the press that the situation is "Grave" but not "calamitous". A despatch on his remarks to the local press and discussing the present port congestion has been prepared by the reporting officer.

On March 15 the Dock Company allowed the use of quays reserved for the discharge of petroleum products for the loading of small quantities of general cargo. This stop-gap measure will have no immediate effect, but taken together with the other emergency measures recently adopted by the Dock Company (see Weekly Comment of March 10), should help improve the situation in two or three weeks time.

Comment: (OFFICIAL USE ONLY)

On March 10 Dr. Jose Menezes Berenguer, Inspetor (head) of the Dock Company in Santos, expressed to the reporting officer his disgust at the Brazilian Government's failure to give the company permission to go ahead with its long-standing plans to expand and improve the port facilities. He also expressed skepticism that the Quadros-appointed commission to inquire into port conditions will accomplish anything, since the facts of the situation have long been known to the Government. Dr. Berenguer emphasized that the whole matter is clouded in politics, and also that money is not lacking for expansion, since the Dock Company has ample funds available for large-scale construction.

2. Port of Long Beach Group in Santos (UNCLASSIFIED)

On March 16 Santos was briefly visited by Messrs. Joseph F. Bishop, Thomas J. Thorley and Robert Metzgar, representing the Port of Long Beach, California. The trio called upon Dr. Berenguer of the Dock Company (see above), briefly visited the port area and were guests of honor at a cocktail party hosted by the Santos

/Moore-

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0426

Page no
Encl #1
desp #346
Sao Paulo
3-21-61

Comment: (OFFICIAL USE ONLY)

The intemperate campaign of Antonio Feliciano (PSD) had declined almost into insignificance, while Athie Jorge Coury (PDC, PRP, PRT and Acao Socialista), who has lost much ground to rival Covas as the janista mayoralty candidate par excellence, has been reduced to inserting notices in the press that he does not intend to withdraw from the race. Feliciano, like La Scala, has also begun to identify his candidacy with Janio Quadros. Thus in the final days of the mayoralty race, Santos is being treated to the spectacle of 4 very disparate candidates, all ostensibly claiming to themselves the Quadros charisma.

With Covas' campaign having cut deeply into Coury's hopes and now alarming the PSP, the reporting officer is revising his predictions for the March 26 outcome as follows:

MAYOR	VICE MAYOR
(1) Luiz La Scala, Jr.	(1) Jose Gomes
(2) or (3) Athie Jorge Coury	(2) Nelson Noschese
(2) or (3) Mario Covas, Jr.	(3) Jayme Peres
(4) Antonio Feliciano	(4) Newton Aragao

2. Attack Upon Sao Vicente Mayor Continues (UNCLASSIFIED)

Sao Vicente Jornal, a weekly newspaper which appears irregularly, is continuing its heavy attacks upon Sao Vicente Mayor Roberto Andraus, accusing him of lying when he recently declared that the back wages of the city's municipal employees have now been paid "for the first time in eight years". The paper on March 12 ran headlines telling Andraus to "go to hell" and castigated the City Council for failing to vote for Andraus' impeachment. (See Weekly Comment of March 2.)

Comment: (UNCLASSIFIED)

The steady drum-fire of accusations against Andraus kept up by the newspaper is becoming somewhat erratic and the tone adopted by the paper rather shrill; nonetheless Andraus cannot but be finding himself in an increasingly difficult position.

A Sao Vicente municipal official this week told the reporting officer that the attacks on Andraus have been exaggerated, and that the blame lies not with Andraus, but with the mayors of "40 years ago".

II LABOR

1. Coffee Loaders Union Installs New Officers (UNCLASSIFIED)

On March 11 the new officers of the Sindicato dos Carregadores e Ensacadores

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0425

FORM DS-582
8-1-55

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Page No 1
Encl # 1
Desp # 346
São Paulo
3-21-61

OPERATIONS MEMORANDUM

TO: American Consulate General, Sao Paulo Date: March 17, 1961

FROM: American Consulate SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Santos Mayoralty Campaign (OFFICIAL USE ONLY)

The campaign of Mario Covas, Jr. (UDN, PST, PTN and PR), who seeks to rally the young janistas and carvalhistas behind his "renovation" platform, has gained such impetus as seriously to worry front-running Luiz La Scala, Jr., the candidate of incumbent Mayor Silvio Fernandes Lopes and the PSP, PTB and PL. On March 10 the reporting officer was told by Fernando Dias Oliva, President of the Santos City Council and a PSP stalwart, that La Scala would henceforth adopt the radical new tactic of going after the janista vote by establishing "Janistas for La Scala" committees in the city. Oliva let it be understood that he personally would direct this effort, once having been a Quadros admirer. When a "Janistas for La Scala" committee came into effect over the weekend, it was promptly jeered at by A Tribuna, which now strongly supports Covas. At this same time La Scala and his running mate for vice mayor Jose Gomes (PTB) stepped up their campaign efforts in all sectors, while Covas was concentrating this week upon the labor vote.

On March 17 Luiz Carlos Prestes, Secretary General of the Communist Party of Brazil, was scheduled to be in Santos, and it was reported in the press on March 16 that while here he would make a public declaration in favor of La Scala (see Weekly Comment of January 6). It was reported in the press on March 17 that La Scala was readying a declaration of his own denying that he was seeking any communist support.

Antonio Rodrigues, PTB First Alternate and communist Secretary General of the big Port Employees Union, has assumed the seat on the City Council vacated by Jose Gomes, who has obtained a 30-day leave of absence in order to concentrate on his campaign for vice mayor (see Weekly Comment of February 9). On taking his seat on the Council, Rodrigues called for the establishment of diplomatic relations with Russia and the ending of the ability of foreign firms to remit out of Brazil profits earned in this country.

/Comment:

VPRandolphIII/vpr

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0424

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

346
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 21, 1961
DATE

REF :

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	INFO RM/R-2 REP-1 INR-7 E-3 IRA-10
	REC'D 3-28-61	OTHER CIA-10 USIA-10 OSD-5 NSA-4 [illegible] S/R-6

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
MAR 29 1961

SUBJECT: Santos Weekly Report COM-10 AGR-8 AB-6

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated March 17, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/3-2161

Enclosure:

Santos Weekly Report
dated March 17, 1961

cc: Amembassy, Rio

RJBurton:lfw
REPORTER

OFFICIAL USE ONLY

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0423

CONFIDENTIAL

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347
São Paulo

Contributors:

Pyle, Fasoli, Shea, Burton

Distribution:

INS/RAR, Embassy Rio 3, Amconsulatea Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife, Salvador, Santos

CONFIDENTIAL

0422

Western camp."

13. Execution of William Morgan (Unclassified)

In an editorial entitled "Crime and Silence," O Estado de S. Paulo compared, as other newspapers did, William Morgan's execution in Cuba with Lumumba's killing in the Congo. This time, said O Estado, "everybody will be quiet. Some because they are Communists, others because they are 'nationalists,' others simply because it is easier to do so, and many others, who only a few days ago shouted their protest, because they are simply cowards... The reason is that he was not a victim of North-American 'imperialism'... He was but an American who, like hundreds of thousands of his countrymen, knew how to leave his own country to risk his life generously, in a foreign land, for the defense of an ideal." Fôlha de S. Paulo's editorial comment was very similar and stated in conclusion that "the silence that followed William Morgan's execution is one more evidence that the mere death of an individual is of small concern to certain groups; what they do want is to use certain deaths (Lumumba's) for propaganda purposes." Surprisingly, even Última Hora condemned Morgan's execution, though thinking that "Castro should punish with maximum strictness the enemies of Cuban independence." The newspaper added that they should all be put in jail: "The death penalty is, under any circumstance, unworthy of being applauded. It opposes itself to everything that is right, pure and just."

Miscellaneous

14. List of Substantive Despatches

338 Evacuation Plan São Paulo
339 São Paulo Reaction to Exchange Reform Measure
340 Annual Plastic Materials Repetitive Survey for Brazil of Calendar Year 1960
341 São Paulo Cost of Living Index January, 1961
342 Redemption of U. S. Mutilated Currency
343 Polyethylene Manufacturer To Expand Production
344 Department of Commerce Publications US Investment in the Latin American and U.S. Business Investment in Foreign Countries
345 Effective Use of Department's Summary of Communist Goals In Less Developed Countries
346 Santos Weekly Report
347 São Paulo Weekly Summary No. 90

William P. Cochran, Jr.

William P. Cochran, Jr.
Minister Consul General

0421

the local press as two important features of what has been regarded as the new foreign policy adopted by President Jânio Quadros. Although conceding that Red China's admission to the United Nations and the establishment of commercial and diplomatic relations with that nation "will add much confusion to that organization" as well as in Brazil, because "a new center of Communist propaganda" will consequently be established in this country, Fôlha de S. Paulo feels that "there is no way to prevent it, both from a legal point of view and from the standpoint of practical advisability." The newspaper went on to explain its viewpoint: "There is no doubt that Red China possesses all the material conditions of a State -- 'the people, the land, and a sovereign government' -- required by international law... (On the other hand) up to the present, a police record showing a democratic background has not been required for admission in an international organization. USSR, Cuba, Paraguay, Portugal and several other countries of spurious origin or countries which are continually assaulting human rights and dignity, are members of such organization. ..Therefore, let us keep in the United Nations representatives of totalitarian and sanguinary governments, but let us do whatever we can to prevent them from spreading their domination over other peoples." O Estado de S. Paulo saw no reason why Brazil should re-establish relations with Iron Curtain countries in general. These countries do not have a market for Brazil's exportable goods, and the products they could sell to Brazil are already being imported from the United States...The fact that the United States, England, France and other countries maintain diplomatic relations with the Soviet Union does not have much meaning, according to O Estado, because "any of those countries is so highly developed, that they are protected against the infiltrations of a politico-philosophical doctrine in every respect inferior to their own...If the President of Brazil would be willing to act in accordance with the feelings of almost everyone in the nation, he would think twice before putting his intentions into practice."

12. Quadros' Message to the Congress (Unclassified)

O Estado de S. Paulo saw in the message sent by President Quadros to the Brazilian Congress "an advance response to Kennedy's appeal - 'Let us once again awaken our American revolution till it guides the struggle of people everywhere, not with an imperialism of force or war, but with the rule of courage and freedom and hope for the future of men'. Any American who has read yesterday's Brazilian newspapers... will be convinced that Brazil has awakened to the realization that it must fulfill its tremendous and glorious task in the common fight for political, economic and social emancipation of all peoples, within the democratic regime." Fôlha de S. Paulo stated that "Quadros was right in saying that 'the ideological position of Brazil is in the West, and we will keep that position'... We want Brazil to continue as part of the Western block of nations." Leftist Última Hora complained about Quadros' pronouncements: "When delivering demogogic speeches, he shouts that this is an independent country, invites Tito (to visit Brazil), hangs Nasser's and Nehru's photos on the wall of his office. When he has an official statement to make, he strengthens his administration's position in the



Floriano Francisco Dezem, president of the State Federation of Chemical Workers and a member of the Communist Party, that if the workers became desperate and demanded strikes, he would be leading them, Dr. Castro Neves told the labor leaders to have confidence in your labor courts and democratic institutions which are set up to handle labor disputes. He also implied that the government would take measures to limit profits if the industrialists did not keep them at a reasonable rate. He did not, however, spell out specific measures which would be taken by the government in this eventuality. Throughout the interview he reiterated that the workers of course had the right to strike in Brazil but must be prudent in exercising it.

COMMENT: (Confidential) The Minister's statements are being bitterly criticized by some labor leaders who are wondering if the Quadros' administration austerity program is for the workers alone.

Psychological

10. President Kennedy's Speech on Latin America (Unclassified)

Respected O Estado de S. Paulo labeled President Kennedy's ten-year plan for Latin America as "a magnificent program," thus summing up in a few words what seemed to be the general opinion of the São Paulo press this past week. Commenting on the presidential speech, the newspaper said: "the President of the United States did not do what would have delighted the Communist-Nationalist forces of the Latin American countries-take on the organization of a 'crusade' against little Cuba. He simply appealed to the inter-American conscience and stressed the profound meaning of our common task. He indicated the solution, evident in the civilization itself which our forefathers established... John Kennedy's statement was more than a fine speech--it was the assumption of a position by a leader who is responsible for our common destiny and knows that 'hungary men and women cannot wait for economic discussions or diplomatic meetings; their need is urgent, and their hunger rests heavily on the conscience of their fellow-men.'... We entirely agree with the American president: 'Progress yes, tyranny no.'" Diário de S. Paulo applauded President Kennedy's words and concluded its editorial by saying that "undoubtedly, the salvation of our continent from the chaos of the totalitarian ideologies rests in Kennedy's courage and objective action." Under the title "Alliance for Progress," leading afternoon paper A Gazeta editorialized: "Facing the great danger, Kennedy seeks the adequate route, offers the sister republics the cooperation to consolidate the democratic regime and strengthen Pan-American fraternity against the incursion of modern barbarians disposed to annihilate our possessions, families and freedom... A young mind, determined to protect the future of the Americas, with the power of the various republics affected by the serious consequences of the underdevelopment crisis, spoke in that warmly applauded and well received speech."

11. Brazil's New Foreign Policy (Unclassified)

Support of Communist China's admission to the United Nations and re-establishment of diplomatic relations with the Iron Curtain countries were commented on by

0419

Labor

7. Communist Labor Leaders Back Cantidio (Confidential)

Following Communist Party direction, some 60 trade union leaders from 16 local unions have published and are circulating a petition backing the candidacies of Cantidio Sampaio for mayor and Rio Branco Paranhos for vice-mayor. The list includes union leaders from the local unions of metal-workers, textile workers, construction workers, typographical workers, packing house, chemical workers, bakers, bank clerks, hotel workers, and dairy workers which are all under considerable Communist Party influence. Antonio Chamono of the textile workers and Luiz Tenerio de Lima of the dairy workers, regarded as top Communist Party trade leaders in São Paulo, signed the petition. However, it is significant to note that José da Rocha Mendes Filho, PTB state deputy and president of the local union of Typographical Workers, who is reported to be at odds with Communist Party leadership, was not listed among the signatories.

8. Non-Communist Victory in Journalist's Union (Confidential)

Non-Communists were successful in elections held last week by the São Paulo State Local Union of Journalists. Ewaldo Santos Ferreira led a slate of non-Communists which defeated two opposition slates in a close contest after a hard fought campaign. Ferreira's slate, which was backed by the local's outgoing President Benidito Ribeiro, received 564 votes. A second slate headed by Helio Domante of the influential daily "O Estado" finished a close second with 553 votes. Domante's slate included Communist Party members and fellow travellers, and had official Communist Party backing. A third ticket, which was headed by Vicente Azevedo, a member of the Communist Party who is said to be at odds with Communist Party leaders, ran a poor third with 285 votes.

COMMENT: (Confidential) The non-Communists . won control of the local from the Communists in elections held some two years ago. Ferreira's election will continue this control.

A refusal by a number of non-Communists working for O Estado to support Ferreira because he is employed by its rival Folhas prevented his margin from being even greater. Fortunately, however, the Communists were split, and Ferreira slipped in.

9. Castro Neves Cautions Against Strikes (Confidential)

Dr. Francisco Castro Neves, Minister of Labor, bluntly told a group of São Paulo labor leaders last week not to strike or create public disorder during the coming months. Pointing out that price controls would be lifted on May 1 he went on to say that it would be the responsibility of the employers to keep profits at a reasonable rate and prevent price increases. The minister suggested to some forty labor leaders that if prices started to rise the workers could show their discontent by symbolic strikes of fifteen minutes duration. When informed by

0418

and national party president, Antonio de Queiroz Filho, was also chosen. At the same time the convention elected 30 delegates to represent São Paulo at the PDC national convention scheduled to begin at Curitiba on April 8.

5. Adhemar Administration Accused of More Irregularities (Official Use Only)

São Paulo city councilman Monteiro de Carvalho (PDC) protested this past week on the hurried attempt of city council to amend a building code law which presently limits the height of commercial buildings to a height not exceeding "six times the area of the ground". He stated that he was suspicious that private interests, including an American group interested in building a big hotel, were attempting to pressure city council to modify present ground requirements. City councilman Freitas Nobre, the PSB candidate for vice-mayor, was less restrained; he bluntly declared that "he was absolutely convinced that real estate speculators as well as hotel owners and suppliers, were making illegal contributions to members of the Adhemar administration."

UDN members of the city council, headed by Marcos Melaga, this past week asked mayor Adhemar de Barros to veto the bill recently passed which provides for substantial increases in the salaries of those city employees who are university graduates (see São Paulo despatch 337, March 15, 1961). It will be recalled that PR councilman Ary Silva had alleged that 25 million cruzeiros had been collected to secure passage of the proposal (see despatch 337). The UDN councilmen denied mayor Adhemar's assertion, made this past week, that 80% of those who would benefit under the proposed legislation were members of the UDN.

COMMENT: The special commission of inquiry, appointed by city council to investigate the alleged irregularities connected with the passage of the bill granting substantial increases to university graduates employed by the city, has still not issued its findings. The legislation meanwhile has not been sent to the mayor, but has remained with the president of the municipal chamber, Manuel Figueiredo Ferraz, the mayor's son-in-law.

6. Paraguayan Refugees in São Paulo (Official Use Only)

Five Paraguayan refugees, seeking political asylum from president Stroessner, arrived in São Paulo during this past week. Four of the group, namely Ruiz Diaz, Felipe Neriz Arevalo, Felix Veloz Obando, and Zemigio Gimenez, stated that they were members of the party in opposition to the government, the Liberal Democratic Party. They declared that those who oppose the government are subject to persecution and imprisonment; that they had been held incommunicado for three months without the opportunity to change clothes or to bathe. The other refugee, twenty-four year old Gualberto Arce, was a member of the eight member opposition group which was massacred on December 25 in Mato Grosso by pursuing Paraguayan soldiers (see Embassy Rio de Janeiro despatch 728, Item 6, February 21, 1961). Acre stated that he was one of the two who survived.

0417

COMMENT: As this post reported earlier (see despatch 337) the slate was generally agreed upon by the members of both pro-administration and opposition parties before the election. All of the parties retained the same position which they had held during the previous year except for the first secretary which passed from the PTN to the PDC this year. Four of the incumbents were re-elected. A last minute abortive attempt by three UDN deputies, Israel Dias Novais, Antonio Mastrocola, and José Costa, (all of whom favored the mayoralty candidacy of Prestes Maia) to form an opposition slate proved to no avail, as did the efforts of PSP members who abstained from voting in the hopes that a quorum would not be present. Antonio Mastrocola, who was nominated for vice-mayor by the UDN and later withdrew his candidacy (see despatch 337), declared that Chaves do Amarante had declared in his residence that he would only withdraw his candidacy for the presidency of the state Legislative Assembly upon being asked to do so by Janio Quadros, or upon the promise that the leading members of the UDN would participate in the mayority campaign on behalf of Emilio Carlos (see Item 1). Mastrocola stated this debt had now been paid. It will be recalled that Chaves do Amarante withdrew his candidacy in favor of Abreu Sodré (see despatch 337).

3. São Paulo Legislative Assembly Leaders Chosen (Official Use Only)

São Paulo state PTN deputy José Adholpho Chaves do Amarante was invited by governor Carvalho Pinto during this past week to be the leader of pro-administration forces in the state Legislative Assembly, in succession to Felíco Castelano (PDC). Gustavo Martini (PRT) and André Nunes Junior (PTB) accepted the governor's invitation to be vice-leaders.

COMMENT: (Confidential) Both Chaves do Amarante and André Nunes Junior accepted the governor's invitation but asked that their appointments be made effective after the municipal election on March 26 so as to not embarrass the governor, in view of his reluctance to take sides in the mayoralty dispute. Interestingly enough, both Chaves do Amarante and André Nunes Junior are actively campaigning for Emilio Carlos, whose mayoralty candidacy was, as previously reported, unacceptable to the governor. The choice of Chaves Amarante and Nunes Junior is interpreted in many quarters as part of a move by Governor Carvalho Pinto to patch up the conflicts in pro-administration forces which have resulted from the current mayoralty contest. Chaves do Amarante stated that he intended to give additional duties to the two vice-leaders; that one would remain in plenary sessions to defend pro-administration policy; the other would attend committee meetings.

4. PDC Elects New Regional Directorate (Official Use Only)

About 1200 delegates from all parts of the state attended the regional convention of the PDC in São Paulo this past week. Federal deputy Franco Montoro was elected president; state Secretary of Education Luciano de Carvalho, state deputy Roberto Cardoso Alves, and Teofilio Ribeiro de Andrade Filho were elected vice-presidents. A regional directorate headed by state Secretary of Justice

0416

of March 22 (when Janio won the mayoralty of São Paulo in 1953). Many paulistanos feel that he will join the city administration with the state government of Carvalho Pinto and the national government of Janio Quadros. While many disapprove of some of Emilio Carlos' former acts, there is also a feeling that he would, under Janio, give the city a good administration. Emilio is a capable campaigner, a spellbinder, and a proven vote getter.

Prestes Maia is most clearly identified as a good administrator. Some of São Paulo's greatest improvements were made during his former tenure as an appointive mayor from 1938 to 1945. His past record as mayor, together with public impatience with the maladministration of the Adhemar de Barros regime, will doubtless secure him large support from the electorate. At the same time he is a three time loser in past elections.

Cantidio Sampaio has the support of the city administration. In addition, he has been working at the grass root level for many months, even prior to the recent presidential election. However, he is handicapped by his association with the incumbent Adhemar administration which many hold in bad repute. His own record is generally good; he has attempted to disassociate himself from the Adhemar regime as much as possible.

While it is possible that Emilio Carlos and Prestes Maia may split the janista vote so evenly that Cantidio Sampaio may emerge the winner, this does not seem likely. Cantidio, however, may be a strong third candidate. On balance, the statement by Janio, the intensive efforts made this past week by Emilio Carlos (who appears to have spent more money on the campaign than any of the other candidates) seems to have given Emilio the lead in the mayoralty race. It appears that he has a slight advantage over Prestes Maia.

The race for vice-mayor has attracted little public attention and so many people have regarded it with indifference that it is difficult to judge who will win.

2. São Paulo State Legislative Assembly Elections (Official Use Only)

Members of the São Paulo state Legislative Assembly, who met on March 12 to chose new Assembly officers, re-elected incumbent president Abreu Sodré by a 66 to 5 vote as was expected (see São Paulo despatch 337, March 15, 1961). Seventeen votes, largely from members of the PSP, were cast in blank. A total of 88 deputies participated in the elections. Conceição da Costa Neves was re-elected vice-president (for the third time); Alfredo Farhat (PTN) was elected second vice-president. Aloysio Nunes Ferreira (PDC); Jacob Salvador Zveibel (PR), Carlos Kherlakian (PRP) and Anibal Haman (PTB) were elected first, second, third, and fourth secretaries respectively. Both Carlos Kherlakian and Anibal Haman were re-elected to the same positions that they have held during the past year.

0415

endorsing Emilio Carlos' candidacy, which was released to the press. Janio's letter incongruously states that "the president is not supposed to involve himself in electoral fights and I will not do that. Nevertheless, I repeat what you, the people, and the workers already know. I will vote for Emilio Carlos as will my wife and mother, and I believe Tutu and Aloar" (Janio's daughter and son-in-law). The president added that he (Emilio)will be a good interpreter of the sufferings and aspirations of the workers of São Paulo. Carlos Lacerda, governor of Guanabara, in a television broadcast in São Paulo, declared that the mayoralty election in São Paulo affects the entire country; that the failure to elect Emilio would disrupt "the unity of janista forces"; that the other candidate (an obvious reference to Prestes Maia) "unhappily unites some of the forces of the UDN and everything that is more anti-UDN and anti-Janio." Carlos Lacerda added that if "São Paulo chooses an alliance with the Communists and the remnants which the people rejected in the recent presidential election it will be a disaster for the country". Castro Neves, Minister of Labor, over TV in São Paulo this past week, declared that "Emilio Carlos was a young, intelligent, and experienced man who would do for São Paulo what Janio would realize for the country". Emilio Carlos was also given television support by Abreu Sodré, Padre Godinho, São Paulo senator Lino de Matos, and several state deputies.

Prestes Maia continued to stress that he is the candidate who "stands for a decent administration". He, too, continued to emphasize, although less directly than Emilio Carlos, his closeness to Janio, in an obvious attempt to attract support from the janistas. Prestes Maia recalled that "one day in 1953 during the mayoralty campaign, a thin boy with a big moustache and badly dressed", appeared at his office, saying simply "I am Janio Quadros". Prestes Maia stated that he had helped Janio choose his cabinet, including Carvalho Pinto. Prestes Maia continued to attack his leading opponents saying, without mentioning names, that one (Cantidio Sampaio) is the candidate of the mayor who is responsible for the holes in the streets; that the other (Emilio Carlos) represents the "crooks" in the Bank of Brazil.

Cantidio Sampaio also campaigned energetically this past week. Mayor Adhemar de Barros for the first time appeared at public meetings held on Cantidio's behalf, as did São Paulo vice governor Porfirio da Paz. Luiz Carlos Prestes, the secretary-general of the Communist Party of Brazil (PCB), addressed a public meeting on behalf of Cantidio. Cantidio was not present. It will be recalled that he had declared earlier that he did not want PCB support (see São Paulo despatch 337, March 15, 1961). The two remaining mayoralty aspirants, Rui Novais, the PSB nominee, and Farabulini Junior, the PL candidate, were also active, as were the seven candidates for vice-mayor.

COMMENT: (Confidential) The candidacy of Emilio Carlos was doubtless strengthened, perhaps considerably, this past week by Janio's pronounced preference for him and by the public support of Carlos Lacerda, Abreu Sodré, Padre Godinho and other well known and respected public figures. Emilio Carlos is most clearly identified as a janista candidate, as one who will continue the Movement

0414

PRIORITY

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(Security Classification)

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FOREIGN SERVICE DESPATCH

347
DESP. NO.

FROM : Amcongen, São Paulo

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 21, 1961
DATE

REF :

20 For Dept. Use Only

ACTION	DEPT.
ARA-4	RM/R-2 REP-1 INR-7 P-3 ID-4 L-AB-6
REC'D 3-28-61	INFO OTHER CIA-10 USIA-10 OSD-5 NSA-4 Army-4 Navy-4 Air-6

SUBJECT: São Paulo Weekly Summary No. 90, Week Ending March 18, 1961

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAR 29 1961

732.00/3-2161 HBS

Index:

Political
1. São Paulo's Mayoralty Race
2. São Paulo State Legislative Assembly Elections
3. São Paulo Legislative Assembly Leaders Chosen
4. PDC Elects New Regional Directorate
5. Adhemar Administration Accused of More Irregularities
6. Paraguayan Refugees in São Paulo

Labor
7. Communist Labor Leaders Back Cantidio
8. Non-Communist Victory in Journalist's Union
9. Castro Neves Cautions Against Strikes

Psychological
10. President Kennedy's Speech on Latin America
11. Brazil's New Foreign Policy
12. Quadros' Message to The Congress
13. Execution of William Morgan

Miscellaneous
14. List of Substantive Despatches

Political
1. São Paulo's Mayoralty Race (Official Use Only)

With the election campaign nearing its end, all five mayoralty candidates in São Paulo this past week increased the tempo of their appeals to the electorate. All forms of public media were utilized in an endeavor to secure the voter's support. Emilio Carlos and Prestes Maia will both hold their final rallies in different public squares on March 22 and at the same time commemorate the day in 1953 that Janio Quadros won the mayoralty of São Paulo. Cantidio Sampaio's grand finale will be held on March 23.

The highlight of the past week was Janio Quadros' letter to two "old friends",

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See last page/dh
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DISTRIBUTION: All consulates in Brazil, Service Attachés, USIS, Econ (2), Pol II, Brasilia, Labor, CF (3), Pol (5)

0412

Comment: Present at the banquet, attended by more than 600 people, were the rest of Quadros' cabinet, the heads of the Civil and Military Cabinets, and various governors (most of whom travelled hundreds and thousands of miles to be present), senators, deputies and other distinguished persons.

It is difficult to evaluate the full meaning of the banquet and the Minister's speech, coming as it did after the fireworks of the President's numerous actions intended to establish Brazil's "independent- neutralist" position in foreign affairs. For one thing it addresses itself to inter-American relations an area almost entirely neglected by Quadros. Making the best possible presentation of the philosophy guiding the President's foreign policy, which the President has not himself seen fit to set forth except in the briefist of terms, it may also have been designed to quiet insistent speculation about Horta's baleful influence in the Quadros administration.

As for the banquet itself, the presence of highest government officials is generally accepted as a small triumph in establishing the new Minister's prestige as one of the most powerful, if not as most powerful man in the Administration after the President himself. While planned some time before, it coincided with increasing criticism of the Administration within Congress reflecting real fear that Quadros (with Horta his principal hatchet-man) is already laying the foundations for a dictatorship. (See despatch No. 828, March 20, 1961).

Since his speech, however, stories have been circulating in increasing numbers that Pedrosa Horta's abilities and usefulness to the administration have proved to be limited largely to the São Paulo area. Offered as proof is the fact that the President has been placing more and more responsibility on the shoulders of the politically more experienced (on the national scene at least) Minister of Mines and Energy, João Agripino, ex-UDN leader in the Chamber of Deputies.

The foregoing suggests that Horta may have already been selected as sacrificial goat, (whether temporarily or permanently, it is impossible to guess with Quadros making the decisions) for failing more effectively to neutralize political opposition to the Administration's early measures to concentrate more political power in the executive branch.

For the Ambassador:

Philip Raine

Philip Raine
Counselor of Embassy
for Political Affairs

0411

AIR POUCH (PRIORITY) | CONFIDENTIAL (Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO — DESP. NO. 831

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE March 20, 1961

REF : Embassy Despatch 783, March 8.

20 For Dept. Use Only	ACTION	DEPT.	
	ARA-4	RM/R-2 INR-7	
	REC'D 3-23-61	INFO OTHER	CIA-10 USIA-10 NSA-4 OSD-5 ARMY-4 NAVY-4 AIR-6

SUBJECT: JUSTICE MINISTER PEDROSO HORTA COMMENTS ON THE ADMINISTRATION'S FOREIGN POLICY

On March 7, Justice Minister Pedroso Horta spoke at a banquet given in his honor in São Paulo, commenting that President Quadros was fulfilling his campaign promises "one by one, religiously, vigorously." Following a general description of the proper relationship between the three powers of government, "harmonic and independent," and a reassuring statement that "the President, in the fulfillment of the law is a slave of it," Horta commented on foreign affairs in this statement, here translated into English in its entirety:

"Touching on external policy, gentlemen, the position of complete independence of the government demonstrates principally the degree of maturity that we have attained. We do not lack responsibility nor international leadership. We understand our rights and our interests and we know how and when to defend them. We are a free people which directs its own destiny. As Americans we have committments principally with the peoples of America. It is incumbent on the Organization of American States to solve our possible controversies. Through the Inter-American Treaty of Reciprocal Assistance, the charter of the Organization of American States and the Pact of Peaceful Solution of Bogotá we have our own system of collective security. We are a fraternity of nations which, hand in hand, knows how to seek the common solution for our larger problems, mutually giving and receiving support, assistance, and relief.

"Within this concept and this perspective there is nothing that impedes our intention of opening the doors of Brazil to the other peoples which want to maintain good relations and commerce with us. Brazil, like Latin America and as was North America, is in a hurry on the road to its development. With this objective, we will defend our tradition of liberty and of faith, to give to the country the well-being for which it has an awareness and to which it aspires, it is for this /reason/ that we cannot uselessly limit the action of the government in dealings with other nations."

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ACTION ASSIGNED TO-	ACTION TAKEN	
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

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ESTADOS UNIDOS DO BRASIL

DIÁRIO OFICIAL

SEÇÃO I — PARTE I

DECRETO N.º 46.237 — DE 18 DE JUNHO DE 1959

ANO C — N.º 58 CAPITAL FEDERAL

ATOS DO PODER EXECUTIVO

DECRETO Nº 50.231 — DE 10 DE MARÇO DE 1961

Abre, pelo Ministério da Fazenda o crédito especial de Cr$ 47.286.000,00, para os fins que especifica.

O Presidente da República, usando da autorização contida no art. 2º da Lei nº 3.959, de 18 de dezembro de 1960, e tendo sido ouvido o Tribunal de Contas, nos têrmos do art. 83, do Regulamento Geral de Contabilidade Pública, decreta:

Art. 1º Fica aberto, pelo Ministério da Fazenda, o crédito especial de ... Cr$ 47.286.000,00 (quarenta e sete milhões e duzentos e oitenta e seis mil cruzeiros).

Custeio: Cr$

Material de Consumo e de Transformação ...	1.204.000,00
Material permanente ..	25.340.000,00
Serviços de Terceiros ...	9.940.000,00
Encargos Diversos	438.000,00

Investimentos:

Equipamentos e instalações	9.940.000,00

Art. 2º Este decreto entrará em vigor na data de sua publicação, revogadas as disposições em contrário.

Brasília, em 10 de março de 1961; 140º da Independência e 73º da República.

JÂNIO QUADROS

Clemente Mariani

DECRETO Nº 50.233 — DE 11 DE MARÇO DE 1961

Institui, nas Gabinetes Militar e Civil, Sub-Gabinetes da Presidência da República e dá outras providências.

O Presidente da República usando da atribuição que lhe confere o artigo 87, item I, da Constituição, decreta:

Art. 1º Nas Capitais dos Estados funcionarão Sub-Gabinetes da Presidência da República, integrados e diretamente subordinados aos Gabinetes Militar e Civil.

Art. 2º As Chefias dos Sub-Gabinetes da Presidência da República nos Estados serão providas por dois Oficiais de Gabinete do Presidente da República, sendo um militar e um civil, designados, respectivamente, pelos Chefes dos Gabinetes Militar e Civil.

Art. 3º Ao Gabinete da Presidência da República compete a supervisão, a coordenação e o cadastro das atividades dos Sub-Gabinetes dos Estados.

Art. 4º Aos Sub-Gabinetes da Presidência da República, nos Estados, incumbe:

a) encaminhar às repartições federais, às autarquias e aos demais órgãos da administração indireta, notas pedidos, reclamações, pedidos e papéis do interêsse das populações locais;

b) cooperarem os elementos civis, através da Chefia do respectivo Gabinete, para a melhoria dos serviços públicos federais do Estado respectivo, dos serviços das autarquias e outros órgãos da administração indireta;

c) encaminhar às Chefias dos Gabinetes Militar e Civil, devidamente informados, os papéis e processos cuja decisão caiba a êsses Gabinetes ou ao Presidente da República e cujo prosseguimento escape aos órgãos federais com sede nos Estados;

d) remeter, mensalmente, ao Gabinete da Presidência da República relatório circunstanciado dos trabalhos realizados.

Art. 5º Os Sub-Gabinetes da Presidência da República nos Estados instalar-se-ão em dependências do Govêrno Federal cedidas para êsse fim, mediante entendimento das Chefias dos Gabinetes Militar e Civil, sem prejuízo dos serviços em funcionamento regular.

Parágrafo único. Os Sub-Gabinetes estarão submetidos no regime de trabalho, às leis e decretos que regem os serviços públicos federais.

Art. 6º O pessoal auxiliar reclamado para o desempenho das tarefas pertinentes aos Sub-Gabinetes da Presidência da República será requisitado, na forma da legislação em vigor, na medida das necessidades, aos órgãos do Govêrno Federal, através dos Chefias dos Gabinetes Militar e Civil, até o número máximo de dez (10) civis e cinco (5) militares.

Art. 7º Os responsáveis pelos Sub-Gabinetes da Presidência da República nos Estados poderão requisitar aos órgãos locais do Govêrno Federal, meios de transporte e o material indispensável.

Parágrafo único. Dessas requisições serão enviadas cópias ao Gabinete Militar ou Civil, consoante o caso.

Art. 8º Os Sub-Gabinetes da Presidência da República gozarão da franquia postal-telegráfica, sendo-lhes facultado o uso dos meios de rádio comunicações federais.

Art. 9º Aos responsáveis e integrantes dos Sub-Gabinetes da Presidência da República ficam vedadas, terminantemente, quaisquer atividades político-partidárias.

Art. 10. Este Decreto entrará em vigor na data da sua publicação, revogadas as disposições em contrário.

Brasília, em 11 de março de 1961; 140º da Independência e 73º da República.

Jânio Quadros

Clemente Mariani

DECRETO Nº 50.234 — DE 11 DE MARÇO DE 1961

Institui, no Gabinete Civil da Presidência da República, o Serviço Nacional dos Municípios (SENAM), e dá outras providências.

O Presidente da República, usando da atribuição que lhe confere o art. 87, item I, da Constituição,

DECRETA:

Art. 1º Fica instituído, no Gabinete Civil da Presidência da República, diretamente subordinado ao respectivo Chefe, o Serviço Nacional dos Municípios (SENAM).

Art. 2º O SENAM terá um Chefe e um Subchefe, que o substituirá nos seus impedimentos, escolhidos entre os integrantes do Gabinete Civil da Presidência da República, além dos servidores que forem requisitados pela autoridade competente.

Parágrafo único. O Chefe do SENAM despachará mensalmente com o Presidente da República.

Art. 3º Compete ao SENAM:

a) estabelecer contato administrativo entre as autoridades municipais e a Presidência da República;

b) promover audiências das autoridades municipais com o Presidente da República, e preparar a pauta das mesmas;

c) encaminhar aos órgãos do Govêrno Federal os despachos dos assuntos administrativos de interêsse dos municípios;

d) prestar às autoridades municipais assistência e informações relativas às suas comunas;

e) responder às consultas sôbre assuntos de ordem administrativa, jurídico, econômico, financeiro e outros pertinentes aos municípios;

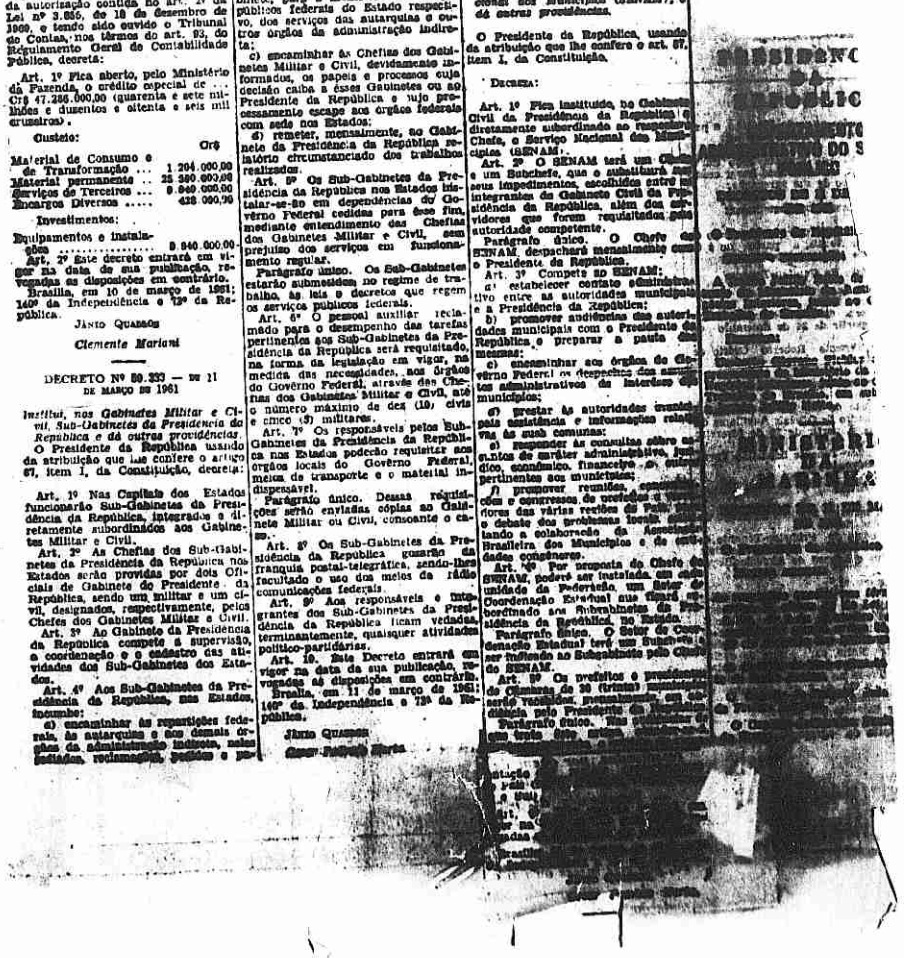
f) promover reuniões, [illegible] ções e congressos de prefeitos e vereadores das várias regiões do País, para o debate dos problemas locais, [illegible] lando a colaboração da Associação Brasileira dos Municípios e de outras [illegible] dades congêneres.

Art. 4º Por proposta do Chefe do SENAM, poderá ser instalada, em cada unidade da Federação, um Setor de Coordenação Estadual que ficará [illegible] coordenado aos Subgabinetes da Presidência da República, no Estado.

Parágrafo único. O Setor de Coordenação Estadual terá um Subchefe, a ser indicado ao Subgabinete pelo Chefe do SENAM.

Art. 5º Os prefeitos e presidentes das Câmaras de 30 (trinta) municípios serão recebidos, mensalmente, em audiência pelo Presidente da [illegible]

Parágrafo único. Em [illegible]





Subcabinets of the Presidency of the Republic, of the /particular/ state.

The section of State Co-ordination will have a subchief to be indicated to the Subcabinet by the Chief of SENAM.

Article V. The mayors and presidents of municipal chambers of thirty municipalities will be received monthly in audience by the President of the Republic.

In the audiences called for by this article, the criterion of representation of the geo-economic regions of the country (North, Northeast, Center, West and South) will be given preferential consideration.

Article VI. This decree will become effective on the date of its publication, revoking all others to the contrary.

Brasilia, March 11, 1961

0408

TRANSLATION OF DECREE CREATING
A NATIONAL SERVICE OF MUNICIPALITIES (SENAM)

No. 50,334

Article I. A national service of municipalities (SENAM) is instituted in the Civil Cabinet of the Presidency of the Republic and is directly subordinated to the Chief of the Cabinet.

Article II. SENAM will have a chief and a subchief who will substitute for the former when he is unable to serve, both chosen from the members of the Civil Cabinet of the Presidency of the Republic, besides assistants who will be recruited by the competent authority.

The chief of SENAM will meet monthly with the President of the Republic.

Article III. SENAM is responsible for the following:

A. To establish administrative contact between the municipal authorities and the Presidency of the Republic;

B. Promote audiences of municipal authorities with the President of the Republic and prepare guide lines for same;

C. Send to the organs of the federal government executive rulings on administrative subjects of interest to the municipalities;

D. Lend to the municipal authorities assistance and information relative to their communities;

E. Reply to consultation about matters of an administrative, juridical, economic, financial or other nature pertinent to municipalities;

F. Promote meetings, gatherings and congresses of mayors and aldermen from the various regions of the country for discussion of local problems, soliciting the collaboration of the Brazilian Association of Municipalities and allied entities.

Article IV. The Chief of SENAM may propose the establishment in each unit of the Federation (e.g. each state) a Section of State Co-ordination which will be subordinate to the

0407

D. Send a monthly detailed work report to the Cabinet of the President of the Republic.

Article V. The subcabinets of the Presidency of the Republic in the states will install themselves in offices of the federal government ceded for this purpose, by means of the intercession of the chiefs of the Civil and Military Cabinets, without prejudice to the services regularly functioning there.

The subcabinets will be subject, with regard to working hours, to the laws and decrees which hold for federal public service.

Article VI. Auxiliary personnel required for the execution of tasks pertinent to the subcabinets of the Presidency of the Republic will be recruited in the manner provided by the legislation in force, in the amount necessary, from the organs of the federal government, through the chiefs of the Civil and Military Cabinets, with a maximum number of ten (10) civilians and five (5) military.

Article VII. Those responsible for the subcabinets of the Presidency of the Republic in the states will be authorized to requisition transportation and indispensable material from local organs of the federal government.

Article VIII. The subcabinets of the Presidency of the Republic will enjoy postal and telegraphic franking privileges, and the use of federal radio-telecommunication will be permitted them.

Article IX. Any political or party activity is catagorically prohibited for those persons responsible or incorporated into the subcabinets of the Presidency of the Republic.

Article X. This decree will become effective on the date of its publication, revoking any contrary to it.

Brasilia, February 11, 1961

0406

TRANSLATION OF DECREE
CREATING SUBCABINETS IN ALL STATES

No. 50,334

Article I. Subcabinets of the Presidency of the Republic, integrated and directly subordinated to the Civil and Military Cabinets§ [of the President] will operate in the capitals of all the states.

Article II. Two officials of the cabinet of the President of the Republic, one civilian and one military, will be designated by the respective chiefs of the Civil and Military Cabinets to head the subcabinets in the states.

Article III. The supervision, coordination and surveillance of the activities of the subcabinets of the states is the responsibility of the Cabinet of the Presidency of the Republic.

Article IV. It falls to the subcabinets of the Presidency of the Republic in the states to:

A. direct complaints, petitions and papers of interest to the local population to federal offices, autarchies and other organs of indirect administration;

B. coordinate civil elements, through the chief of the respective cabinet [civil], for the improvement of the federal public services in the state with respect to the services of the autarchies and other organs of indirect administration;

C. send to the chiefs of the Civil and Military Cabinets, duly documented, the papers and processes whose decision falls to these cabinets or to the President of the Republic and whose process escapes the federal organs situated in the states;

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§ Throughout the English translation "cabinet" was used to translate "gabinete"; this word is used in place of Casa Civil or Casa Militar which translates "household" and was the term formerly used before the advent of the Quadros government.

0405

AIR POUCH
PRIORITY

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732.00/3-2061

FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO — DESP. NO. 828 — DATE: March 20, 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : Embassy Despatch 781 of March 8.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAR 28 1961

For Dept. Use Only	ACTION	DEPT.				
	ARA*-4	IN	RMR-2	INR-7	L-2	E-5
	REC'D 3-24	FO	OTHER	CIA*-10	Army-4	Navy-4 Air-6

SUBJECT: DECREES CREATING MEANS OF INCREASING FEDERAL POWER ON THE STATE AND LOCAL LEVEL

NSA-4 OSD-5 USIA-10

Enclosed are two decrees whose ultimate effect will be to increase greatly the influence of the federal government and especially that of the President on the state and municipal level.

Enclosure 1 is an English translation of a decree providing for the stationing of one civil and one military representative of the respective presidential cabinets (see footnote on translation) in each state of the union. They would represent the President and be charged with coordinating the activities of all federal agencies in the state. Such powers if exercised fully, observers have noted, would make them "junior presidents" who would tend to overshadow or at least decrease the prestige of the governors.

Enclosure 2 is an English translation of a decree creating a federal municipal service within the Presidency. This service is meant to accomplish the same thing on the municipal level as Enclosure 1 does on the state level. Such a situation would also undermine the position of the local politicians, particularly federal deputies who have considered municipalities their special area of influence in the Brazilian political structure.

The despatch under reference explains the significance of these decrees, and fits them into the broad picture of national politics.

APPROVED:
Philip Raine
Philip Raine
Counselor of Embassy
for Political Affairs

For the Ambassador:
Thomas M. Tonkin
Thomas M. Tonkin
Third Secretary of Embassy

Enclosures: As stated

DISTRIBUTION: All consulates in Brazil, Service Attachés, USIS, Econ (2), Pol II, Brasilia, Labor, CF (3), Pol (5)

732.00/3-2061

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The action office must return this permanent record copy to RM/R files with an endorsement of action taken.

0404

CONFIDENTIAL

12
337
São Paulo

334 Santos Weekly Report
335 Trade Complaint of Benjamin Nanoco, São Paulo vs Posts MFC, N. Y.
336 Conversation with Adhemar de Barros, Mayor of São Paulo
337 São Paulo Weekly Summary No. 89

William P. Cochran, Jr.
Minister Consul General

Contributors:

Pyle, Shea, Mason/Carvalho

Distribution:

INS/RAR, Embassy Rio 3, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife, Salvador, Santos

CONFIDENTIAL

0403

and interview to Prensa Latina's director. The paper worried angrily that, if Quadros does not deny Prensa Latina's statements that he thinks of siding with those seeking the reorganization of the United Nations, "...he will be tacitly admitting the criticism we made of him for receiving" the Cuban news agency's chief. "If he does not, he'll be admitting that his government is willing to align itself openly with the bloc directed by Moscow." Diario de S. Paulo was emphatic, saying: "The intensive campaign of demoralization of the United Nations Organization...and the Organization of American States conforms to only one scheme and has only one objective", because both organizations"...constitute...the great obstacle to the expansion of Communist imperialism. That explains the effort to destroy them." The editorialist went on to accuse the Cubans of being "...the spearhead of Soviet imperialism" in this Hemisphere, voicing at Mexico City's "Peace Conference" their Soviet masters' desire that the OAS be scrapped." Faced with this situation, "Brazil...must take precautions and adopt a clear and well defined position against the demoralization and destruction of pan-American unity." Correio Paulistano analyzed the existence of Castro's regime, concluding that "Internally, the Cuban revolution is going through one of the fastest processes of loss of prestige that we have seen" by such regimes in the world. "We can see symptoms that the regime...is nearing its end. It is no wonder...that Fidel seeks a truce with the United States and other countries of the continent so that he may extend the agony of his regime of blood and terror." Symptomatically, pro-Communist Ultima Hora applauded Janio Quadros for granting an interview to Prensa Latina. The editorialist conveniently forgot, however, that the President had turned down requests for interviews made by the local press - including his own paper.

Miscellaneous

11. List of Substantive Despatches

328 Distribution of Summary of Communist Goals in Less Developed Countries
329 Lecture on Inflation by Dacio De Moraes, Pres. of Bank of State of São Paulo
330 São Paulo Reaction to Bill to Limit Operations of Foreign Banks in Brazil
331 Bi-Weekly Economic Review
332 Local Disillusionment with Janio Quadros
333 Brazilian International AKA Brazil Land and Development Co.

0402

Khrushchev's barefoot missile-rattling and threats in October "resulted only in the applause of the satellites... That was all." Ghana President N'Krumah's opening speech was lauded by O Estado as reflecting his "...courage and impartiality in referring to the agonizing maneuvers of European colonialism and the new Soviet imperialism arising in Africa." Stressing the "...glaring contrast of the Soviet attitude" with that of Washington, O Estado said that "...the United States...is not only abstaining from any action in the Congo...but supporting any action recommended by the true neutralists who seek the creation of large zones not involved in the 'cold war' between the two 'super-powers'". Probably aiming at Moscow's campaign against Hammarskjold and the UN authority in the Congo, O Estado concluded: "Anyone who works against the authority of the United Nations is an enemy not only of neutralism but also of true nationalism." Diario de S. Paulo's stressed the "...atmosphere of tense expectation" which surrounds the new session. Diario warned, however, that "The democratic nations of the UN...will have to assume with courage and firmness the attitude that they must adopt to save the ideals of freedom and international harmony. Our country (Brazil) cannot be absent from (the ranks) of (such) nations... To comply with its own destiny as a democratic and free nation, Brazil has no other choice."

10. The Cuban Problem (Unclassified)

"To comment on the latest events which have taken place in Cuba... amounts to making a diagnosis about a sick man already in agony, although no one can tell how long he'll stretch his fleeting life." Thus leading O Estado de S. Paulo referred to Fidel Castro's regime. "The French Revolution's saying that 'The revolution devours its children' (describes) what is now taking place in Cuba." Condemning Castro's regime for its 'paredon' policy, O Estado called the attention of its readers "to the growing confusion and contradictory attitudes" of Castro who, within a week, offered to negotiate with Washington a solution for the Cuban-American crisis and attacked the plans of the American government toward Latin-America. "Unquestionably, the 'barbudo' leader is in trouble. He wants to disseminate in this continent the confusion in which he lives - created by himself - seeking to undermine the solidarity and the authority of the Organization of American States. Refusing the mediation offer made by Argentina, (Castro's regime)... revealed the objectives of its game." In another editorial, O Estado accused Cuba of "...imperialistic aspiration", due to Castro's statement that his revolution 'is for all Latin America'". Turning to the Brazilian government, the paper added that "We have the right;..to ask the Brazilian government what attitude it will adopt now that Fidel Castro has openly proclaimed that his revolution does not intend to limit itself...to Cuba." O Estado was irked by President Janio Quadros' refusal to give interviews to Brazilian newspapermen while granting an exclusive audience

0401

The CST has been in existence since September 1959. Pellacani, a former Communist, has held the key position of secretary-general since its creation. It was formed to take the ball away from the former Communist-dominated Unity Pact. Up to now it has had little significance on the São Paulo scene. It was badly split during the presidential elections with the Communists and their fellow travellers supporting Lott, while the non-Communists and Pellacani supported President Quadros. The conservatives, too, are divided; one group led by Pellacani argues that the best tactics are to continue within the CST and dominate the Communists by force of numbers alone. Another group led by Antonio Pereira Magaldi, president of the State Federation of Commercial Workers, Darcy Gatto, President of the State Federation of Clothing Workers, and Lourival Portal da Silva, vice-president of the National Federation of Oil Refinery Employees, at times advocate expulsion of the Communists and fellow travellers or the creation of a non-Communist state trade union council.

COMMENT: (Confidential) The Consulate General's labor officer was informed by a reliable source that the wily Pellacani, who is held in high favor by President Janio Quadros, presented the representatives in attendance with a fait accompli which was accepted by the Communists because they wished to continue their drive for unity and by the non-Communists because they did not want to fall out of favor with the Quadros administration.

Psychological

9. XV Session of the United Nations (Unclassified)

Local newspapers editorially featured the reopening of the XV Session of the United Nations General Assembly despite the important events taking place in Tananarive and the Congo. According to the writers, Nikita Khrushchev will not be present for another shoe-banging performance at the Assembly because he knows that Moscow cannot oust Hammarskjold or wreck the United Nations. President Kennedy's actions and Adlai Stevenson's statements at the Assembly were, according to O Estado de S. Paulo, the reason for the better international diplomatic position now enjoyed by the United States. "Thanks to its actions... Washington's diplomacy, under the able and adroit...orientation of Kennedy and Stevenson, managed a considerable improvement of the American position in the international scene." After analyzing several factors involved in the process (i.e. Gromyko's and Llewellyn Thompson's mission in New York and Siberia), O Estado said: "Unquestionably, the Americans, for the first time - in a long time - have the diplomatic initiative, whose advantages are inestimable because the Soviets see themselves placed on the defensive ignorant of the exact objectives and trump cards of the Americans." Emphasizing that the absence of Khrushchev is because "...he does not have any illusion as to the possibility of winning the game", O Estado pointed out that all

0400

Minister also announced that four unions which had been barred from voting would be allowed to vote in the elections. The Minister's decision represents a setback for Francisco José de Oliveira, the federation's president for some 16 years and one of Brazil's leading pelegos (trade union leaders who have maintained themselves in office for years by following Labor Ministry direction). Oliveira had the current elections rigged in his favor and had arbitrarily barred many of the unions in opposition from voting. The decision also means that this important federation might fall under considerable Communist influence as the opposition slate is headed up by Luiz Tenorio da Lima, one of São Paulo's Communist Party leaders. Since the Minister's decision some of the unions which have been supporting Oliveira have gone over to the opposition. The elections provide strange bedfellows as Oliveira is being opposed not only by the Communists but by a Catholic group, the Frente Nacional dos Trabalhadores, which is led by Dom Jorge Marcos de Oliveira, socially minded Bishop of Santo Andre. The Bishop naively believes he can make a temporary alliance with the Communists and then cast them aside when Oliveira has been deposed.

COMMENT: (Confidential) Prior to and after assuming office the new Labor Minister has publicly stated that he will not receive the pelegos or extend any Labor Ministry assistance to them. This of course is commendable. However, much of the opposition to the pelegos is made up of Communist Party members and fellow travellers. Therefore, the Minister of Labor's policies could result in capture by the Communists of key unions and federations. It is also interesting to note that Bishop Oliveira was received by President Quadros last week, and that Janio invited the Bishop to visit Cuba with him last year.

8. São Paulo State Trade Union Council (CST) Reorganized (Confidential)

The São Paulo State Trade Union Council (CST) was reorganized at a special meeting of the general executive board held on March 10. Representatives of the Council's 20 affiliated federations elected Luiz Menossi of the São Paulo State Federation of Construction Workers president and his term of office was set at one year. CST presidents previously held office for ninety days. However, this had been flagrantly violated and at one time the same Menossi held the office of president approximately six months. The 10 man executive board was also revised. Dante Pellacani, president of the National Federation of Typographical Workers, continued in the key post of Secretary General. Floricano Francisco Dezem, a member of the Communist Party, continued as First Secretary. The executive board continued in numbers at least to be controlled by the non-Communists as six of its members are regarded as non-Communist trade unionists.

0399

illegal, upon payment of sums of money as determined by the city Secretary of Hygiene. Mônoco further alleged that DeCiero had granted a monopoly to a firm to sell vegetable oil in the public markets; that the firm paid the Secretary of Hygiene ten cruzeiros per liter for the privilege. DeCiero denied the charges.

COMMENT: (Confidential) Mayor Adhemar de Barros seems to be capitalizing on his mayoralty prerogatives until the very end of his administration. Accusations such as were made this past week may very well hurt the mayoralty candidacy of Cantidio Sampaio, even though his name has not been mentioned in connection with any of the alleged irregularities. Cantidio Sampaio has attempted to present himself as an "independent" PSP candidate. Nevertheless, there may be many paulistanos who feel that he is, as a member of the mayor's party, too closely associated with an administration which many hold in bad repute.

6. A New Political Party on the Horizon? (Official Use Only)

During this past week federal deputy Fernando Ferrari, president of the Movimento Trabalhista de Renovação (MTR) visited São Paulo to discuss the founding of a new political party with Carlos Castilho Cabral, president of the Federal Economic Bank of São Paulo. The new party would be formed by amalgamating the MTR with the Movimento Popular Janio Quadros (MPJQ) which is headed by Cabral. The new party, which may be called the Popular Party of Brazil, would support the government of Janio Quadros. The national convention of the MPJQ, originally scheduled for April 15, but which may be postponed until May 20 or 21, will study the proposal to merge the two groups. It was also reported that the paulista section of the MPJQ, headed by J. B. Viana de Morais, may endorse the mayoralty candidacy of Emilio Carlos. Should the proposed merger of the two groups fail to materialize, the MPJQ may decide to change its status to that of a political party and go it alone, it was said.

COMMENT: (Official Use Only) While this might find favor with president Janio Quadros because he draws much of his strength from minor parties, it would add still another party to an overcrowded political scene.

Labor

7. Minister of Labor Postpones Elections in Foodworkers State Federation (Confidential)

In response to pro-Communist and Catholic opposition groups, Minister of Labor Francisco Carlos de Castro Neves postponed for twenty days scheduled elections in the São Paulo State Federation of Foodworkers. The new Labor

0398

momentarily divided, inside of the political forces that dominate the federal government". With the intention, perhaps, of alleviating the feelings of those Party members who had favored the candidacy of Prestes Maia, the PCB leader stated that the Party could not support the candidate of O Estado de S. Paulo (see Item 1) because the director of that newspaper was one of the most "reactionary" men in the capital city. In conclusion, the PCB secretary-general asked Party members to support the candidacy of São Paulo councilman Rio Branco Paranhos, the "commie-line" PTB candidate for vice-mayor.

5. Adhemar's Administration Accused of Irregularities (Official Use Only)

São Paulo PR city councilman Ary Silva this past week asked mayor Adhemar de Barros to veto the bill recently passed by city council providing for substantial increases in the salaries of those city employees who are university graduates. Silva averred that approval of the proposed legislation resulted from collusion between the employees who would benefit and "certain councilmen of the parties supporting the mayor". Silva declared that each chief of the city's various departments, or someone designated by him, had solicited funds from those who would be benefited by the proposed legislation. The initial amount asked from each city employee who is a university graduate, Ary Silva declared, was cruzeiros 20,000. He said that it was proposed to collect a total of 25 million cruzeiros to secure passage of the proposed legislation. On the day after Ary Silva made his allegations the city employees who would be benefited by the proposed bill published a letter dated June 17, 1960 (the legislation has been pending for some time) signed by 44 of São Paulo's 45 city councilmen, expressing support for the claims made by the executive commission of the association of city employees who are university graduates. The publication of the letter, seemingly a rebuttal to Silva's allegations, may have been contrived by the city employees who are university graduates and the mayor's supporters in the municipal chamber. The publication of the letter, however, immediately caused a number of city councilmen belonging to parties in opposition to the mayor, to issue statements that they were sympathetic to the claims of the university graduates employed by the city, but they had opposed passage of the bill because of the "manner" in which it was presented. The president of the municipal chamber, Manuel Figueiredo Ferraz, the mayor's son-in-law, subsequently declared that he would hold the bill until a special commission of inquiry, which had been appointed by the municipal chamber, could investigate the alleged irregularities connected with its passage.

City councilman Agenor Mônoco (PST) publicly accused the city Secretary of Hygiene, Martinho DeCiero, this past week of extorting money from merchants doing business at the public markets. Mônoco declared that Martinho DiCiero had been permitting butchers to operate at public markets despite the fact that it is

0397

In an address to the group Pedroso Horta declared that president Janio Quadros had clearly outlined Brazil's political orientation; that the independent foreign policy now being pursued reflected the "degree of maturity that we have reached"; that "we are a free people capable of conducting our own destiny". He said that "as Americans we have obligations principally to the peoples of America"; that through the Organization of American States, the Inter-American Treaty of Reciprocal Assistance, and the Bogota Pact" we have our own system of collective security"; that "we are a fraternity of nations" working together for the common good, "giving and receiving mutual support and help". Inside of this concept he added, there is nothing that "impedes our proposition to open the doors of Brazil to other people who wish to maintain friendly and commercial relations with us".

COMMENT: (Official Use Only) Pedrosa Horta said nothing that was new.

4. PCB Leader Generally Critical of Janio; Supports Cantidio Sampaio (Official Use Only)

Luis Carlos Prestes, secretary-general of the Communist Party of Brazil (PCB), during an address before the Association of Laboring Classes in São Paulo this past week, stated that the election of president Janio Quadros was a victory of "most reactionary" forces of the country; a government which represents entreguismo (those who favor the admission of foreign capital for the development of natural resources). The PCB leader stated that his early opinion that Janio would form an "anti-nationalist" cabinet composed of men connected with the "international trusts" was now confirmed. Prestes criticized former president Kubitschek's development policies which, he said, only attended to the interests of "American imperialism". He added that the only difference under Janio was the fact that different men were now pursuing the same "reactionary" policies. Prestes repeated the old Communist cliché that petroleum resources and foreign enterprises should be nationalized. Prestes told his audience that he considered Janio's inaugural address "reactionary and anti-nationalistic". The PCB secretary-general said that Janio's proposal to establish diplomatic relations with the USSR, Communist China, and contries behind the Iron Curtain, while maintaining relations with Fidel Castro, had been advocated by the Party for a long time; that the Party must bring pressure to bear on the federal government to achieve this end. In a seeming attempt to influence public opinion, Prestes announced that the Party would sponsor a rally in the praça de Sé (a downtown São Paulo public square) on March 17 to advocate the resumption of diplomatic relations with Communist countries.

Prestes asked Party members to vote for Cantidio Sampaio, the PSP candidate (see Item 1), even if it is against the candidate's will and even if he protests. Prestes stated that the Party could not nominate its own candidate; that it was necessary to defeat Emilio Carlos and Prestes Maia "two currents

0396

2. São Paulo State Legislative Assembly Elections (Official Use Only)

Members of the São Paulo state Legislative Assembly continued their maneuvers this past week to secure the maximum advantage for their respective parties (and for themselves) within the framework of a slate which would find majority acceptance in the election for Assembly offices scheduled for March 12. The PTN during the past week chose José Adholpho Chaves do Amarante to dispute the presidency but later retired his candidacy in favor of Abreu Sodré; other parties jockeyed to include one of their members on a proposed slate. Governor Carvalho Pinto played a prominent rôle in the maneuvering and was frequently consulted by the members of all the parties. On the eve of the election, March 11, it appeared that agreement, acceptable to most of the members of the Legislative Assembly, had been reached. The proposed slate provided for the reelection of incumbent president Abreu Sodré, which has been expected (see São Paulo despatch 327, March 8, 1961) and the reelection (for the third time) of first vice-president Conceição da Costa Neves (PSD, who has the almost unanimous support of all the deputies, see São Paulo despatch 296, February 8, 1961). Alfredo Farhat (PTN) has been proposed for second vice-president; Aloysio Nunes Ferreira (PDC) for first secretary; Jacob Salvador Zveibel (PR) for second secretary, and Carlos Kherlakian (PRP) would be reelected as third secretary. Reportedly, only the nominee for the fourth secretary remained in doubt; there appeared to be general agreement that it should go to a member of the PTB.

COMMENT: (Official Use Only) The proposed slate, since it has reportedly found acceptance by most of the parties, including the opposition, will doubtless be elected. This view is strengthened by the fact that it closely parallels the slate elected in 1960. If the indicated choices are elected, all of the parties will retain the same positions they have had during this past year, with the exception of first secretary. A member of the PTN was elected first secretary in 1960; a PDC nominee is now proposed. It is interesting to note that it is proposed to reelect three of present incumbents, which could be increased to four, if Anibal Haman (PTB) is reelected fourth secretary. The proposal to renominate Haman was apparently under consideration as the week drew to an end.

3. Pedroso Horta Honored (Official Use Only)

During this past week about 500 people, including eleven state governors, ministers, Secretaries of State, senators, deputies, high ranking officers of the armed services, leading political figures, and people prominent in the economic and social life of São Paulo, attended a banquet in the capital city honoring Minister of Justice, Oscar Pedroso Horta.

0395

CONFIDENTIAL

Cantidio Sampaio, the PSP candidate, who is also supported by the PSD, declared this past week that he did not make any agreement with the Communist Party of Brazil (PCB) and that he did not want its support. He reaffirmed his Catholic faith; he declared that a rostrum had been constructed in the praça de Sé (a downtown city square) by the Communists for use in aiding Prestes Maia's candidacy. He reiterated that he had asked an electoral judge to prohibit the PCB from issuing its manifesto supporting his candidacy (see despatch 327). Although mayor Adhemar de Barros has kept aloof from support of Cantidio, there were indications this past week that the mayor was urging city executive personnel to work for Cantidio's candidacy. The fifth mayoralty aspirant, Farabulini Junior, the PL candidate, also continued his campaign efforts this past week.

During this past week the PTN withdrew its candidate for vice-mayor, São Paulo city councilman Benedicto Rocha, thus reducing the number of candidates competing for the city's second most important position to seven. The UDN on March 6, the last day allowed by law for the substitution of nominees by parties which had previously registered a candidate (see despatch 321), nominated PTN state deputy Francisco Scalamandré Sobrinho for vice-mayor in place of UDN state deputy Antonio Mastrocola. The nomination of Sobrinho, a vice-president of the PTN state directorate, who served as state Secretary of Health during Janio Quadros' tenure as governor of São Paulo, was seemingly designed to embarrass Emilio Carlos. Sobrinho's nomination by members of the UDN municipal directorate favorable to the candidacy of Prestes Maia was contested by other members of the UDN municipal directorate, who alleged that the nomination was "irregular" and had not been made in accordance with party statutes. An electoral judge dismissed the complaint of the members of the UDN municipal convention seeking to set aside Sobrinho's nomination; they subsequently submitted their allegations to the Regional Electional Tribunal.

COMMENT: (Confidential) Prestes Maia is definitely gaining in strength. It now appears that his fourth attempt to secure an elective office will be crowned with success if he can continue to make inroads on the still considerable percentage of paulistanos who are as yet undecided on whom they will support for the mayoralty. (Prestes Maia unsuccessfully competed for the governorship of São Paulo in 1950 when he lost to Lucas Nogueira Garcez, and again in 1954 when he was defeated by Janio Quadros. He unsuccessfully competed for the mayoralty with incumbent mayor Adhemar de Barros in 1957.) A reliable informant this past week stated that Prestes Maia considered Janio Quadros to be an opportunist and unreliable. Prestes Maia has visited the United States and is reported to be favorably disposed toward America.

CONFIDENTIAL

0394

the city following a ceremony wherein Julia de Mesquita Filho, director of O Estado de S. Paulo and a leading Prestes Maia supporter, presented a symbolic mason's trowel to the PTB-UDN-PDC candidate. This campaign sign would seem to have been chosen to appeal to the nostalgic sentiments of the paulistanos and to emphasize that Prestes Maia will make as many public improvements, if elected, as he did during his earlier tenure as an appointive mayor from 1938 to 1945. (Some of São Paulo's greatest civic improvements were made during that period.) A political council to direct the campaign of Prestes Maia was formed this past week. The more prominent personages participating in the council include Julio de Mesquita Filho, São Paulo UDN senator Herbert Levy, UDN deputy Ernesto Pereira Lopes, UDN São Paulo state deputies Antonio Mastrocola and Israel Dias Novais, federal PTB deputy Ivette Vargas, "commie-liner" Frota Moreira, PTB regional secretary, São Paulo city councilman Marcos Melega (UDN), Fernando Pereira Barreto (PTB), and Dulce Salles Cunha (UDN). The Frente Nacionalista (Nationalist Front) endorsed Prestes Maia's candidacy this past week when the mayoralty aspirant accepted the minimum proposals of the Front's executive commission.

José Cirilio, the PRP mayoralty nominee, withdrew his candidacy this past week as expected (see São Paulo despatch 327, March 8, 1961). The party endorsed the candidacy of Emilio Carlos, the PTN-PR candidate, who is also supported by a number of prominent members of the UDN, as well as dissidents from the PDC and PTB. José Cirilio immediately repainted the slogan on his "kombi" Volkswagen which carries amplifying equipment, to read "José Cirilio Supports Emilio Carlos", and began to campaign on Emilio's behalf. Two of Janio Quadros' closest lieutenants made statements in São Paulo this past week regarding Emilio Carlos' candidacy. Quintanilha Ribeiro, chief of the president's Civil House, who had earlier spoken in favor of Emilio's candidacy (see São Paulo despatch 321, March 1, 1961), declared that "the vote of Janio Quadros is also for Emilio Carlos, because he is his (Janio's) candidate". Pedroso Horta (see Item 3), was far less direct, saying "as Minister of Justice I do not have a candidate; as a citizen I cannot violate the secrecy of the law of suffrage, but I will be here to vote on March 26 and I believe that a minimum of imagination is required to know whom I will support". Emilio Carlos attacked the "plans and promises" of his mayoralty opponents; he presented engineers and technicians on his television broadcasts in an attempt, apparently, to strengthen and add emphasis to his proposals for dealing with some of the city's problems. Emilio Carlos' wife, Ester, participated in political rallies on her husband's behalf.

All of the mayoralty candidates are obviously conscious of the importance of the feminine vote. Prestes Maia has organized committees which seek to secure distaff support. Rui Novais, the PSB mayoralty nominee, has strongly courted the ladies' vote.

0393

AIR POUCH
PRIORITY

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(Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 337 DESP. NO. — March 15, 1961 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

MAR 16 1961

For Dept. Use Only	ACTION	DEPT.
	ARA 4	INFO RM/R-2 REP-1 INR-7
	REC'D 3-21-61	OTHER CIA-10 USIA-10 HAA 6 OSD-5 NSA-4 Army 4 Navy 4 air 6

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAR 23 1961

SUBJECT: São Paulo Weekly Summary No. 89, Week Ending March 11, 1961

Index:

Political
1. São Paulo's Mayoralty Race
2. São Paulo State Legislative Assembly Elections
3. Pedroso Horta Honored
4. PCB Leader Generally Critical of Janio; Supports Cantidio Sampaio
5. Adhemar's Administration Accused of Irregularities
6. A New Political Party on the Horizon?

Labor
7. Minister of Labor Postpones Elections in Foodworkers State Federation
8. São Paulo State Trade Union Council (CST) Reorganized

Psychological
9. XV Session of the United Nations
10. The Cuban Problem

Miscellaneous
11. List of Substantive Despatches

732.00/3-1561

Political

1. São Paulo's Mayoralty Race (Official Use Only)

São Paulo's mayoralty contenders continued this past week to present their plans for the future government of the capital city to the paulistano electorate in an endeavor to secure their vote in the forthcoming election on March 26. All of the mayoralty candidates campaigned energetically. They appeared on radio and television broadcasts and held numerous political rallies throughout the city. Political advertisements on behalf of all of the mayoralty aspirants showed an increase in the local press.

Prestes Maia, who has been endorsed by the PTB, the UDN, the PDC and has the support of dissidents from the PSD and the PR, will have a mason's trowel as his campaign symbol. The emblem chosen by the Movimento Popular Janista pro-Prestes Maia (MPJPM), appeared on hundreds of political banners throughout

See last page

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Control: 1928
Rec'd: March 14, 1961
7:46 P.M.

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FROM: Buenos Aires

TO: Secretary of State

NO: 1088, March 14, 8 P.M.

ACTION:
INFO:
RM/R FILES

SENT DEPARTMENT 1088; REPEATED INFORMATION RIO DE JANEIRO 72

Brazilian Ambassador Fragoso at luncheon today in presence seven other Ambassadors, including me, predicted that, as in past, Brazilian FONMIN Arinos would settle down and work in harness with Itamaraty. Said he was taking 30 percent salary cut and giving up his commercial officer in Embassy.

In private talk Fragoso told me he had sent strong protest to his Foreign Office on GOB failure consult such important matters as Communist China item on UN agenda. Had pointed out delicacy his position with close friend, Foreign Minister Taboada, who now not providing him any useful information. He cited example Foreign Minister's unwillingness confide in him re appointment GOA Ambassador to Brazil Muniz as "good officer" to Havana even though story already released to press.

Fragoso added was completely ignorant regarding proposed Quadros-Frondizi meeting. While Foreign Office here was saying publicly discussions being conducted directly with Brasilia (Reference EMBTEL to Department 1066 to Rio 70) Brazilian Foreign Office kept telling him it knew nothing of proposed meeting and that initiative coming from GOA. (Ref EMBTEL Rio 100, sent Department 1190.)

RUBOTTOM

LSA

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0391

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Page No 5
ENCL #1
DESP# 334
SAO PAULO
3-13-61

1. Assistant Naval Attaché Visits Santos (UNCLASSIFIED)

On March 7 LT Philip W. Wehrman, USN, Assistant U. S. Naval Attaché in Brazil, visited Santos, where with the reporting officer he paid a courtesy call upon the Captain of the Port.

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0390

port conditions, and to that end constituted a commission composed of two representatives from the Ministry of Transportation and one from the Merchant Marine Commission to study the situation and report, within 30 days, "everything deemed appropriate".

2. Rumored New Finance Minister (OFFICIAL USE ONLY)

The reporting officer has been informed by a trustworthy, but indirect source that Gastão Eduardo Bueno Vidigal, the recently-appointed Finance Minister for the State of São Paulo, will be named Finance Minister for Brazil, possibly within 6 months, to replace Clemente Mariani of Bahia.

The reason advanced for this move is that powerful São Paulo banking interests will wish to have one of their own in this sensitive position to safeguard their position in the coming months of the Quadros administration.

Comment: (OFFICIAL USE ONLY)

Vidigal, of the Banco Mercantil do Estado de São Paulo, is associated with João Adhemar de Almeida Prado of the Banco de São Paulo, João Batista Leopoldo Figueiredo of L. Figueiredo & Cia. in São Paulo (now President of the Bank of Brazil), Adolfo Oliveira Franco of the Banco Comercial de Paraná and others who participate in the Finasa (Sociedade Anônima Financiamento, Crédito e Investimento) company, which guarantees loans to Brazilian businesses, issuing promissory notes to the public and thus legally charging more than the 12% interest rates allowed banks under Brazilian law.

Reportedly this important financial group helped finance Jânio Quadros' presidential campaign and is now anxious to have Quadros hedged about with "safe" advisors.

3. New Manager for Anderson, Clayton & Co. in Santos (UNCLASSIFIED)

It has been announced that Engelbertus van Werelt will succeed Eric Rosinvinge as Santos manager of Anderson, Clayton Ltda., which is Santos' largest single coffee shipper. Rosinvinge's immediate assistant, John W. Schimelpfenig, is being moved to Rio de Janeiro to take over the Anderson, Clayton organization in that city.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE

1. Assistant Naval

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0389

and later to hold down a staff job at Air Headquarters. He regards his return to Santos as a sort of triumph.

5. Possible Ambassador to Great Britain (UNCLASSIFIED)

The reporting officer has been informed by a well informed source that Roberto Abreu Sodré, President of the São Paulo State Legislature, is being seriously considered for the post of Brazilian Ambassador to the Court of St. James.

II LABOR

1. Metallurgical Workers Agree to Pay Increase (UNCLASSIFIED)

Vitelbino Ferreira de Sousa, President of the Metallurgical Workers Union in Santos, travelled to São Paulo this week to sign the recently-concluded agreement whereby the statewide metallurgical unions have accepted a 40% wage increase.

Comment: (UNCLASSIFIED)

The Santos union was previously holding out for a 60% raise in pay (see Weekly Comment of February 24).

2. Non-Communist Re-elected Union President (UNCLASSIFIED)

Gentil Martins de Assis, running without opposition, has been re-elected President of the small Entertainment Establishments Employees Union of Santos.

III ECONOMIC

1. Port of Santos Continued Congested (UNCLASSIFIED)

All during the week the port of Santos has remained clogged with shipping awaiting to berth alongside. An average of at least 25 freighters were tied up for the past 10 days waiting berthing space, and delays in their unloading continue to run 8-10 days.
The situation has become so serious that the Santos Dock Company has authorized 3 emergency measures: (1) using quays reserved for coastal vessels for all types of freighters with less than 600 tons of cargo to unload (2) discharging cargo by lighter from ships anchored in the estuary and (3) nesting of ships in pairs alongside.

Comment: (UNCLASSIFIED)

On March 6 President Quadros ordered an examination of the

/Santos

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0388

Mayor	Vice Mayor
(1) Luiz La Scala, Jr.	(1) José Gomes
(2) Athié Jorge Coury	(2) Nelson Noschese
(3) or (4) Antônio Feliciano	(3) Jayme Peres
(3) or (4) Mario Covas, Jr.	(4) Newton Aragão

2. Aircraft Carrier "Minas Gerais" in Santos (UNCLASSIFIED)

On March 9 the newly-acquired Brazilian aircraft carrier "Minas Gerais" arrived here from Rio de Janeiro for a 5-day goodwill visit. She is carrying a crew of 810, of which 60 are officers.

Comment: (UNCLASSIFIED)

Captain Hélio Leoncio Martins replied to press inquiries that the warship operates with 8-10 embarked S-27 aircraft and a half-dozen HSS-1 helicopters. He also declared, "Don't ask me about the daily expenses of the carrier, for I don't know how to reply....One thing I can guarantee: both the cruisers "Barroso" and "Tamandare" have a much higher daily upkeep than our ship."

3. New Position for Captain of the Port (UNCLASSIFIED)

The reporting officer has been informed by outgoing Captain of the Port of Santos CAPT Ernesto de Mello, Jr. that he will leave Santos by March 22 to take up his new appointment as Director General of the Serviços de Navegação da Amazônia e Administração dos Portos do Pará (SNAAPP), that he will be directly responsible to the President, that he must make a comprehensive report on Amazon navegation within three weeks after arrival, and that he will wear civilian clothes on the job.

Comment: (UNCLASSIFIED)

Mello has recently returned from Brasília to discuss his new job with President Quadros. (See Weekly Comment of February 24.)

4. Santos Air Base Commander Assumes Command (UNCLASSIFIED)

On March 10 Aviation Lt. Colonel Paulo Salema Garção Ribeiro formally assumed command of the Santos Air Base.

Comment: (UNCLASSIFIED)

Colonel Salema was previously commander of the airbase and has a host of friends in Santos. He was rather abruptly transferred to Rio de Janeiro some time ago to study at the Air Force Staff /College

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0387

FORM DS-582
8-1-50

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Page No 1.
Encl #1
DESP # 334
SAO PAULO
3-13-61
ara

OPERATIONS MEMORANDUM

TO: American Consulate General, São Paulo Date: March 10, 1961

FROM: American Consulate SANTOS, Brazil VPR III

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Santos Mayoralty Campaign (OFFICIAL USE ONLY)

An active worker in the mayoralty campaign of Athié Jorge Coury (nominee of the PDC, PRP, PRT and Ação Socialista, a dissident group of the PSB) admitted to the reporting officer that as of the moment Coury is trailing the PSP's, PTB's and PL's Luiz La Scala, Jr. The informant stated that Mario Covas, Jr., UDN, PST, PTN and PR candidate who has been loudly proclaiming his attachment to Jânio Quadros and Carvalho Pinto, has cut into Coury's chosen terrain and thus helped La Scala. The informant also admitted that La Scala's running mate José Gomes (PTB) was a shoo-in for Vice Mayor. The reporting officer was also informed by this source that La Scala is receiving the support of the local communists (see Weekly Comment of January 6).

Ex-São Paulo State Transportation Minister Faria Lima this week lent his support to Athié Coury, and several UDN State politicians moved into Santos to lend their weight to Mario Covas, who continues to campaign aggressively and who has successfully wooed backing from a number of labor union leaders who last fall were active in the local "Jan-Jan" committees.

O Diario has editorially declared that the campaign of Antônio Feliciano (PSD) is flagging owing to his all-out support of Marshal Lott last October and because of Feliciano's intemperate criticisms of the administration of Mayor Silvio Fernandes Lopes, who strongly backs La Scala and whose record is widely held to have been a good one.

Comment: (OFFICIAL USE ONLY)

The reporting officer's prediction for the March 26 outcome is the following:

/Mayor

VPRandolphIII/vpr

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TO RMJR CENTRAL FILES

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AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

334
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 13, 1961
DATE

REF :

End Rpsd in R.D.

For Dept. Use Only	ACTION	DEPT.
	ARA-4	INFO RM/R-2 REP-1 INR-7 E-3 ICA-11
	REC'D 3-18-61	OTHER CIA-10 USIA-10 COM-10 LAB-6 TR-3 FRB-3 OSD-2 NSA-4 ARMY-4 NAVY-4

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAR 16 1961

SUBJECT: Santos Weekly Report

No action fob DTR 3/27/61

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated March 10, 1961.

In connection with Item 2, it is pointed out that Clemente Mariani Bittencourt (present Minister of Finance) is also a member of the Administrative Council of FINASA.

João Batista Leopoldo Figueiredo is not an active member of FINASA, but is represented on the Administrative Council of FINASA by Luiz de Moraes Barros, who is the director-superintendent of Banco Sul Americano do Brasil S.A. of which Figueiredo is president.

William P. Cochran, Jr.
Minister Consul General

732.00/3-1361 HBS

Enclosure:
Santos Weekly Report
dated March 10, 1961

cc: Amembassy, Rio

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO

332
DESP. NO.

March 10, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

MAR 1 - 1961

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	RPM/P-2 INR-7
	REC'D 3-17-61	INFO OTHER CIA-10 USIA-10 OSD-5 NSA-4 ARMY-4 NAVY-4 AIR-6

SUBJECT: Local Disillusionment with Janio Quadros

As a result of Janio Quadros' first steps as President of Brazil, some of his staunchest supporters in São Paulo are expressing disillusionment. The unhappiness is not with regard to his internal political policies, but appears to be rooted in two events: first and foremost, is his attitude towards Cuba, in the light of resumption of executions there (so repugnant to Brazilians), Castro's attacks on the Catholic church, and a growing recognition of the danger of his ideas, should they be propagated in Brazil; and second, annoyance at Quadros' cavalier treatment of Adolf Berle when he visited Brazil, as reported in the Brazilian press. While this disillusionment does not appear to have reached serious proportions, one voter remarked, "I certainly made a mistake when I voted for him."

William P. Cochran, Jr.
Minister Consul General

Copy to:

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REPORTER

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W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 28

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BOX: 1575

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Folder Title: 732.00/3-861 HBS

Document Date: 08/03/61

Document Ser.#:

DESP 327 FR AMCONGEN SAO PAULO TO STATE

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X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01575 00028



W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

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Folder Title: 732.00/3-861

Document Date: 08/03/61

Document Ser.#:

DESP 781 FR RIO DE JANEIRO TO STATE

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FOIA RETRIEVAL #: 949515 01575 00027

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INCOMING TELEGRAM — Department of State — ACTION COPY

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33

CORRECTION
Classification

COPIES REC'D ARA

Control: 3673

Rec'd: March 6, 1961
5:52 p.m.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 1149, March 6, 4 p.m.

The serial number of this message, received as 149, should be corrected to read 1149.

wvc/7

Re: Brazilian Papers

CORRECTION

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ACTION ASSIGNED TO:	ACTION TAKEN	
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R



US." Paper said independence may be manifested without using "pugilistic diplomacy" and concluded with hope President will abandon "personal politics and grandstand plays" for "coherent, courageous, cordial policy" which inconsistent with "making ugly faces."

Chateaubriand's O JORNAL took similar line with accent on positive dangers of rapprochement Soviet bloc. CORREIO DA MANHA said Quadros deserves sharp criticism from Brazilians for manner receiving Berle, stating Brazil's independent foreign policy could have been explained with politeness.

CABOT

JVC/14

0380

INCOMING TELEGRAM *Department of State* ACTION COPY
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Action

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OFFICIAL USE ONLY
Classification

Control: 3673
Rec'd: March 6, 1961
5:52 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: ~~149~~ 1149, March 6, 4 p.m.

PRIORITY

Reports of disagreement and "coldness" re President's interview with Berle made weekend press headlines and caused several pro-Quadros papers criticize President's attitude toward Berle and US.

CORREIO DA MANHA March 4 under banner headline "Berle-Janio meeting ended in disagreement -- cordiality between two countries endangered" reported that President completely diverged from Berle on Cuba, that it "is known that President in various ways manifested indifference toward Berle" and that "it is also affirmed" that invitation to Tito intentionally announced same day as Berle interview. JORNAL DO BRASIL reported President told Berle Brazil wants no special consideration from US, would accept it only as part continental program and never would be subservient to blocs. Same day Foreign Office spokesman said "certain versions of meeting incorrect," adding that President had revealed "intention promote global examination of economic-financial relations with US" thus repudiating system of "isolated loans".

JORNAL DO BRASIL March 4 deplored Administration's silence re Berle meeting and its neglect whole question relations with US (which "still principal key to solution our external problems") and preoccupation develop relations with new areas. Paper next day contrasted President's "strange deliberate and ostensive coldness" toward Berle with "friendly frankness" of Kubitschek vis-a-vis US and expressed serious concern over President's apparent attitude of "ignoring importance and even existence US."

611.32/3-661

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ACTION ASSIGNED TO	ACTION TAKEN	
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

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2-

DIÁRIO DE NOTÍCIAS

MOMENTO INTERNACIONAL

LÁFER E WRIGHT MILLS

O SR. HORÁCIO LAFER é sem dúvida o mais exterior de todos os ministros do Exterior da história do Brasil, tão exterior que até hoje ainda não conseguiu suspeitar que existe uma opinião pública neste país.

A nota que distribuiu aos jornais sôbre a crise Estados Unidos-Cuba revela que a opinião nacional não entra, bem como longínqua componente, na sua primeira reação, isto além de mal concebida a nota, adiantando conclusões depois de afirmar não ter ainda o Ministério das Relações Exteriores procedido ao estudo do problema. Poderia, também, o sr. Horácio Láfer poupar-nos o estilo acadêmico: «O rompimento de relações entre dois países é sempre um ato sério e muito grave». Depois disto, somos obrigados a pensar que o diplomata Norpois, símbolo de um certo tipo de diplomacia, foi tratado com demasiado rigor por Marcel Proust: afinal de contas, o em vista dos seus discípulos, era digno de maior compreensão. Mas isto não é o essencial, pois o essencial é o sentido de nota e êste pressagia uma atitude lamentável em face de um litígio em que o Brasil poderia assumir um papel mais alto do que o de simples longa auxiliar do Partido Republicano. Estamos a tempo de evitá-lo, pois êste govêrno deve saber que está no fim e que o sr. Jânio Quadros, o presidente eleito, tem idéias novas sôbre a missão do Brasil e renovadoras, radicalmente renovadoras, sôbre a nossa política externa.

O presidente Juscelino Kubitschek não pode, no final do seu mandato, concordar com uma atitude de subserviência diplomática que envolva a posição do Brasil nos próximos anos. Se Eisenhower, como ontem asseguramos, pretende evitar que John Kennedy consiga um «modus vivendi» com Fidel Castro, não há motivo para considerarmos como aceitável para o Brasil essa linha de conduta. Nos momentos de crise é que se verifica, de uma maneira clara, o grau de independência de um país: êste é o momento de mostrarmos que a política exterior do Brasil é ditada no Brasil e não nos Estados Unidos. O rompimento dos Estados Unidos com Cuba, que consideramos um êrro, já ontem analisando nesta coluna, é contudo o ato de uma nação soberana, como é ele de uma nação soberana não seguir o caminho adotado pelos Estados Unidos. Além disso, não poderíamos compreender como o presidente Juscelino Kubitschek consegue, em nome da OPA, seguir outra política que não seja a de procurar o entendimento entre duas nações do Continente. E certamente não é procurar um entendimento permitir que o ministro do Exterior, em nota à imprensa, antecipe a posição unilateral do govêrno, confessando ao mesmo tempo não ter sido o problema ainda objeto de maior estudo sôbre a «extensão e conseqüências possíveis da atitude que os Estados Unidos tomarem dentro de sua competência soberana neste assunto». Este jornal, ao dar a matéria na 1ª página, ensinou: «Sabe-se que o chanceler antes de dar a público esta nota conferenciou a respeito com o presidente da República». Gostaríamos de saber em que vertente de sua OPA o sr. Juscelino Kubitschek consegue encontrar apoio para uma nota, situando desde já a posição do Brasil ao justificar sem mais cerimônias a posição de rompimento dos Estados Unidos com Cuba. E, assunto mais importante, pretende o sr. Juscelino Kubitschek traçar uma linha de conduta (tácita na nota do sr. Horácio Láfer) com poucos dias de govêrno, com a homologação do presidente eleito, sr. Jânio Quadros?

E' preciso entender-se que se declararmos que o Brasil assume uma atitude de independência em face da posição norte-americana e de conciliação entre dois países americanos, não se associando a cruzadas ideológicas nem a bloqueios econômicos ou diplomáticos, estamos apenas defendendo os princípios do pan-americanismo em bases democráticas, princípios adotados por Roosevelt e seguidos sistemàticamente pelo Partido Republicano. Cruzadas, bloqueios, cortes de relações diplomáticas, quando declarado à sobremesa, de nenhum modo podem considerar-se bases de relações entre países americanos. Se os governos da América Latina encontrarem um entendimento frente às medidas contra Cuba será o fim do panamericanismo, e o que John Kennedy e o sr. Jânio Quadros herdarão juntos em Washington, em estado de desespêro, de revolta e de cans. E, note-se, os erros não partem apenas da América Latina, mas dos homens mais lúcidos dos Estados Unidos. Hoje nos Estados Unidos o livro que alcança as tiragens mais fantásticas é o do professor da Universidade de Columbia, o sociólogo de fama internacional C. Wright Mills. E todo êsse livro é contra a política dos republicanos em Cuba. Mills não é nem nunca foi comunista, não os macartistas se atreveram a considerá-lo mesmo um homem de esquerda, mas é uma das mentes mais lúcidas norte-americanas que sabe ao certo que as perturbações em relação a Cuba e os erros que o govêrno republicano pretende fazer pesar nos governos da América Latina também em relação a Cuba. «Listen, Yankee» é o nome dêste já famoso livro, que recomendo e liberdade de recomendar ao sr. Horácio Láfer.



ATUTINO DE MAIOR TIRAGEM DO ESTADO DA GUANA

D. Hélder na Exposição



«Quem ama comovidamente o Brasil tem obrigação de visitar pelo menos 2 ou 3 vêzes a Exposição Internacional», declarou d. Hélder Câmara, depois da visita que fêz à Feira de São Cristóvão, onde foi recebido pelos srs. Joaquim Rola, Abelard França e Chiarca de Garcia (foto). A presença do arcebispo-auxiliar do Rio de Janeiro despertou interêsse e simpatia entre os que lá se encontravam.

Para JK Até Estrada é Epopéia Autêntica

O PRESIDENTE Juscelino Kubitschek inaugurou, ontem, no Ceará, além do açude de Orós, o trecho cearense da rodovia Brasília-Fortaleza, iniciada em 1958 — conforme informou em seu discurso — e que se estende por 1.800 quilômetros, atravessando os Estados do Ceará, Piauí, Bahia e Goiás.

Referiu-se às dificuldades da obra: frentes de trabalho que tiveram de ser abertas e mantidas por via aérea, através de um sistema de campos de pouso e radiocomunicações, e a estiagem que castigou os trabalhadores. — «Assim, essa construção reveste o caráter de epopéia autêntica» — comentou.

ESTRADAS

Aproveitou o presidente a oportunidade para falar da sua «meta rodoviária: — «A Belém-Brasília, a Fortaleza-Brasília, a Acre-Brasília — disse — vieram possibilitar a posse efetiva de imensas áreas, até então inacessíveis ao homem civilizado. Graças à meta rodoviária — 18 mil quilômetros de novas estradas e 5.700 quilômetros de estradas pavimentadas — o Brasil perdeu a característica de arquipélago econômico, acelerando-se o processo de unificação do mercado interno, de tão largas e benfazejas conseqüências.

«No Nordeste, o desenvolvimento rodoviário é da responsabilidade do DNOCS e do DNER, num trabalho harmonioso e altamente produtivo. A ação do DNOCS concentrou-se, na rodovia Fortaleza-Brasília; o DNER executou numerosos empreendimentos de vulto, dentro do plano rodoviário nacional, devendo-se destacar, ainda, o programa de emergência, desenvolvido em 1958, a fim de abastecer e fazer trabalhar, simultâneamente, considerável [illegible] quilômetros, dos quais 527 em estradas de primeira classe».

PAVIMENTAÇÃO

Anunciou a entrega ao povo cearense de duas obras rodoviárias: à construção, melhoria e pavimentação da rodovia Fortaleza-Russas, na BR-13, e a construção e pavimentação da Fortaleza-Itapagé, na BR-22. — «Tanto num, como no outro caso, impunha-se a pavimentação por se tratar de estradas de considerável densidade de tráfego e difíceis de conservar pelas condições do terreno, bem como por particularem essas rodovias do esquema de interligação das capitais brasileiras» — informou o presidente.

Por fim, declarou que, ao fim do seu mandato, regressava às atividades de cidadão consciente de dever cumprido: — «Enfrentei os graves e complexos problemas brasileiros, substituindo o sistema de paliativos, tão dos nossos hábitos, pelas soluções definitivas, [illegible] desenvolvimento nacional [illegible] objetivo supremo do diuturno labor administrativo».

Joppert Deixou Administração da Rio Light

March 15, 1961

Dear Mr. Bildner:

I have received your letter of March 6 on Brazilian foreign policy and have read it with interest.

I appreciate very much your observations on some of the persons involved in Brazilian political life.

Sincerely yours,

Adolf A. Berle

Mr. Albert Bildner
Rua Codajás, 691,
Leblon,
Rio de Janeiro,
Brazil.

S:RMSayre:nm 3/15/61

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March 15, 1961

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RM/R
45

Mr. Albert Bildner
Rua Cedajás, 691,
Leblon,
Rio de Janeiro,
Brazil.

S:RMRyre:nm 3/15/61

F.W. 732.00/3-661

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ALBERT BILDNER
RUA CODAUÁS, 691
LEBLON

RIO DE JANEIRO
BRASIL

March 6, 1961

Ambassador Adolph Berle Jr.
State Department
Washington D C

Dear Ambassador Berle:

In order to better understand the blue-print which Janio Quadros hopes to follow in revising Brazilian foreign policy, it is essential to study the relationship between Quadros, Joao Dantas, and Dr. Paulo de Castro.

Dantas is a young man in his early thirties, his father owns the liberal, somewhat anti-American newspaper, Diario de Noticias, published in Rio. Janio and he are close ffriends and, according to the papers, he is soon leaving for Bulgaria, Hungary and Roumania as Quadros' personal representative as a preliminary step towards establishing diplomatic relations with these countries.

Dr. Paulo de Castro is a Portuguese intellectual, a brilliant teacher and writer, an exile from Salazar, who has lived in Brazil more than 20 years, has a Brazilian wife and three children. Dr. Paulo writes a daily column called "Momento Internacional" for the Diario de Noticias wherein he comments on current international affairs. He is a great admirer of Tito, Nasser, Nehru, N'krumah and other Third Force leaders; he has written a book called Terceira Forca published by Editora Fundo de Cultura in Rio which should be compulsory reading for anyone who wishes to understand what is in Janio's mind.

Dr. Paulo is the intellectual mentor and guide of Joao Dantas, who in turn, is Quadros' alter ego in foreign affairs. As an example, I enclose a column written by Dr. Paulo a few days before the end of the Kubitschek regime which clearly states the current Brazilian picture and attitude regarding Cuba.

Last year my wife and I took a course in International Relations and current foreign developments, given by Dr. Paulo at the ISEB (Instituto Superior de Estudos Brasileiros). We have since become quite friendly. He informs me he is accompanying Sr. Dantas on his trip to the Balkan countries. Incidentally, Dr. Paulo is not anti-American, rather he is anti-Republican, anti-Eisenhower and anti-stupidity--all of which are synonymous in his lexicon; he is a socialist of long standing, and a great admirer of George Kennan and yourself.

I hope you received and read the letter which I sent you at the Ambassador's Residence in Rio.

with best wishes,
Albert Bildner

copy of Castro column in original.

0374

ALBERT BILDNER
RUA CODAJÁS, 691
LEBLON

RIO DE JANEIRO
BRASIL

March 6, 1961

Ambassador Adolph Berle Jr.
State Department
Washington D C

file

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732.00/3-661

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FILED
AUG 14 1961

(3)

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copy of Castro column in original.

with best wishes,
Albert Bildner
Albert Bildner

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DESP # 324
SÃO PAULO 9/3/61

Macuco Borges, Antônio Augusto Andrade Coelho and Paulo Morais Camargo, all well-known local coffee exporters. They are presently out of jail on a writ of habeas corpus. A principal figure in the ring, Francis Souza Dantas Forbes, has disappeared and was being sought in such diverse places as New York, Paris, Punta del Este and the Azores.

Comment: (UNCLASSIFIED)

Forbes is a well-known figure in Santos coffee circles and an acquaintance of the reporting officer. A millionaire now married to an American, he is an elegant but unscrupulous trader who in the last decade or so has made several killings in the coffee, cattle and other businesses. The reporting officer understands that Forbes actually has been in the interior of the State of São Paulo during the past week and is likely to present a plea that he and his firm were "innocent accomplices" in the coffee smuggling operation.

The Santos coffee trade is unanimous in its opinion that the reputation of the Quadros administration relative to its sincerity in prosecuting smugglers, no matter how highly placed, must stand or fall according to the vigor with which Forbes & Co. is prosecuted. On February 28 the Santos Chamber of Commerce pledged its support to the federal authorities in stamping out coffee smuggling.

2. Heavy Rains Inundate Santos and Vicinity (UNCLASSIFIED)

Torrential rains February 27-March 1 after a heat wave have flooded Santos, causing at least one death, and inundated nearby Cubatão, causing 2,000 persons to evacuate their homes there. On March 1 vehicular traffic on the Santos-São Paulo Via Anchieta was partially interrupted due to landslides which blocked the road. Extensive flooding is also reported along the coast and the interior of the State of São Paulo south of Santos.

Comment: (UNCLASSIFIED)

These rains have delayed ship loadings and unloadings in the port, and on March 1 thirty vessels were waiting to berth alongside. Delays in unloading freighters here are now running as high as ten days.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE - Negative.

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DESP # 324
SAO PAULO
3-3-61

Peres and (4) Mario Covas.
It is possible that Newton Aragão will give up his candidacy for Vice Mayor before the election takes place.

2. São Vicente's Mayor Still Under Fire (UNCLASSIFIED)

The São Vicente Jornal, in its edition of February 26, has again attacked Mayor Roberto Andraus for mismanagement and dishonesty (see Weekly Comment of February 17). The newspaper specifically charges Andraus with neglecting the interests of the city of São Vicente for those of nearby Praia Grande (part of the municipality of São Vicente), where the Mayor has substantial real estate investments. The paper also printed photographs of letters showing that Andraus had demanded money in return for the installation of electric lights, but had then failed to deliver them. The newspaper accuses Andraus of being an outright thief, grafter and incompetent, and adds that Andraus refused to allow copies of the newspaper to be sold in Praia Grande.

Comment: (OFFICIAL USE ONLY)

The reporting officer does not doubt that the charges levelled by the São Vicente Jornal against Andraus are mostly true.

3. Still Another Commander for Santos Air Base (UNCLASSIFIED)

The Diario Oficial of February 27 carried the announcement that Aviation Lt. Colonel Paulo Salema Garçao Ribeiro has been named commander of the Santos Air Base. He will take over from Lt. Colonel Nascimento Nunes Leal, Jr., who one month ago relieved Lt. Colonel Francisco Horcades. (See Weekly Comment of February 2, 1961.)

Comment: (UNCLASSIFIED)

Lt. Colonel Salema was once before Commander of the Santos Air Base.

II LABOR - Negative.

III ECONOMIC

1. Coffee Smuggling Stirs Santos (UNCLASSIFIED)

The news of the illegal exportation from Brazil of contraband coffee by members of the local coffee firm of Souza Dantas Forbes was the principal topic of conversation in Santos over the weekend, after it was revealed that the Forbes group was part of an organization engaged in shipping contraband coffee to the United States. Seized were Messrs. Manuel Jansen Ferreira Sobrinho, Herondino Macuco

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DESP #324
SAO PAULO
3-3-61
ARA

OPERATIONS MEMORANDUM

TO: American Consulate General São Paulo Date: March 2, 1961

FROM: American Consulate SANTOS, Brasil VPR/H

SUBJECT: Weekly Comment on Events in Santos

REF:

THIS DOCUMENT MUST BE RETURNED TO RM/R CENTRAL FILES

I POLITICAL

1. Santos Mayoralty Campaign (UNCLASSIFIED)

With the withdrawal of Nelson Antunes Mattes, leader of the local PL, from the vice mayoralty race, together with PTB Secretary General Arthur Alves de Amorim Jr., the various candidates now stand as follows:

Luis La Scala Jr. for Mayor, supported by the PSP, PTB and PL. His running mate for Vice Mayor is José Gomes, PTB Vice President of the Santos City Council.

Antônio Feliciano, PSD Federal Deputy and ex-Mayor, running for Mayor on the PSD ticket. He has no running mate.

Athié Jorge Coury, State Deputy and "othodox" janista-carvalhista candidate, backed by the PDC, PRP, PRT and Ação Socialista. His running mate for Vice Mayor is Jaime Peres, a communist and the current Vice Mayor of Santos.

Mario Covas Jr., Sanitation Department Chief and candidate for Mayor of the UDN, PST, PTN and PR parties. Covas, a young engineer, also claims the blessing of Jânio Quadros and Carvalho Pinto and has seriously damaged Coury's chances for election without, however, ensuring his own. Covas has Nelson Noschese (PR) as his running mate for Vice Mayor.

A fourth, and very weak, vice mayoralty candidate is Newton Aragão, a lawyer who has unofficially associated himself with Athié Coury.

RELEASED JUN 6 1961

Comment: (UNCLASSIFIED)

The PR, the first political party in Santos to support anyone in the mayoralty race, has switched its allegiance from La Scala to Mario Covas. The party has little local influence.

The past ten days has witnessed much scurrying about among the 31-member Santos City Council. At least 6 members have bolted their parties, most of them to support La Scala.

Some local observers believe the March 26 election will show these results: (1) Luiz La Scala and José Gomes (2) Athié Jorge Coury and Nelson Noschese (3) Antônio Feliciano and Jaime Peres

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
MAR 2 1961
SÃO PAULO, BRAZIL

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★U.S. GOVERNMENT PRINTING OFFICE: 1959-505168

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AIR POUCH
PRIORITY

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FROM : Amcongen, São Paulo — 324 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 3, 1961 DATE

REF :

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	INFO: S/S-R-2 REP-1 INR-7 E-3 ICA-11 AGR-8 TR-3
	REC'D 3-8-61	OTHER: CIA-10 USIA-10 OSD-5 NSA-4 ARMY NAVY AIR-6 COM-10

SUBJECT: Santos Weekly Report

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAR 15 1961

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated March 2, 1961.

For the Minister Consul General

Scott C. Lyon
Consul

732.00/3-361 HBS

Enclosure:
Santos Weekly Report
dated March 2, 1961

BRANCH
CURRENT RECORDS

cc: Amembassy, Rio

DEPARTMENT OF STATE
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Adhemar said the situation has changed so much since Janio took office that even the UDN was disturbed and frightened. He said that Janio was sowing social instability, with a possibility that a military coup would occur. He ended by terming Janio anti-democratic and anti-christian, and said that in 6 months, we would agree with his prophecy.

It is difficult to evaluate the foregoing comments other than as those of a disappointed presidential candidate.

William P. Cochran, Jr.
Minister Consul General

Copy to Amembassy Rio

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732.00/3-361
XR 832.51

FOREIGN SERVICE DESPATCH

FROM: Amconsul SAO PAULO
DESP. NO. 336

TO: THE DEPARTMENT OF STATE, WASHINGTON
DATE: MAR 16 1961

REF: [illegible] March 13, 1961 [illegible] a possibility that a military coup would [illegible] Janio anti-democratic and anti-christian, and [illegible] with his presidency.

	NOTION	DIST.
20 For Dept. Use Only	ARA-4	INR-7 P-3 RM/R-2 REP-1
	RECEIVED MAR 21 1961	[illegible] and USIA-10 ARA-6 NSA-4 OSD-5 army-4 navy-4 air-6

SUBJECT: Conversation with Adhemar de Barros, Mayor of São Paulo

BUREAU OF INTER-AMERICAN AFFAIRS

Friday evening, I had a talk with Mayor Adhemar de Barros, who looked into the role of Cassandra. He freely predicted calamity for [illegible] months. He asserted that Janio Quadros in following the [illegible] that he is one of the 5 most dangerous men in the world. [illegible] that same newspaper in Rio de Janeiro had recently termed Janio one of the 5 most dangerous men in the world", and Adhemar had picked this up. He also pointed out that Janio was facing much the same problems as Castro. He noted that the first thing he did was to invite an enemy of his country and of the west -- Tito of Yugoslavia -- rather than a president or ruler of a friendly country. He pointed out that Quadros had been quick to receive a representative of the Cuban news service -- the only newspaper to whom he had as yet conceded a private interview. Shortly thereafter, he had refused to receive a representative of the anti-Castro Cuban press.

Adhemar said that he was not saying this because he had been defeated for the presidency; that he did not like to talk ill of his countrymen, but he nevertheless felt that he had done very well in his presidential campaign. He had had the president against him, Governor Carvalho Pinto against him, the press against him, and no support except his own party; but he had gathered over 2 million votes. He repeated his charge that the United States had helped elect Janio; when I challenged him on this, he referred to the many articles in Time and Life favorable to his opponent. He also said that for 20 years, Janio and the press had been accusing him of being a thief, until finally the image stuck. It was in these developments that he blamed his defeat.

Adhemar warned the United States to beware of Janio's speech to labor he made at São Paulo on May [illegible]

At this point, the Mayor's Chief of Protocol, Comendador Maciel Ramos, interjected to say that the governor was very much disturbed by these developments, and intended to have masses [illegible] appear wearing a mourning band during Tito's visit.

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12
321
São Paulo

Miscellaneous
11. List of Substantive Despatches

312 São Paulo Press Comments on Steps Essential to the Economic and Financial Rehabilitation of Brazil
314 Bi-Weekly Economic Review
315 Availability of Soviet Scientific Publications in the São Paulo Area
316 São Paulo Cost of Living Index - December 1960
317 Trade Contract Survey - Continental Oil Co.
318 Santos Weekly Report
319 Annual Report of the Bank of the State of São Paulo
320 São Paulo Agricultural Reform Law
321 São Paulo Weekly Summary No. 87

William P. Cochran, Jr.
Minister Consul General

Contributors:

Pyle, Shea, Mason/Carvalho

Distribution:

INS/RAR, Embassy Rio 3, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife, Salvador, Santos

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11
321
São Paulo

10. Food-For-Peace Program (Unclassified)

The reaction of São Paulo newspapers to the Food-For-Peace program proposed by President Kennedy ran from favorable to unfavorable, with a neutral "wait and see" attitude discernible in a few editorials. Usually pro-US O Estado de S. Paulo did not withhold applause for the program which was described as "praiseworthy initiative of the government of Washington." Stressing that "the political objectives of the plan are enhanced by its highly humanitarian scope," O Estado declared that with it "...the new President of the United States offers the world the exact measuring stick of his stature as a statesman." O Estado concluded: "...the knowledge we have of the importance of such a problem (famine) in the democratic world would make us applaud without any restriction this further and wonderful expression of human solidarity of the great American Republic." Folha de S. Paulo's attitude was, at the start, that of criticism, pointing out that Argentina and Mexico are right in not accepting the agricultural surplus of the United States. "The Anesthetic" was the title of Folha's editorial in which the writer said that "the measure has the effects of an anesthetic" besides being "A 'big deal'; satisfies the Yankee farmers and the whole industrial and commercial complex behind them, while accruing long range political and economic advantages" for the United States. According to Folha, the program has on the recipient countries "the tendency to decrease local production of articles while stimulating their overproduction in the United States. The 'Food-For-Peace' program tends...to anesthetize the national efforts toward production, and to provoke conflicts between underdeveloped countries..." The author stressed that the program has merits only as a measure for emergency relief; "...for (stamping out) the 'chronic famine'...there would not exist surpluses (big enough) to even mitigate it..." On the following day, Folha's attitude had changed a bit toward ~~toward~~ neutral; in a moderate editorial, the paper conceded that the program "...Can be an evil or a good, according the circumstances." After considering the advantages of accepting the Americanoffer of wheat, the writer said that "As an emergency solution, we ought to accept the offer..." However, he extended a suggestion. "If the United States government really wants to cooperate efficiently ...with the Latin American countries, let it start thinking less of 'food-for-peace' and more of contributions capable of a lasting improvement in their economies. What the underdeveloped people want...is the living essence of progress which emancipates forever and not the ephemeral food which leaves in the mouth a bitter tang of poverty..." According to Correio Paulistano, under Kennedy's "humanitarian policy"..."the United States is practicing true pan-Americanism." Left-wing Ultima Hora applauded the criticism made by Folha de S. Paulo and said that "the incipient government has started in such a way as to disappoint the most credulous."

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but one could not comprehend'"...His virtual and unconditional support of a Communist movement in Latin America"...which precipitated..."the most serious (conflict) registered in the last fifty years" in the Western Hemisphere. Concluded O Estado: "It was very proper to protest against the assassination of a Congolese chief. It would have been much better, however, if the blood shed by the Cuban people had inspired in him the same horror and the same repugnance." The Congolese crisis, according to O Estado, had one result: "strengthening the authority and the prestige of the United Nations." After the debates in the Security Council, "...The organization emerged...as a truly supranational guardian power...capable of making up for the deficiencies of its members. The vote (in the SC)...represents a resounding defeat for the Soviet Union's international intrigue...". The paper reaffirmed its revulsion over the new killings which took place this week in the Congo, saying that they represent a "new and unqualifiable demonstration of irresponsibility (on the part) of President Kasavubu", showing that there is no authority in the Congo any more. Faced with this situation, the paper advised, "...the United Nations Organization must have...the responsibility (for administering the Congo)...as a true guardian power..." Diario de S.Paulo's only contribution was an over-all analysis of the events which took place in the Congo from its independence to Lumumba's death. "When a man places himself in such a position, political assassination cannot be far off", said Diario. Mixing temerity with unreasonableness after being carried away by his success in national and international politics, Lumumba "...failed to see the limits allowed by the (Congo's) local conditions. Blinded by his success...pitting Russia against the United States, he forgot that he was in the Congo: he forgot the knife that would cut his throat." Correio Paulistano also analyzed the facts which preceded Patrice Lumumba's assassination, wondered who had benefited thereby, and ventured an opinion: "...It is high time, not for UN withdrawal from the Congo as suggested by Moscow's government, but for strengthening its position, for taking control of the situation... If this is not done very soon, we run the risk of seeing the Congo transformed into a new Korea, a new Indo-China." Examining the likely beneficiaries of Lumumba's death, Correio considered the motives of Moishe Tshombe, the Union Minière du Haute Katanga, and Moscow. Correio, a strongly Catholic paper, expressed its indignation that the death of several whites, including the death "of a priest and the rape of nuns...have been treated as something commonplace without a protest being raised." According to Correio, these and other facts registered in recent months in the Congo "Reveal not only a dulled sensibility. We are confronted by a sensibility oriented toward only one target, a Reddish sensibility. Let's not have any doubts; the Congo is just another of the many pretexts used by those who cannot stand a peaceful world because where there is peace and understanding, intrigue and exploitation cannot thrive."

0364

The manifesto itself was a fairly mild document. It urged trade union autonomy, the right to strike, government action to halt inflation, moralization of the social security institutes, the introduction of collective bargaining agreements, etc. In the field of foreign relations it stated it was not against foreign investment provided it was beneficial to Brazil, and it advocated cultural, commercial, and economic relations with all nations. The manifesto also urged more independent action on the part of the Brazilian government in its international relations. An attempt by the Communists to jam through a resolution condemning Brazilian-U.S. military agreements was tabled after a heated debate. Lourival Portal da Silva, president of the local union of oil refinery employees and a recent returnee from the U.S., spoke against the Communist motion and bluntly asked the delegates if they were in favor of an agreement with the Soviet Union. At this point Pellacani headed off further discussions when he recommended the motion be tabled.

COMMENT: (Confidential) The Communist weekly Novos Rumos published a series of Communist line resolutions on Cuba and the Congo supposedly adopted by the delegates in attendance. Non-Communists who attended some of the sessions claim they were not aware that these motions were adopted. In any event they were not given any publicity by conservative newspapers or the left-wing ultra nationalistic daily Ultima Hora. The Consulate General's labor officer has also been informed that Roberto Morena, a veteran Communist Party member, spoke in favor of elimination of the imposto sindical to the chagrin of other Communist Party leaders. (A complete report will be sent on this meeting.)

Psychological

9. Lumumba's Death (Unclassified)

São Paulo newspapers continued to focus on the killing of Patrice Lumumba and other Congolese leaders this past week with local editorialists describing the results of the UN Security Council debates as a clear-cut victory for the United Nations and the democracies. Analyzing the debate at the Security Council, O Estado de S.Paulo applauded Adlai Stevenson's actions, saying that "It would be an under-statement to say that John Kennedy acted with high diplomatic skill" and that "The new Democratic government of the United States is giving convincing proof that it has, really, surpassed the 'cold war' mentality." Recently-inaugurated President Janio Quadros was the target of a strongly-worded editorial in O Estado condemning his contradictory attitudes in dealing with Lumumba's killing and the wholesale killings occurring in Castro's Cuba. "His most recent statements conflict head-on with those he made when taking office." Quadros' condemnation of Patrice Lumumba's assassination was understandable, according to the paper,

COMMENT: (Confidential) It was expected, as this post reported earlier, that Galvão would make São Paulo his headquarters, since general Humberto Delgado, who planned the seizure of the Santa Maria with Galvão, is a resident of the capital city. In addition, Julio de Mesquita Filho has been sympathetic to the anti-Salazarists (see São Paulo despatch 296, February 8, 1961). The locating of the Commission of Hospitality for the Exiles of the Santa Maria in the office of the state UEE does not appear to have been an accident. It is an issue that the left-wing student groups will doubtless attempt to exploit when they return from their vacation in the next few days.

Labor

8. Trade Union Leaders Approve Manifesto to President Quadros (Confidential)

An estimated 250 labor leaders from 16 states met in São Paulo over the ween-end of February 18 - 19 and approved a manifesto expressing their views on labor policies for the Quadros administration. The meeting was held at the headquarters of the local union of metalworkers. Labor Minister Francisco Carlos de Castro Neves attended and addressed the closing session. The majority of trade unionists in attendance were Communist Party members and fellow travellers. São Paulo non-Communists put in brief appearances or stayed away. The Communists, however, backed away from their plans to attack the Quadros administration openly and accepted an already prepared manifesto drafted by janista labor leaders with no criticism of the new administration in order not to upset their "unity" plans. The most dominant personality at the two day meeting was Dante Pellacani, an ex-Communist and secretary general of the São Paulo state Trade Union Council, who carried out most of the preparations and chaired many of the plenary sessions. Deodeciano de Hollanda Cavalcanti, president of the National Confederation of Industrial Workers (CNTI), attended but made no significant contribution. Leading Communist Party trade union leaders José da Rocha Mendes Filho, PTB state deputy, and Roberto Morena appeared in photos with Minister Castro Neves, Pellacani and Cavalcanti on the dais at the final session. These photos were published by many São Paulo dailies. In his address Minister Castro Neves somewhat backed away from previously publicly expressed personal opinions in favor of elimination of the imposto sindical (compulsory union dues collected by the government and apportioned out to the unions), and told the delegates in attendance that he believed the imposto sindical should not be used by the government to coerce the trade union movement. The delegates had previously overwhelmingly rejected a motion to eliminate the imposto sindical (see São Paulo despatch 311, February 21, 1961, Item 7).

0362

charge of the Departmento de Estradas de Rodagem (DNER, National Department of Highways, see Sao Paulo despatch 288, February 1, 1961). Reportedly, he was not qualified to accept this position because he does not have a civil engineering degree.

The appointment of professor Mendes de Almeida was only surprising because of the fact that he is a leader of the PTB in São Paulo and actively participated in the election campaign last year on behalf of Lott and Jango. Mendes de Almeida is highly regarded and seemingly eminently qualified for his new position. He has been a member of the Public Ministry of Brazil for ten years. For a time he served as third public prosecuting attorney in São Paulo. He began his teaching career in 1939 which has since continued with some interruptions. He was state Secretary of Government under São Paulo governor Lucas Nogueira Garcez from 1950 to 1954, and he has been a representative of Brazil to the United Nations Organization.

Since president Janio Quadros' inauguration there has been a number of São Paulo state employees from various departments of the state government making the trek to Brasilia. All are on loan to the federal government.

7. Galvão and his Rebels Arrive in São Paulo (Official Use Only)

During this past week Captain Henrique Galvão and his rebels, who seized the Portuguese vessel Santa Maria about a month ago, arrived in São Paulo. Galvão and an associate, Souto Maior, arrived by air, and are staying in the capital city; the others came in a special bus which continued to Campinas where they were lodged in a house on the outskirts of the city. All were well escorted by the Political and Social Police (DOPS). The Campinas contingent, according to Souto Maior, will transform their headquarters into a military camp, under strict guard, because they fear trouble from "arrivals from Spain".

In the capital city Galvão and some of his associates visited a number of São Paulo newspapers, perhaps in the hope that the attendant publicity would help generate support from the large local Portuguese colony. Under the impetus given by Julio de Mesquita Filho, director of O Estado de S. Paulo and members of his family, an organization was formed called the Commissão de Hospitalidade aos Asilados do "Santa Maria" (Commission of Hospitality for the Exiles of the Santa Maria), which will seek to obtain "moral and material" help for the rebels. Other members of the newly formed organization include journalists and students. It was announced that the commission will have its office in the São Paulo state Student's Union (UEE).

0361

CONFIDENTIAL

5
321
São Paulo

5. Elections in São Paulo Municipios (Official Use Only)

The Regional Election Tribunal (TRE) announced some additional facts this past week pertaining to elections for local offices which will be held in various municipios (a division of local government corresponding roughly to a county) of the state of São Paulo on March 5 and 26.

The TRE stated that 3,747 ballot boxes would be available to serve the 1,230,133 electors in the elections scheduled for March 26 in the capital city of São Paulo (see São Paulo despatch 301, February 15, 1961); that the returns would be counted by 40 election boards which would convene at 8 A.M. on March 27 rather than 12 noon on the day following elections, as has been customary in past municipal elections in the capital city. TRE officials added that they hoped to complete the counting of ballots in the capital city within 48 hours.

According to the TRE a total of 258,190 registrants (outside of the capital city of São Paulo) will be eligible to vote in the elections held on March 26. This total was said by the TRE to include 91,326 electors in Santos; the balance of the registrants reside in the 50 interior municipios of the state which will hold local elections. As reported earlier (see despatch 301) a total of 32,671 electors will be eligible to vote in the local elections held on March 5 in 16 interior municipios of the state.

COMMENT: (Official Use Only) Election preparations in the capital city of São Paulo especially, seem adequate. This is doubtless true elsewhere in the state where, with the exception of Santos, fewer numbers are involved. In the capital city there will be available on the average a ballot box for about every 328 registrants.

6. Paulistas Enter the National Government (Official Use Only)

Two prominent paulistas, brigadier Faria Lima, state Secretary of Public Works, and Canuto Mendes de Almeida, a professor of Penal Law at the Faculties of Law of the University of São Paulo and Mackenzie University, were invited this past week to join Janio Quadros' government. Brigadier Faria Lima was nominated to the presidency of Banco Nacional do Desenvolvimento Economico (National Bank of Economic Development), while professor Mendes de Almeida was asked to serve as procuradoria-geral of the republic (attorney general).

COMMENT: (Official Use Only) Brigadier Faria Lima has been expected to enter the federal service for some time. He was earlier expected to assume

CONFIDENTIAL

0360

expressed support of Padre Calazans. In a letter which was made public, they stated that "men of courage are frequently exposed to injustice". They declared that "Rio Branco Paranhos had exceeded all possible limits"; that Padre Calazans' "civic and moral virtues, his religious convictions in the most pure faith" and the "excellence and magnitude of his public services which were always intended to preserve the best values of our civilisation" were known to all. The regional convention of the UDN which met a few days later unanimously expressed its support of Padre Calazans (see Item 2).

COMMENT: (Confidential) The statements made by Rio Branco Paranhos, an admitted member of the Communist Party, are likely to adversely affect the mayoralty aspirations of his PTB running-mate, Prestes Maia. The vicious verbal attack made by Rio Branco Paranhos has already, as pointed out above, caused an unfavorable repercussion in UDN circles; it may influence many of the more respectable elements of the electorate to vote for another mayoralty candidate not so closely identified with Communism. It may also cause Prestes Maia to publicly disavow Rio Branco Paranhos.

4. São Paulo Trade Union Leaders Set Up Pro-Emilio Committee: (Confidential)

A group of non-Communist and ex-Communists who supported Janio Quadros in his successful presidential campaign have opened a headquarters and installed a labor leader's pro-Emilio Carlos committee. Dante Pellacani, secretary general of the São Paulo State Trade Union Council (CST) and a former member of the Communist Party, one of the leaders of the Jan-Jan movement in the October elections, was elected president of the committee. Domingos Alvarez, another ex-Communist and president of the State Federation of Metalworkers and a staunch Janio supporter, was elected vice-president. Others on the board of directors include José Antonio Ribeiro, president of the State Federation of Hotel Workers, a non-Communist, and Julio Devochiatti, an ex-Communist member of the board of directors of the large local union of textile workers, which is under Communist control. Hermeteo Dantas, a member of the board of directors of the local union of metalworkers who recently returned favorably impressed from a trip to Cuba, is also serving on the board of directors, as is Benedito Lucas Salles, reportedly a Communist Party member at odds with C.P. leadership.

COMMENT: (Confidential) Pellacani broke with the Communists in 1958 and has since successfully backed the campaigns of governor Carvalho Pinto and president Janio Quadros. He is shrewd and opportunistic and is quick to get on the bandwagon. As of this date, however, it is too early to evaluate the vote gathering strength of this pro-Emilio committee.

0359

The regional convention, by unanimous vote, also approved a resolution pledging support of and solidarity to padres Calasans and Antonio Godinho. Abreu Sodré, president of the São Paulo state Legislative Assembly, stated that the members of the UDN repudiate the statements made about an honest priest by a man who does not measure up to the confidence placed in him by the electorate and a man known to be a Communist. Abreu Sodré, although he did not mention the man by name, was doubtless alluding to São Paulo PTB city councilman Rio Branco Paranhos, who criticised Padre Calasans a few days ago (see Item 3).

COMMENT: (Official Use Only) An open fight at the UDN regional's convention, which some expected, was avoided when Abreu Sodré declined to oppose Herbert Levy as the paulista candidate for national party president. The party "closed ranks" and did not permit the difference of opinion in regard to the mayoralty candidacies of Emilio Carlos and Prestes Maia (Abreu Sodré supports Emilio; Herbert Levy strongly favored Prestes Maia during the recent municipal convention, see São Paulo despatch 301, February 15, 1961), to jeopardize the possibility of a São Paulo candidate securing the national party presidency.

3. Rio Branco Paranhos (PTB) Bitterly Criticizes Padre Calasans (UDN) (Official Use Only)

The Diario Oficial this past week published the diatribe made by the PTB candidate for vice-mayor, Rio Branco Paranhos, the "commie-line" São Paulo city councilman, during a recent council meeting. Rio Branco Paranhos bluntly stated that "Padre Calasans was not an authentic representative of Christ"; that if he (Padre Calasans) "were in Africa he would be a racist"; that is not only "bad" and a "crook" but has no "talent"; that he likes to frequent "rich houses" where "attractive women may be present"; that his only advantage is his "beauty" which he uses for "conquest"; that he does not respect his vow of chastity.

Rio Branco Paranhos' public remarks were obviously made in retaliation to Padre Calasans' earlier statement made after the recent UDN municipal convention that he would not support the candidacy of Prestes Maia (see São Paulo despatch 311, February 24, 1961). Padre Calasans deplored the presence of "Communists, cryto-Communists and strange elements" at the convention, as reported in the above mentioned despatch, and he added (not reported) "belonging to the Communist currents who launched the candidacy of Rio Branco Paranhos".

Members of the UDN, including many who had supported the candidacy of Emilio Carlos at the municipal convention, as well as some who did not, quickly

CONFIDENTIAL

Candidates in the janista area continued this past week to identify themselves as closely as possible with Janio Quadros. Farabulini Junior (who pointed out that he was a friend of Janios for many years) declared that "many wish to show themselves more janista than Janio, in order to fool the electorate". Prestes Maia announced that 210 presidents of janista committees would support his candidacy. Emilio Carlos' candidacy may have been aided by the promised support of a number of São Paulo labor leaders (see Item 4) as well as statements by Castro Neves, Minister of Labor, that Emilio Carlos is the only legitimate janista candidate; that he is the only candidate who should receive the janista vote. Abreu Sodré, president of the São Paulo state Legislative Assembly, declared this week that Emilio Carlos was close to Janio; that the president, like Quintanilha Ribeiro, chief of the president's Civil House, was an "emilista". (It will be recalled that Quintanilha Ribeiro had stated earlier that Janio was preoccupied by national problems, but that he (Quintanilha Ribeiro) would vote for Emilio Carlos, the candidate "connected with the president of the republic and governor Carvalho Pinto", see São Paulo despatch 311, February 21, 1961). Sodré added that Janio was registered to vote in São Paulo; that he would be here to vote on March 26. Sodré implied, without saying so, that the president would vote for Emilio Carlos.

COMMENT: (Confidential) It is too early to make any election predictions on the outcome of the São Paulo mayoralty election. The political scene has not crystalized sufficiently; there is likely to be more withdrawals and changes prior to the election on March 26. Despite the wealth of mayoralty candidates, many people in São Paulo do not appear to be particularly enthusiastic for any of the nominees. There appears to be a considerable number of people in the capital city, particularly from the largest of all groups, the middle class, who have not yet made up their minds on whom they will support. Despite these handicaps, however, it appeared at the end of last week that Emilio Carlos had a slight advantage over the other candidates.

2. UDN Chooses New Regional Directorate; Endorses Herbert Levy for Party President (Official Use Only)

At the end of this past week the UDN held its regional convention in São Paulo. About 500 delegates from the capital city and from all parts of the state of São Paulo were in attendance. The state convention, by acclamation, chose federal UDN deputy Herbert Levy as the paulista candidate for national party president in succession to Magalhães Pinto. The convention also chose a new regional directorate for 1961-62, as well as the São Paulo delegates who will attend the national convention of the party scheduled for April 1961.

CONFIDENTIAL

0357

FOREIGN SERVICE DESPATCH
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i.e. the PDC and PR. A number of candidates for vice-mayor were chosen and registered with the TRE during this past week.

The municipal convention of the PDC, at a meeting which did not terminate until 5 A.M. on February 22, chose Prestes Maia as the party's mayoralty candidate. He received 115 votes; 67 were cast in favor of the party taking no position in favor of a mayoralty candidate, and 26 votes were cast in favor of Farabuline Junior, the PL mayoralty candidate. The municipal convention chose PDC São Paulo city councilman Emilio Meneghini as its candidate for vice-mayor by a 90 to 48 vote over another PDC city councilman, Joaquim Monteiro de Carvalho.

The municipal convention of the PR, which met during the past week, chose Emilio Carlos as the party's mayoralty candidate. A vote taken at the end of a two hour session gave Emilio Carlos 84 votes; Prestes Maia, 54; and Rui Novais, the PSB mayoralty candidate, 2. One vote was blank. Luiz Glicerio de Freitas was selected as the party's nominee for vice-mayor.

Thus, there are seven candidates actively competing for the mayoralty of São Paulo - Prestes Maia, who has the endorsement of the PTB, the UDN and the PDC; Emilio Carlos, endorsed by the PTN and the PR; Cantidio Sampaio, the PSP nominee; Farabulini Junior, the PL candidate; Hugo Borghi, the PRT aspirant; José Cirilo, the PRP choice; and Rui Novais, the PSB nominee. The registrations of two other mayoralty candidates, namely federal PDC deputy Franco Montoro, who announced his withdrawal from the mayoralty contest several weeks ago (see São Paulo despatch 296, February 8, 1961) and Juvenal Rodrigues de Morais, the PSD nominee who withdrew his mayoralty candidacy this past week, as was predicted earlier (see São Paulo despatch 301, February 15, 1961), are expected to be formally withdrawn from the TRE within the next few days. The PDC is expected to register Prestes Maia's name in accordance with the electoral law which permits parties which have already registered a candidate for mayor or vice-mayor with the TRE, to substitute another nominee up to 20 days preceding the election, i.e. March 6.

Nine candidates are competing for the position of vice-mayor of São Paulo. The candidacies of Freitas Nobre (PSB); Joaquim Leite de Almeida (PRT, see despatch 296); and Rio Branco Paranhos (PTB, see despatch 301) were announced earlier. During this past week, in addition to Emilio Meneghini, the PDC candidate, and Luiz Glicerio de Freitas, the PR nominee, the following candidates were chosen: Pedro Fanganiello by the PSP; Salvador Loturco by the PRP; Benedicto Rocha, a São Paulo city councilman, by the PTN; and state deputy Antonio Mastrocola by the UDN.

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0356

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amconsgen, São Paulo

DESP. NO. 321

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : PDC and PL

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS

90-4

For Dept. Use Only	ACTION	DEPT.
	ARA-4	Rep-1 EMR-7 INR-7 E-5 ICA-4 P-4
	REC'D 3-6	OTHER Ca-10 Lab-6 Opr-8 Army-4 Navy-4

SUBJECT: São Paulo Weekly Summary No. 87, Week Ending February 24, 1961 MSA-4

WH-McH-1 USUN-3 OSD-5

Index:

Political

1. São Paulo's Mayoralty Race
2. UDN Chooses New Regional Directorate; Endorses Herbert Levy for Party President
3. Rio Branco Paranhos (PTB) Bitterly Criticizes Padre Calazans (UDN)
4. São Paulo Trade Union Leaders Set up Pro-Emilio Committee
5. Elections in São Paulo Municipios
6. Paulistas Enter the National Government
7. Galvao and his Rebels Arrive in São Paulo

Labor

8. Trade Union Leaders Approve Manifesto to President Quadros

Psychological

9. Lumumba's Death
10. Food-For-Peace Program

Miscellaneous

11. List of Substantive Despatches

732.00/3-161 HBS

CLASSIFIED FILE

Political

1. São Paulo's Mayoralty Race (Official Use Only)

The acceleration of São Paulo's mayoralty race this past week reflected the fact that election day is only one month away. Most of the mayoralty candidates intensified their campaign activities. They appeared on television and radio broadcasts and at numerous public meetings. They mapped their campaign strategy; they attempted to secure the support of major groups and, in the case of Prestes Maia, the PTB-UDN nominee, endeavored to secure the support of local committees which had been formed earlier to aid the election efforts of Janio Quadros. In view of the fact that February 24 was the last day in which candidates for mayor or vice mayor could be registered [illegible] Regional Election Tribunal (TRE), both Prestes Maia and Emilio Carlos, the PTN candidate, continued to compete for the support of the political parties as yet uncommitted in respect to the mayoralty.

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Document Date: 28/12/60

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DESP 248 FR SAO PAULO TO STATE

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Without agreeing that the U.S. plays favorites, Mr. Mann replied that a stronger spirit of unity, cooperation and understanding must be attained among the nations of this hemisphere, adding that the U.S. stands firm in its desire to cooperate with all countries in Latin America in bringing about a better future for their people.

7. Third Force. Dr. Marzagão referred to two forces surrounding Dr. Quadros: One, very powerful and active, is recommending that he assume leadership of a "third force", or neutralism, in the Americas. The other favors continuance of the "status quo" in Brazil's relations with the U.S., and is working toward that end. Dr. Marzagão expressed his grave concern about this situation. He indicated that he strongly favors the continuance of Brazil's friendly relations with the U.S. He also said that the "third force" group had already submitted to the President-elect a thorough plan of action. This plan, according to Marzagão, includes the recommendation that Brazil negotiate a substantial loan from European countries to repay the U.S. in full and later obtain a loan from the Sino-Soviet bloc to pay up the European country. Dr. Marzagão went on to say that the "pro-third force" group is so strong that many of the people opposed to it have decided to remain behind the scene for fear of future unhappy consequences to them if Quadros should accept the scheme.

Mr. Mann said that he had spent a large part of his life working for better hemispheric understanding and cooperation. He was glad to know that Dr. Marzagão was on this same side. All proponents of the inter-American system must renew their efforts for hemispheric understanding and solidarity.

8. Speech by Secretary of State. Mr. Marzagão suggested that the new Secretary of State make reference, in his formal speech at the time he assumes office, to the cordial relations existing between the U.S. and Latin America and the desire of the U.S. to be of assistance to the American Republics in achieving their much wanted economic development. He added that if particular mention were to be made of Brazil this would constitute a heavy blow to the "third force" supporters.

0352

Mr. Mann suggested that the new Brazilian administration may wish to consider sending some of its economic and financial experts to Washington to conduct exploratory, preliminary, informal discussions with U.S. officials on economic and financial problems. Dr. Marzagão seemed to like this suggestion and promised to present it to the President-elect for his consideration.

3. International Monetary Fund. Dr. Marzagão said that the IMF, when approached by the present Government of Brazil in 1959 regarding assistance, set as a pre-requisite strong deflationary measures to which President Kubitschek could not agree since he was at that time engaged in the building of Brasilia, the main source of inflation in the country. Dr. Marzagão said, however, that he hopes the IMF "to which the U.S. is closely linked" will recognize the economic predicament of the incoming administration and will exercise greater understanding in possible future requests for loans. Dr. Marzagão added that while Quadros will combat inflation it would take one or two years to put an end to it.

Mr. Mann explained that the IMF was an independent, international organization and in no sense of the word under the control of the U. S.

4. Exchange Program. Dr. Marzagão made reference to labor leaders in Brazil who have not been invited to the U.S. because of present or past leftist tendencies and/or participation in leftist movements. There are many promising and very important young labor leaders, Marzagão said, who are being invited to Sino-Soviet countries who could be brought to the side of democracy if they were given an opportunity to familiarize themselves with the American way of life and the people of the U. S. Dr. Marzagão mentioned that out of one group of eighty labor leaders under consideration, only eight were qualified for grants.

Mr. Mann replied that the Department placed much importance on the exchange of persons program. He agreed that flexibility in its administration is essential.

5. Treatment of Latin American Ambassadors in Washington. Dr. Marzagão said that Ambassadors of Latin American countries should be received more often and given more personal attention by the Secretary of State. Dr. Marzagão suggested that the U.S. could gain much by doing this. He went on to explain that this suggestion was based on criticisms he has often heard from Latin American diplomats in social and diplomatic functions in Brazil. Dr. Marzagão indicated that other Ambassadors (i.e., French, British, German) were received often by the Secretary.

Mr. Mann agreed with the principle brought up by Dr. Marzagão and at the same time explained the practical difficulty which the Secretary of State faces in finding time to give frequent personal attention to the large number of Ambassadors in Washington. Mr. Mann endorsed the desirability of Washington officials giving more personal attention to the Brazilian Ambassador.

6. U. S. Favoritism. Dr. Marzagão suggested that the U. S. maintains a position of equal partners with the Latin American countries and avoid giving preferential treatment to any of them. He added, in this respect, that today the U.S. has Mexico as its favorite "child" and that it has also shown much favoritism toward Argentina.

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DEPARTMENT OF STATE

Memorandum of Conversation

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DATE: December 27, 1960

SUBJECT:

PARTICIPANTS: Department of State
Mr. Thomas C. Mann, Assistant Secretary, ARA
Mr. Wymberley DeR. Coerr, Deputy Assistant Secretary, ARA (Attended part time)
Mr. Alton W. Hemba, EST (Attended part time)
Mr. George R. Phelan, Political Officer, U.S. Embassy, Rio de Janeiro
Visitors
Dr. Augusto MARZAGÃO, Secretary to President-elect of Brazil
Dr. Luciano MACHADO, Lawyer, Bank of Brazil
Dr. Fernando PEREIRA DA SILVA, Brazilian Industrialist
Dr. Jacques ELMALEH, U.S. Citizen, from New York

FEB 3 1961

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(11)

The following subjects were discussed:

1. U. S. Ambassadors. Dr. Marzagão began the conversation by indicating his hopes that the Kennedy Administration will use the same high standards in selecting its Ambassadors to Latin American countries that it used in selecting Mr. Rusk as the new Secretary of State. He added that, with rare exceptions, U.S. Ambassadors are not true representatives of the American people and the American way of life. A large number of ambassadorial appointments have been given to wealthy men as rewards for financial contributions to political campaigns; many do not possess a real knowledge of Latin America. They, instead of representing the American people, limit themselves to representing economic groups, "trusts", that by and large have created, through their actions and behavior, a negative attitude toward the U.S. in most Latin American countries.

2. Inflation. Dr. Marzagão referred to the present inflationary spiral in Brazil, attributing 70 to 80% of it to the building of the new capital, Brasilia, and pointed out that Dr. Quadros intends to take stern measures to prevent further inflation, that the Quadros Government will be one of austerity, honesty and patriotic dedication. Quadros' actions to combat inflation, he said, will have to be applied progressively to avoid serious social chaos in the country. In attaining stability and maintaining Brazil's much needed economic growth, the new Brazilian Administration will not ask favors of the U.S. but will need much U.S. understanding, cooperation and confidence.

Mr. Mann

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The reporting officer has been told by A. P. Brode of the Norlines Shipping Agency here that he will be named Honorary Norwegian Consul in Santos, succeeding the late Olav Syrdahl. Brode also stated that 10 months ago he quietly resigned his appointment as Honorary Consul of El Salvador in Santos, out of protest against the excesses of the Lemus regime.

Comment: (UNCLASSIFIED)

Norway has large shipping interests in this port and has been anxious to name a successor to Syrdahl. (See Weekly Comment of December 15, 1960.)

II LABOR - Negative.

III ECONOMIC

1. Brazilian Vessel Lands Tuna in Santos (UNCLASSIFIED)

On December 20 the first tuna caught by a Brazilian vessel in neighboring waters was landed in Santos. The Brazilian fishing vessel "Joana Hora" of the Cooperativa de Pesca Atlantica brought in a cargo of 23 tons of fish of various kinds, including tuna.

Comment: (UNCLASSIFIED)

Hitherto all tuna sold in Santos had been caught by Japanese fishermen of the Taiyo Fisheries Corporation.

2. American Bank Inaugurates New Office (UNCLASSIFIED)

On December 19 the Santos branch of the First National City Bank of New York inaugurated its new and modern office building here.

Comment: (UNCLASSIFIED)

The structure cost Cr$55.000.000,00, which was Cr$15.000,000.00 more than estimated, and was at least two months late in opening.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE - Negative.

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help from the PSP machine here. (It should be recalled that Adhemar de Barros, with 20.2% of the Santos vote, ran ahead of Marshal Lott here on October 3.) Coury, the logical Janista candidate, is himself not an outstanding figure, and his prestige will be damaged by Covas' aid for Janista-Carvalhista support. On the other hand, it is generally conceded that Covas' youth and inexperience are insurmountable handicaps to his being elected. Then too, Mayor Fernandes Lopes himself has good working relations with the Governor of the State of Sao Paulo, who may be expected to keep hands off the local contest.

Antônio Feliciano appears to the reporting officer to be crying in the wilderness: a strong personality without an issue or a strong local party back of him.

2. Fraud Charged in Guarujá Councilmanic Election (UNCLASSIFIED)

Last week's election of the officers for the City Council of nearby Guarujá has produced confusion and charges of fraud and bribery. On December 15 the scheduled election was held amid bitterness between the two factions of the City Council, which resulted in a deadlock. The opposition group on the council rammed through the election of Joaquim Alves da Cunha as President and Francisco Figueiredo as Vice President of the Guarujá City Council in the small hours of December 16 but only after the council had voted to postpone the election until December 22 and after a member of the majority group charged the opposition with bribing a council member to vote for the opposition slate.

After the election a move was initiated to have the Ministry of Justice examine the legality of the election. Guarujá Mayor Jaime Daige declared that the irregularities of the election "seem to be harkening back to the old days."

Comment: (OFFICIAL USE ONLY)

Daige was elected reform Mayor of Guarujá, a rapidly growing and fashionable beach resort near Santos, in 1959. During the past ten years or more much corruption has attended the fortunes made in real-estate speculation in Guarujá, which has seen the construction of a great number of ultra-modern apartment houses and luxurious homes.

It would appear that the City Council dispute is an episode in the struggle between those members of the City Council who are not adverse to using their influence in favor of contractors seeking special treatment in obtaining building permits and choice sites and those members of the City Council who favor more orderly and honest development of the resort.

3. New Norwegian Consul for Santos (OFFICIAL USE ONLY)

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FORM DS-582
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Page 1,
Encl #1
Disp #246
Sao Paulo 12/23/60
AKA

OPERATIONS MEMORANDUM

TO: American Consulate General, Sao Paulo Date: December 23, 1960

FROM: American Consulate, SANTOS, Brazil VPR III

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Local Mayoralty Campaign (OFFICIAL USE ONLY)

The maneuvering for nomination as candidate for Mayor of Santos by the various parties proceeds unabated. Out in front is Municipal Director of Public Works Luiz La Scala, Jr., now the official candidate of the PSP and strongly backed by Mayor Sylvio Fernandes Lopes, Federal Deputy Rubens Ferreira Martins, and many other local notables. La Scala's campaign has already been kicked off, and his support is strong. His opposition is divided between:

Athié Jorge Coury, State Deputy, fervent Janista and long-time politico, who is trying to capture the support of all the Janista-Carvalhista forces in the city. Coury hopes to rally the support of the PDC, PTN, UDN, PST and PRT, but is having tough going, for many persons here consider him unsuited for the position of chief magistrate of Santos.

Mario Covas, Jr., a 30-year-old engineer currently head of the Santos Sanitation Department. A dynamic, ambitious young man, he is backed by the powerful newspaper A Tribuna, bankrolled by one Michel Karaeglan (a local politician) and seeks to evoke the image of a personable new force in local politics about which the Janistas and Carvalhistas can group in the wake of a new national administration led by Janio Quadros.

Antônio Ezequiel Feliciano da Silva, PSD Federal Deputy from Santos, ex-Mayor of the city and important local politician. The prospects of this latter have been damaged by his unstinting support of Marshal Lott. But Feliciano over the years has made many friends and alliances, and his personal popularity is considerable.

Comment: (OFFICIAL USE ONLY)

The reporting officer believes that Luiz La Scala will be the next Mayor of Santos. His campaign has been carefully prepared by Mayor Fernandes Lopes, and he can count on powerful /help

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FROM : Amcongen, São Paulo

246
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

December 23, 1960
DATE

REF :

20 For Dept. Use Only	ACTION	DEPT.	RM/R-2 REP-1 INR-7 EOR-5 21/FW-2 E-3 ICA-11
	REC'D 1-3-61	INFO OTHER	CIA-10 USIA-10 COM-10 NSA-2 OSD-5 ARMY-4 NAVY-4 AIR-6

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated December 23, 1960.

For the Minister Consul General

Bartley P. Gordon
Consul

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JAN 30 1961

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Enclosure: att m.m.

Santos Weekly Report
dated December 23, 1960

cc: Amembassy, Rio

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SUBJECT: -13- despatch 237 from São Paulo

last month or two, however, there has been a resurgence of outspokenness by the more orthodox economists who oppose these policies -- possibly they are trying to prepare the way for the unpleasant austerity measures which the new President-elect will almost certainly have to impose.

Another basic factor of the Brazilian scene has been the Brazilians' relaxed complacence in the face of the internal communist threat. I sense some vague but hopeful initial indications of a change in this attitude. People are talking about it, both in the press and in private, and are coming vaguely to recognize that communism is their problem, and not simply 1) our problem and 2) a bogey-man whom we pull out whenever we want to frighten them into doing something we think should be done.

Another favorable trend is in the attitude of labor. Many non-communist labor leaders are speaking up. There is also, it seems to me, a ground swell away from the possessive and protective labor-paternalism established by the Vargas regime, a growing demand for an independent labor movement, and for collective bargaining more along the American pattern.

The trend away from support for Fidel Castro has already been mentioned.

All of these trends are as yet in the incipient stage, but they are none-the-less hopeful signs.

William P. Cochran, Jr.

William P. Cochran, Jr.
Minister Consul General

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distorted view of the overall picture. If they had listened to our briefing, they would have had a sound foundation on which to build, would be able both to fit the various small pieces into an intelligible whole, and to make their own inquiries a little more penetrating. This would be beneficial to their own understanding of the Brazilian scene.

LEAVENS AT WORK

It seems to me I sense certain trends operating to affect the constantly changing Brazilian scene. A list of them may be useful to the Department. The first of these trends is a developing recognition in the Brazilian mind that the scene is changing. Brazil has been a country of tradition, and business has always been, and largely continues to be, organized on a patrimonial basis, with one family in control, and little opportunity for advancement to employees who are not members of the family. Under these circumstances, there was little loyalty to any individual or organization outside the family unit, either the government or society in general. I now believe that there is a growing social consciousness here. The patriarchial approach to the corporation is changing, partly because some of the firms have gotten too big for purely family control, and partly because competition has made management by ill-equipped sons and cousins inadequate. There is thus increased interest in professional management and a basic need which our Point IV program is helping to fill (through the School of Business Administration).

At the same time, there is considerable change in the political climate as the result of the last election. The outgoing administration was determined both to build Brasilia at any cost, and to foment industrial development, again at almost any cost to the consumer. Government employees and others who spoke up against the inflationary policy and the printing of currency in great quantities, were simply eased out of their jobs. Opposition was made inarticulate. In the

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increased number of Americans obviously means an increased demand for consular services. At the same time, the demand for visa services by Brazilians and others continues to rise. Month to month figures can be misleading; but the number of visas issued in November of 1960 was 20% above those issued in November of 1959.

With the expansion of American business in São Paulo, and the increase in the number of Americans traveling abroad in the jet age, more and more official and semi-official visitors are coming to São Paulo. People flying to Argentina are no longer satisfied just to see Buenos Aires, Montevideo, and Rio; all stop also in São Paulo. The same thing is true of those flying down the west coast, for the Braniff jet via Lima also stops in São Paulo. This increasing number of visitors places a rising burden on the Consulate, for many of them have letters of introduction or are recommended by the Department, and services must be performed for them, even though there is no provision for recognition of these services on our reporting forms. For example, the recent visit of 28 State Governors: they were supposed to be guests of the Brazilian Government, but the Consulate nevertheless had to devote some 310 man hours, or nearly 40 man days, to the planning, coordination, and execution of the program for them. This situation is further complicated by the fact that the new jet airport at Campinas is 60 miles (or one and a half hours) from São Paulo, so that meeting a plane there requires a minimum of half a day (or night), four hours. The Consulate General is simply not staffed to handle such recurrent burdens.

One service which the Consulate General would urge upon V.I.P.s -- and especially those with a serious interest in Brazil, either official or not -- is that the first thing they do is give the Consulate General one hour for its briefing. I have noticed, time after time, when visitors have not been willing or able to give the Consulate General this much time, that they go around asking the most elementary questions and getting a definitely partial and sometimes a confused or

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SUBJECT: -10- despatch 237 from São Paulo

Inflation is also pressing hard on the masses, for whom wage increases seldom compensate for the constant increase in the cost of living.

However, to put the hardships borne by São Paulo workers into perspective, it should be remembered that São Paulo is still a Mecca for Brazilians from other parts of the country who wish to better themselves. Immigrants from the depressed Northeast come to the City of São Paulo by the hundreds of thousands -- as many as 800 a day. Most of them are unfitted for work in industry except for unskilled manual labor. Many return, discouraged, to the Northeast. The State Government sends many others to the agricultural districts of São Paulo to replace native workers who have gone to the city to better themselves. The City of São Paulo has grown very rapidly, so that most of its workers still have ties with the agricultural districts, to which they can return if conditions in the city become too difficult. This provides a safety valve for unrest. Also, workers with ties in the countryside know that life in the city, hard though it may be, is still a great improvement.

OPERATIONS

The operating demands on the Consulate General in São Paulo continue to increase. The American colony -- now numbering 5,000 -- has doubled in the last 3 years. As far as I can gather, this is not the result of the older established American firms bringing down more American employees. On the contrary, the trend seems to be very clearly for them to train Brazilians to occupy high positions, and the number of Americans staying on in each company is both small and continues to decline. The increase in the size of the American colony is due rather to the increase in the number of American companies establishing new plants or offices in Brazil, in order to share in the industrial explosion taking place here. Obviously, many of these are the satellites of the booming automobile industry; although they also extend to almost every other field. This

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course, take some time, and will involve the training of teachers who are willing to go to the outlying regions; but Mexico has proved that this can be done.

Inflation

A final interesting economic facet of the local scene is the effects of inflation. Unable to exert decisive influence on federal monetary policies, the State Government has had to adapt itself to this fact of Brazilian life today. For instance, the Plan of action allows for an inflation rate of 20 per cent per year for programs in which building activities predominate. Since the State Government depends primarily on sales taxes for revenue, its income rises as prices rise, and it has been able to show budget surpluses. Even so, the recent increase in pay for State employees has forced a moderate cut-back in the Plan of Action for the coming year.

Inflation is also having important social and economic effects. Even though the present State Government is conservative and dedicated to promoting private enterprise, the mere fact that large-scale private capital is not interested in long-term investments in public utilities and other basic industries is forcing reliance on government financing, which means government control.

Another effect of inflation is a chronic lack of working capital for private enterprises. Borrowed funds cost as much as three per cent a month, and even at this rate a going concern may have difficulty borrowing money to meet current expenses. Old-line industrialists have been forced to come to terms with groups which control banks and other sources of credit, so that more and more the latter are getting control of industry.

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Largely in order to furnish a more complete picture of the Brazilian scene, I should like to plagiarize a little on reports that have been submitted by Minister Cottam, and point out that Brazil's economy is hampered by certain institutional shortcomings, and by certain imbalances. As for institutional shortcomings, the first is education. Over 50% of Brazil is illiterate (this is less true of the State of São Paulo, where illiteracy is estimated at 30%, than of other parts of Brazil, but does apply on a national basis). As Dr. Peter Baker, former President of Mackenzie Institute, said, "Of 12-1/2 million children of primary school age, only 5-1/2 million will enter primary school and only 10% will finish it. Of 14 million of secondary school age, only 900 thousand enter the 800 secondary schools, and only 6-1/2% complete the courses. There are only 90 thousand university students in a population of nearly 70 million. A shortage of technical education is particularly noticeable, but increased attention has been given recently to normal schools and colégios." The second institutional shortcoming lies in the commercial field. The commercial code dates from 1850 -- or probably before the invention of the typewriter -- and is ill-suited to present day needs. Similarly, there is a lack of stock and commodity exchanges, and banking practices, too, are antiquated. There are also judicial shortcomings, such that Governor Brizola of Rio Grande do Sul could expropriate the local, privately-owned electric light and power company, and prevent it (to date) from obtaining any redress whatsoever, simply by failing to supply certain information to the courts. A final institutional shortcoming is due to the size, complexity and inefficiency of the national and state bureaucracies, and the interminable delays involved in getting anything done.

As for the imbalances, Dr. Cottam noted the one crop economy, dependent on coffee, on which a great deal of money, time, and effort is expended; while wheat, to import which the nation spends millions of dollars in foreign exchange, receives less attention. (Perhaps the measures which have been adopted to encourage wheat production have failed for climatic reasons; perhaps Brazil just doesn't have the proper conditions of soil and climate, to grow wheat.) Second, there are great gaps in the infrastructure, Brazil having leaped from the cart age to the air age. While there is emphasis on building highways and airports, little attention is paid to railroads for the haulage of bulk cargo. Third, in recent years considerable emphasis has been placed on industrialization, while agriculture has been ignored. Governor Carvalho Pinto, as part of his Plan of Action, has been attempting to correct this imbalance, at least in São Paulo, by devoting more attention to agriculture, by building silos and warehouses, etc. Dr. Cottam's fourth imbalance is regional, and in this sense he contrasts the economic development of the State of São Paulo with the backwardness and poverty in the Northeast of Brazil.

Adverting for one moment to the first inadequacy, of education, it occurs to me that some president of Brazil is soon going to make himself famous by declaring that he will provide primary education for every child. This will, of

0339

seize on the phrase "OPA", and amend its substance into such form that we can lend our support.

I wonder what we can do to explode the myth, currently so widely believed, that all it takes to solve the problem of underdevelopment, is more capital (preferably without any strings or control, political or economic) from the United States. So far, our efforts to direct attention to the need for more education, for training skilled labor, for teaching modern management techniques, for emphasizing the interrelationships of capital, labor, raw material, transportation, marketing, etc., seem to have had little impact on this widely-held concept that all that is needed is more U.S. capital, and the world will be rosy. Capital alone is no more a panacea for the world's ills than is political independence.

I should like to bear testimony to the constructive attitude of most American businessmen in Brazil. I have been particularly struck by the activity of the committees on Brazilian-American relations of both the Rio and São Paulo Chambers of Commerce. As for the São Paulo group, the committee drew up a set of recommendations to American business, setting forth the norms which U.S. firms should follow in relation to their Brazilian employees and with the public. While obviously many of the firms already followed all or almost all of these procedures, the document at least formed a convenient list of terms of reference. The Chamber is following these recommendations up by having meetings with the heads of various American companies to review the degree of implementation of these recommendations and to see what other ideas these managers may have.

One of these recommendations, which is on the verge of implementation, calls for the inauguration of a scholarship plan for Brazilian students in Brazilian colleges or universities -- specifically the Catholic University of São Paulo and Mackenzie College (no tuition is charged by the public University of São Paulo). In order to finance this program, the Chamber of Commerce has made a sizeable increase in its dues and has urged all American firms which do not have separate scholarship programs of their own, to contribute additional funds.

Furthermore, there is a quickening interest in making available to local buyers, shares in local American companies. Not all American concerns concur. It is understood that Ford is unalterably opposed; and that Goodyear has tried it in a number of countries, including England and Peru, and feels that it raises more problems than it solves. On the other hand, Union Carbide, with subsidiaries in some 35 countries, has had a happy experience with the sale of shares locally. In any event, both the Rio and São Paulo American Chambers of Commerce have recently urged their members to adopt this practice "where practicable."

0338

except for the suaver coffees of Colombia and Central America -- but is gradually losing its dominant position because of its efforts to keep the prices high, thus keeping its own marginal producers in business, but causing new producers abroad to enter the picture. (This is not said in criticism; we did much the same thing as regards cotton.)

The frightening thing to contemplate is the effects on the Brazilian economy if coffee prices should collapse, or if the decline of Brazil's share on the world market should continue without Brazil's finding some suitable substitute export. This is one reason why I hope that it will be possible for Brazil to obtain a sugar quota in the United States. After all, while the principal excess production capacity (milling) is in the south, in and around the State of São Paulo, and this area consequently will benefit more immediately; nevertheless, the possession of a guaranteed quota on the American market might make it economically feasible to build additional grinding capacity in the depressed area known as the Northeast, and therefore contribute to the economic development of that poverty-striken region. Certainly, we should urge that any increased quota be devoted at least in part to this purpose.

Finance

I do not mean to impinge on the Embassy area of responsibility, but it seems to me that Brazil's financial position is very precarious. I am an orthodox economist and feel that the day of reckoning must finally arrive. I also agree with the São Paulo State Secretary of Finance that the only financial policy of the present, outgoing Federal regime consists entirely of putting off the day of reckoning until after the inauguration of Janio Quadros. At the same time, Brazil, like Britain, has muddled through before, and may well do so again. I feel that Brazil will require our help and am confident that it will be given in a spirit of complete cooperation, despite the fact that Janio Quadros seems to be playing "hard to get" in Europe at the moment. My hope would be that we would adopt Kennedy's "partners in progress" as our main theme, and in implementing it, ask, "What are you going to do, and how can we help?" That is, I feel that considerably more emphasis needs to be placed in asking first, what the Latin American countries are going to do for themselves, especially as regards sensible planning, a reasonably effective revision and implementation of their taxation laws, especially those on income, etc., before offering our help.

I have asked many people over the last year exactly what OPA means, and have been unable to get anything more intelligible than some poetic phrases from Frederico Augusto Schmidt. As far as I can gather, he tends to dismiss all past aid to Brazil as non-existent, and to feel that we must provide unlimited sums for Brazil to spend as it pleases, without plan and without any supervision or accounting. Nevertheless, the phrase seems to have caught on, in quite a number of hemisphere countries. Obviously, then, the technique is for us to

0337

coffee market has shown a pronounced downward tendency over the years. Brazil has, of course, made efforts to meet this competition -- energetic competitive selling in world markets, price shading, special deals, and active promotion of world coffee export controls -- but these have not attacked the basic problem of overproduction, nor affected Brazil's determination to maintain high prices for its principal export.

Some tentative efforts have been made to face up to the problem of overproduction. The State of São Paulo is engaged in a rational program of encouraging the uprooting of older, unproductive coffee plants and their replacement by one-third their number of high-yield varieties; but for various reasons, not much real progress has been made. At the same time, the State Government continues to push agricultural extension programs to improve coffee growing practices, so that a hectare can produce seven to ten times as much coffee, and do it more profitably. This is scarcely apt to reduce the glut -- but at least puts São Paulo coffee in a better position to face and survive eventual price declines, if they occur. And other States continue to expand their plantings of the newer, larger-yielding "Mundo Novo" type of coffee.

Another anomaly is the support which the Governor of São Paulo gives the producers in their demands that the Federal Government peg the prices of coffee at levels so highly profitable to efficient growers that further planting is encouraged, and which also maintain marginal producers in production.

It is taken for granted here that the American consumer will continue to bear without complaint, the burden of coffee prices far above the actual cost of production. The United States is even expected to support the efforts of Brazil and other coffee producing countries to stifle competition which might bring world prices more nearly into line with production costs. Conceding that Brazil needs all the foreign exchange it can get for its coffee, and that we do not begrudge it, it is nevertheless true that I have never yet heard a Brazilian express appreciation for American acquiescence in being gouged in this fashion. To the Brazilian, Brazil has a right to get the best price it can for its coffee, but he seems to close his mind to the idea that the consumer also has a right to buy coffee as cheaply as he can.

In this connection, it may be interesting to point out that in the colonial days, Brazil had a monopoly on sugar, maintained prices high and milked the consumer to a fare-thee-well, until the monopoly was broken and sugar beet production was introduced in Europe. Prior to World War I, Brazil had a complete monopoly on production of crude rubber; once more, prices were maintained at maximum height until the seedlings were stolen and transplanted via England to Malaya and India, with the resultant decay of the economy of the Amazon Valley. Is there not a similarity between these 2 situations and the pattern of coffee? Brazil used to supply a large portion of the world market,

0336

Finally, the commies have recently tried to organize 2 demonstrations in support of Fidel Castro. The first one took place late in November and was attended by a total of about 200 people, a large proportion of them being simply the curious who had collected. There was to be a second "mass rally" on December 2, for which the communists were instructed to put forth all possible effort. This was postponed to December 4 because not enough interest could be aroused, and in the end it never took place -- a resounding defeat. These defeats are no cause for complacency, for in the face of them, the communists have become even more noisy in an attempt to cover up their shrinking influence; but it is encouraging to know that these events have occurred.

One of the 2 key targets for our operations in São Paulo has been the students(the other labor), especially those at the university level. This is a little delicate, as many of them are basically antagonistic. They can be talked to, but they cannot be talked down to. Also, the initiative for contacts must in general appear to come from them, or they are suspicious that they are being used or are being "sold a bill of goods". Nevertheless, 2 meetings have taken place with student leaders -- one with the Ambassador as guest of honor. In addition, a group of student leaders was taken to dinner at Sears Roebuck's principal local store and were given the facts about Sears' operations in Brazil, in an attempt to overcome misapprehensions and distortions as to the role of American business in Brazil. Further such meetings are contemplated, but must be arranged slowly and skillfully.

One final development in the political field which is certainly worth mentioning is the general reversal in the Brazilian feeling toward Fidel Castro. Fifteen months ago, even nine months ago, practically all of the newspapers in São Paulo were on Fidel's side. Even the staid Estado de S. Paulo supported him vigorously and criticized American policy. The situation now has almost completely reversed itself, as can be seen from quotations in the local press, contained in the Consulate General's weekly reports. This development is largely the result of Fidel's own actions, but our skill in telling our side of the story has not been without influence.

ECONOMICS

It is a truism to state that Brazil's economy still rests squarely on coffee; but a few comments may be made. While it might be difficult to prove statistically, coffee producers have informed me that through the mechanism of the exchange differential, etc., Brazilian coffee pays out in taxes 60% of the amount earned in foreign exchange. I have also seen the statement that in Africa taxes amount to only about 6 or 7 %. How the Brazilians expect to continue to compete with Africa on that basis, is not clear; the competition of other and newer producers has become like Mark Twain's weather: everybody talks about it but nobody does anything very effective about it, and Brazil's share of the world

0335

desirable, for the austerity program which he will presumably have to impose on the country.

Governor Carvalho Pinto is giving the State of São Paulo an excellent administration. It is not certain as yet whether there is a rift between him and Janio, due in part, it is rumored, to Janio's jealousy of Carvalho Pinto's rising power in the State, and to disagreement over the preferred candidate for mayor of São Paulo City in elections due next March. At the same time, it seems to me that it is by no means as certain as some of Carvalho Pinto's supporters seem to think, that he will be the leading candidate to succeed Janio in 1965. However splendid his record at that time, he is still a Paulista. São Paulo has only gotten back into the presidential chair after 30 years, and the rest of the country -- already jealous of São Paulo's development and power -- may object to the implications of a Paulista political dynasty. Furthermore, by Brazilian tradition, the presidency alternates between the States of São Paulo and Minas Gerais; and it seems highly probable that Juscelino Kubitschek, from the latter state, will be a candidate for the presidency in 1965, by which time he will be able to emphasize the spectacular achievements of his administration and to hope that its shortcomings will have been forgotten. Carvalho Pinto may of course become an outstanding candidate for the presidency, but there will be some profound springs of resistance to his election.

As for labor in São Paulo, and the possible austerity program of the new administration, it occurs to me to wonder whether labor, victim of inflation, and having become accustomed to an annual increase in wages of 35% or more, is going to be very happy about receiving no increase at the end of the year, even though prices may have been kept steady, and the purchasing power of its wages may not have declined. Should this situation occur, this experience, as well as rising expectations, may make labor restive.

The history of communism in the State of São Paulo over the past year has been one of almost continuous defeat, starting with the abortive general strike on December 2, 1959. This was a complete failure. The communists have lost control of the metalurgists' union and have been defeated for other very important union offices. They have not lost all the elections, but the trend against them has been marked. They flagrantly failed in their attempt to dominate the Third National Labor Conference and to organize a single labor federation under their control. The strong arm and steam roller tactics they adopted caused the opposition to walk out; thus, the whole fight was brought out into public view, definitely to the detriment of the communists. The defeat of the presidential candidate whom they supported (Lott) demonstrated once more and very clearly the erroneous nature of the earlier assumption, by many Brazilian politicians, that you could not be elected to office without communist support. The commies certainly took a bad beating in the last presidential election.

0334

Another basic difference between the Brazilians and the Spanish American seems to me to be in the former's sense of humor; he is able even to laugh at himself -- both personally and in the mass -- a characteristic which I had not found among Spanish speaking peoples. On the other hand, with the Brazilians, as with the Spanish American, the first duty is to the family, and everything else is subordinate thereto. While patriotism, and even chauvenism, are powerful emotions in the Brazilian, they do not on the whole lead him to feel such a sense of responsibility to his nation or his Government that he will pay his taxes in full, or fail either to make the most of any opportunity at bribery or contraband, or to seize almost any other advantage which may benefit his pocketbook or his family.

As the Consulate General's Deputy Principal Officer, Ralph Burton, has pointed out, Brazil -- or at least São Paulo -- is an area of strong contrasts. For example, although voter participation in elections (theoretically compulsory) frequently reaches as high as 95%, at the same time the populace can express its disgust at political maneuverings by giving the highest vote for municipal councilman, under the proportional representation system, to a rhinoceros in a local zoo, "Cacareco", as happened a couple of years ago. Again, there is a strong demand for good and honest government; and at the same time a very sizeable vote, in the recent Presidential election, for a politician who ran for and won election to municipal office a couple of years ago, on the slogan, "Rouba mas faz" (he steals but he gets things done). In the recent presidential election, Marshall Lott vigorously denounced communism while accepting communist support. The Brazilian press make a great fetish of the lack of racial discrimination in Brazil; but I have yet to see a Negro in a local club or restaurant, and there was great difficulty in getting Marion Anderson admitted to a good hotel here, a couple of years ago. The students are scornful of the political immaturity of their American counterparts (without knowing them) but allow themselves to be used and made fools of by communist agitators; furthermore, the university students at times act like very ill-educated, childish vandals.

POLITICS

While reluctant to comment on the national scene, which pertains to the Embassy, I think it may be hoped that Janio Quadros as President will operate as he did as Governor of São Paulo; that is, surround himself by men of great competence and equal probity, and thus provide efficient and honest government. At the same time, Janio is often termed "emotionally unstable" and it is not certain when his emotions may lead him to take some step as damaging as his withdrawal from the presidential race a few months ago. Obviously, he is going to need our help, especially in the economic field. However, São Paulo's commentators question whether this will lead him to make any concessions to us insofar as concerns his independence in international relations. Neither should it be expected to inhibit him from blaming us, if the political situation makes this

0333

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO — 237 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — December 19, 1960 DATE

REF : FE-4

For Dept. Use Only	ACTION / REC'D	DEPT. / OTHER
	Amg-4 / 1-3	RMR-2 *INR-7 E-7 *ICA-11 Cia-10 *Agr-8 *Com-10

USIA-10 *Lab-7 NSA-3 ERB-2 *MB-4 DLF-7 Army-4 Navy-4

SUBJECT: Random Comments on the Current Situation in Brazil, as Seen from São Paulo

Among the observations made and the subjects discussed with Brazilians and knowledgeable Americans during my first year in São Paulo is the matter of the differences between the Luso-Americans or Brazilians on the one hand, and the Spanish-Americans on the other. Having had some 15 years experience, earlier, dealing with the latter group, it has been interesting to observe these distinct characteristics. For one thing, the Brazilians are a much more docile people. They will stand in line for hours waiting for their turn on the streetcar or bus; the Spanish American seldom waits in line at all, but pushes ahead; and certainly would not put up with the delays required of the Paulistas by their poor transportation system. Similarly, there are fewer crimes passionnel, fewer shootings and stabbings in São Paulo than would be the case in a Spanish American city of this size. This does not mean that the Paulista cannot be provoked to action, as was demonstrated a year and a half ago when the public took umbrage at an increase in streetcar fares, rioted, burned several streetcars and busses and ended up with a couple of people killed and 30 or 40 wounded. It is just that it takes them longer to reach the boiling point. Some commentators here ascribe this more disciplined docility to the gentler natures which are part of Brazil's heritage from Portugal, pointing out that even the gory bull fight, so dear to the Spanish heart, is tempered to the Portuguese taste in Lisbon, where the bulls are not killed.

Local observers here also remarked upon the fact that there was never an Inquisition in Portugal of the type that existed in Spain. Perhaps this was due as much to the lack of need for insistence on orthodoxy on the part of the devout and docile Portuguese people, as to the lack of bloodthirstiness in the populace. Equally, American businessmen here have pointed out that there was never any anti-Semitism in Portugal, and Gilberto Freyre attributed this at least in part to the fact that nobody has ever gotten the better of a Portuguese, or a Brazilian, in a business negotiation. On the other hand, this tolerance is also consonant to the general character of the Portuguese -- as transmitted to Brazil -- and as discussed at length by Freyre in his Masters and Slaves.

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REPORTER

732.00/12-1960

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0332

On December 14 the 5,319 gross-ton Polish Ocean Lines vessel "Zeromski" (Captain Tadeuz Wolff), which was built in Denmark, arrived here with 850 tons of general cargo, including 20,879 boxes of potato seed for Brazil. The ship will load 55,000 stems of bananas and 2,000 cases of pineapples for the River Plate. The ship is on her maiden voyage.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

Comment: (UNCLASSIFIED)

The post's consular work during the month of December is usually slow, and this December has been no exception. Apparently relatively few persons from this consular district travel to the United States in December.

V ADMINISTRATIVE

1. Local Publicity Given to Local Employee's Receipt of Incentive Award (UNCLASSIFIED)

The recent presentation in Washington of a Meritorious Service Award to the Consulate's senior clerk Alfredo da Silva, Jr., was broadcast over the radio in Sao Paulo City and was picked up by the local press in Santos.

Comment: (UNCLASSIFIED)

Mr. da Silva is recovering from a nervous breakdown induced by overwork. When he returns from sick leave the Principal Officer will ceremoniously present him his medal and certificate.

0331

Enclo to Desp # 234
Sao Paulo 12/16/60

FORM DS-662
8-1-60

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OPERATIONS MEMORANDUM

ARA

TO: American Consulate General, Sao Paulo **Date:** December 15, 1960

FROM: American Consulate, SANTOS, Brazil VPR III

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Diplomats Visit Santos (UNCLASSIFIED)

On December 14 Santos was visited by Japanese Consul General in Sao Paulo Takashi Ishii, accompanied by Takeo Ueno, Japanese Consul in that city. The diplomats did not get to see the Mayor, but were feted by the Japanese colony here.

On the same day the Norwegian Ambassador to Brazil, Johan B. Cappelan, together with the Norwegian Consul General in Sao Paulo, Torlen Kokkin, visited Santos unofficially.

Comment: (OFFICIAL USE ONLY)

The reporting officer understands that the Norwegian Foreign Office is experiencing difficulty in finding someone to replace the late Olav Syrdahl as Honorary Consul in Santos, which is an important port for Norwegian shipping interests.

II LABOR

1. Joao de Morais Chaves Reelected Union President (UNCLASSIFIED)

On December 14 Joao de Morais Chaves, Santos City Councilor and ardent supporter of Janio Quadros, was reelected President of the 650-member Sindicato dos Trabalhadores nas Industrias Urbanas de Santos (mostly employees of the local power company).

Comment: (UNCLASSIFIED)

Chaves won easily over his opponent, Orlando Fernandes Taveira. Chaves is one of the more important and active union leaders in Santos.

III ECONOMIC

1. New Polish Vessel in Santos (UNCLASSIFIED)

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0330

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

234
DESP. NO.

December 16, 1960
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

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20 For Dept. Use Only	ACTION	DEPT.
	ARA-4	RM/R-2 INR-7 PER-2 SCA-3
	REC'D 12-22-60	INFO OTHER CIA-10 DSIA-10 NSA-2 OSD-5 ARMY-4 NAVY-4 AIR-6

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated December 15, 1960.

William P. Cochran, Jr.
Minister Consul General

Enclosure: ltr w. enc.

Santos Weekly Report
dated December 15, 1960

cc: Amembassy, Rio

DEPARTMENT OF STATE
BUREAU OF
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JAN 23 1961

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Page 3
Desp #229
São Paulo
12-9-60

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III ECONOMIC

1. Polish Ship Visit to Santos (UNCLASSIFIED)

On December 3 the Polish ship "Slowacki" left Santos for Montevideo-Buenos Aires-Gdynia with a cargo of 13,300 stems of bananas weighing 266,000 kilos and also eight boxes weighing 845 kilos containing ship models from the Polish Legation in Rio de Janeiro destined for Poland.

IV CONSULAR

1. Consulate Assists American Citizen Importing Car Into Brazil (UNCLASSIFIED)

On December 6 the Lincoln automobile belonging to Mr. Arnold Robert Lawrence, an American citizen, was finally delivered to him from the Santos Dock Company after four months of struggle. Mr. Lawrence had in good faith imported the used vehicle into Brazil on July 28. Although the car was properly documented, the Santos customs authorities attempted to confiscate it as contraband. Mr. Lawrence appealed to the Santos Consulate for help and, following the intervention of the Consul General in São Paulo (see Weekly Comment of October 7, 1960) and the Embassy, the car's value was ultimately adjudged at $2,310 and was ordered released.

Comment: (UNCLASSIFIED)

Mr. Lawrence had to pay $3,860 in duties, $922 in dock charges and $555 in brokerage fees, or a total of $5,337, not to mention his personal expenses for 4 months. The Consulate was able to save Mr. Lawrence $892 in dock charges and, together with the Consulate General, was instrumental in preventing the automobile from being confiscated. A despatch has been prepared on this subject.

Otherwise, consular operations have continued normally during the past week.

V ADMINISTRATIVE - Negative.

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0328

Encl #1
Page 2
Disp #229
São Paulo
12-9-60

Karaoglan, a local politician who would like to play king-maker.

II LABOR

1. Commerce Employees Union Finally Gets New President (UNCLASSIFIED)

After weeks of excited anticipation, the 1100-member Sindicato dos Empregados no Comercio de Santos last week held its 4-day election of new officers. Two slates of candidates opposed communist President Bernardo de Abreu Madeira, and on December 5 slate #2, headed by Alberto de Carvalho, was declared elected by 328 votes over Madeira's 323 votes. The third ticket received only 20 votes.

Comment: (OFFICIAL USE ONLY)

Madeira was ousted as President of the union last March after a series of tumultuous meetings which charged him with misuse of union funds. Madeira, with powerful communist support, fought back, refused to be deposed and managed to keep the Federal Labor Ministry from upholding his ouster. He has since contrived to function as President of the union, much to the disgust of many of the union members, who feel that the notoriety surrounding his actions has cast discredit on the union.

Some observers here feared that two opposition slates would break a united front and thus work to Madeira's advantage. As it was, Madeira was only narrowly defeated, which indicates the pro-communist strength yet remaining within the union.

2. Santos Unions Seeking Higher Wages (UNCLASSIFIED)

Meeting together on December 4, the Sindicato dos Operarios nos Serviços Portuarios de Santos, the Sindicato dos Empregados na Administraçao dos Servicos Portuarios de Santos and the Sindicato dos Condutores de Veiculos Rodoviarios de Santos, representing at least 10,000 workers, voted to ask the Santos Dock Company for a 60% wage increase, to take effect January 1, 1961. These unions are under considerable communist influence.

On December 6 the Santos Nurses Union decided to seek a 60% wage increase, and on December 7 the Commerce Employees Union (see Labor item 1 above) determined to agitate for a 40% increase in salaries.

Comment: (UNCLASSIFIED)

Other Santos unions are expected to join in the chorus for wage boosts, thus adding to the local inflationary pressures.

0327

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#1 Encl to Desp #229
Sao Paulo 12/9/60

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8-1-50

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OPERATIONS MEMORANDUM

TO: American Consulate General, Sao Paulo Date: December 9, 1960

FROM: American Consulate, SANTOS, Brazil VPR

SUBJECT: Weekly Comment on Events in Santos

REF:

POLITICAL

1. Representative Rooney and Party Visit Santos (UNCLASSIFIED)

On December 7-8 Rep. and Mrs. John J. Rooney, Mr. Jay B. Howe of the House Subcommittee on Appropriations for State, Justice, the Judiciary and Related Agencies, Mr. Raymond F. Farrell, Associate Commissioner of the Immigration and Naturalization Service and Mr. William J. Crockett, Deputy Assistant Secretary of State for Budget and Finance were in Santos aboard the S/S "Brasil" en route from Buenos Aires to New York. The reporting officer and his wife had the group to their home for lunch on December 8, drove the party around Santos and Sao Vicente and took them to the beach at Guaruja, and were in turn entertained at dinner by Mr. and Mrs. Rooney aboard their ship.

Comment: (UNCLASSIFIED)

Mr. and Mrs. Rooney stated that they thoroughly enjoyed their stay in Santos.

2. New Candidate for Mayor of Santos (UNCLASSIFIED)

The Santos mayoralty race has become complicated with the emergence as a candidate of Mario Covas, Jr., a 30-year-old engineer presently chief of the Santos City Sanitation Department. Already in the race are Luiz La Scala, Jr., the PSP candidate; Antonio Feliciano, PSD candidate; and Athie Jorge Coury, the self-styled Janista candidate.

Comment: (OFFICIAL USE ONLY)

Covas, a pleasant and ambitious young man, is making a lot of noise but is generally conceded little chance to push aside Luiz La Scala, Jr., Mayor Fernandes Lopes' own candidate. Covas is being manh-rolled by one Michel Karaoglan

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Page 3
Dsp #229
São Paulo
12-9-60

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III ECONOMIC

1. Polish Ship Visit to Santos (UNCLASSIFIED)

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Comment: (U[illegible])

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V ADMINISTRATIVE - Negative.

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Encl #1
Page 2
Disp #229
São Paulo
12-9-60

Karaoglan, a local politician who would like to play king-maker.

II LABOR

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Comment: (OFFICIAL USE ONLY)

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Comment: (UNCLASSIFIED)

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0324

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8-1-50

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#1 Encl to Desp #229
Sao Paulo 12/9/60

OPERATIONS MEMORANDUM

TO: American Consulate General, Sao Paulo Date: December 9, 1960

FROM: American Consulate, SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

I. POLITICAL

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Comment: (UNCLASSIFIED)

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Comment: (OFFICIAL USE ONLY)

Covas, a pleasant and ambitious young man, is making a lot of noise but is generally conceded little chance to push aside Luiz La Scala, Jr., Mayor Fernandes Lopes' own candidate. Covas is being bank-rolled by one Michel Haraoglan

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0323

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amconsgen, São Paulo — 229 DESP. NO. — December 14, 1960 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

20 Day Reps. Use Only | ACTION: ARA-4 REC'D 12-29-60 | INFO: Amb 2 REPJ INR-7 E-3 ICA-11 EUR-3 AIR NAVY-4 OCB-10 USIA-10 COM-10 ACDA 6 NSA-2 OSD-5 ARMY-4

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated December 9, 1960.

William P. Cochran, Jr.
Minister Consul General

This copy has been designated the RECORD COPY. It must be returned to RM/R for filing.

Enclosure:

Santos Weekly Report
dated December 9, 1960

cc: Amembassy, Rio

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NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

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0322

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RG: 059

ENTRY: CDF60-63

TAB #: 15

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DESP 228 FR SAO PAULO TO STATE

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0321

W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 14

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BOX: 1575

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Folder Title: 732.00/12-1360 HBS

Document Date: 13/12/60

Document Ser.#:

DESP 489 FR RIO DE JANEIRO TO STATE

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X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01575 00014

0320

encl 1 c Sao Paulo D-221

Santos and later take on 1,500 tons of cocao in Ilheus before returning to the Soviet Union.

Comment: (LIMITED OFFICIAL USE)

The reporting officer is informed that the Russians are giving serious thought to establishing a regular steamship line to Brazil and possibly Argentina, with their own representatives in the ports of Santos and Rio de Janeiro.

2. Brazilian Oranges Diverted to Satellites (LIMITED OFFICIAL USE)

The reporting officer is reliably informed that the 30,000 boxes of oranges shipped in September to Russia from Santos aboard the Norwegian vessel "Ringdrude" and worth Cr$13.759.200,00 (see Weekly Comment of September 2, 1960) was actually diverted to satellite countries instead.

Comment: (OFFICIAL USE ONLY)

This diversion was made quietly after the Russians had made propaganda over the opening of a "great new market in Russia" for Brazilian fruit products.

IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE - Negative.

VI PSYCHOLOGICAL

1. USIS Films Continue to Reach Large Santos Audience (UNCLASSIFIED)

During the month of November the Santos City Hall, using two projectors loaned by USIS/Sao Paulo and films loaned by USIS/Santos, put on 43 movie exhibitions before 16,415 Santos adults, school-children and teachers. Similar programs are scheduled for the coming months.

Comment: (UNCLASSIFIED)

See Weekly Comment dated November 18, 1960.

0319

encl 1 to Sao Paulo A-221

On November 30 Representative and Mrs. John J. Rooney, Mr. Jay B. Howe of the House Subcommittee on Appropriations for State, Justice, the Judiciary and Related Agencies, Mr. Raymond F. Farrell, Associate Commissioner of the Immigration and Naturalization Service and Mr. William J. Crockett, Deputy Assistant Secretary of State for Budget and Finance passed through Santos from Sao Paulo to embark aboard the S/S "Brasil" for Montevideo and Buenos Aires. The group will be in Santos December 7-8, during which time the reporting officer will be their host.

II LABOR

1. New Dock Strike (UNCLASSIFIED)

On November 28 300 Dock Company workers employed in unloading railroad freight cars unexpectedly went on strike over certain long-standing grievances which were at once met by the Dock Company. The workers demanded 6-hour shifts and Cr$10.000.000,00 in back pay, which they received. By November 29 the strike was over and port operations returned to normal.

Comment: (OFFICIAL USE ONLY)

The workers striking were members of the Sindicato dos Operarios nos Serviços Portuarios de Santos, whose President, Manoel de Almeida, is a reputed communist.

On December 1 the Santos DOPS (Political Police) chief told the reporting officer that during the past three months or so 17 strikes in the Santos-Sao Vicente-Cubatao-Guaruja area had occurred. He was of the opinion that much of the local labor unrest was communist-inspired.

2. Bank Employees Win Increases (UNCLASSIFIED)

On November 29 the Sindicato dos Empregados em Estabelecimentos Bancarios gained a 35% wage increase for salaries up to Cr$35.000,00 and 32% in increases for salaries greater than that amount with minimum increases of Cr$3.480,00. The settlement climaxed weeks of agitation led by the communist President of the union, Antonio Guarnieri, who had threatened a strike unless a 50% increase were granted by the banks.

III ECONOMIC

1. Russian Ship in Santos (UNCLASSIFIED)

On November 19 the Russian M/V "Ugleuralsk" (Captain Petr Eliseev) arrived in Santos from Nicolaiev, Russia, to discharge 6,200 tons of wheat. The ship will load 53,000 sacks of coffee in

0318

FORM DS-662
8-1-50

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avel a Sao Paulo 0-221

OPERATIONS MEMORANDUM

TO: American Consulate General, Sao Paulo **Date:** December 2, 1960

FROM: American Consulate, SANTOS, Brazil VPR

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Improvement in U.S.-Brazilian Relations Noted (UNCLASSIFIED)

The reporting officer believes that the past few weeks, especially since the U.S. Presidential elections, have witnessed an upturn in U.S.-Brazilian relations within the consular district. People here are hopeful that Presidents-elect Kennedy and Quadros will be able to meet and talk over mutual problems and that their incoming new administrations will be able to deal over a tabula rasa to the mutual benefit of the two countries.

2. U.S. Governors Visit Santos (UNCLASSIFIED)

On November 26 eleven U.S. Governors, accompanied by wives and aides, briefly visited Santos from São Paulo, inspecting en route the Light Company's power plant outside of Santos and the Petrobras refinery at Cubatão. The Governors' party of thirty persons was most hospitably entertained at a luncheon hosted by Mayor Silvio Fernandes Lopes, at which were present the local civil and military authorities.

Comment: (UNCLASSIFIED)

The presence of Governor Brown of California was of the greatest interest to the Santos officials, who were impressed by his friendliness and good will. Governor Loveless of Iowa presented a scroll to the Mayor, who replied in kind. The reporting officer believes that the Governors left the impression that they are muito simpáticos.

The Governors' party was guests of the Brazilian Government, which arranged the group's itinerary.

3. Representative Rooney and Party Passes Through Santos (UNCLASSIFIED)

/On THE UNITED STATES OF AMERICA

DEC 2 - 1960

SÃO PAULO, BRAZIL

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TO : THE DEPARTMENT OF STATE, WASHINGTON.

December 9, 1960
DATE

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DEPARTMENT OF STATE
NOV 29 air-6 nsh-2
INTER - AMERICAN AFFAIRS
DEC 2 1960

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated December 2, 1960.

William P. Cochran, Jr.
Minister Consul General

732.00/12-960 HBB

Enclosures:

Santos Weekly Report
dated December 2, 1960

cc: Amembassy, Rio de Janeiro

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0316

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Document Date: 06/12/60

Document Ser.#:

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na-tional level. If Ramos could exercise some control ever Doutel and his support for Goulart (a dubious proposition), he (Ramos) might receive considerable cooperation from Jânio's government. LIMITED OFFICIAL USE.

- -

9. Polish Exchange Grantee in Trouble

Last month it was reported that State Deputy Tadeu SOBOCINSKY was being awarded a grant by the Republic of Poland to visit their country. Since then Sobocinsky has been under fire in the State Legislative Assembly for allegedly unethical practices, and for failure to resign his seat when he accepted an appointive job from the Lupion government. Although nothing is likely to happen to Sobocinsky, his reputation has acquired another layer of tarnish. SOURCES: Local press. LIMITED OFFICIAL USE.

COMMENT: We have not been able to figure out why the Polish Consul in Curitiba keeps getting involved with a discredited state government and with its less-than-lustrous agents. LIMITED OFFICIAL USE.

0314

spending their last months in power bleeding the treasury white. Reaction to Ney's promise came from an unexpected source when Quintanilla RIBEIRO (Jânio Quadros' emissary) talked to Newton CARNEIRO (President of Parana UDN) and told him to tell Ney to forget about Lupion, because Jânio considered Lupion a "federal problem". SOURCES: personal conversations. LIMITED OFFICIAL USE.

COMMENTS: Newton Carneiro has assumed this to mean that Jânio will prosecute Lupion under federal law. He also thinks that Quintanilla Ribeiro implied that the federal government might help Parana through the first financial shocks after the Lupion forces leave office. (State debts reportedly total 25 billion cruzeiros.) However, it is just as likely that Jânio doesn't want Ney to push Lupion's cohorts too far, because he (Jânio) would like to be able to use the threat of prosecution to help keep the Parana PSD in line in Brasilia. LIMITED OFFICIAL USE

Jânio may have solid support from Paraná's legislators in Brasilia. Besides the natural support of the UDN and small parties, and what he can force out of the PSD, it appears that the Parana PTB will back him even if this means going against the national party directorate. This is supported by the conservative trends noted in Item 2 of this report, and by the fact that he was supported by PTB leaders in the election. Though he would probably have to give the Parana PTB some compensation for its support (no firm idea what this might be, yet), in the long run this could redound to the general benefit of the state which needs federal help in many fields, not all of them financial (e.g., release of coffee stocked in Paranagua for export.) OFFICIAL USE ONLY

(5. Election Aftermath in Santa Catarina)

...

COMMENTS: Many of the HÜLSE (UDN) government's lame-duck appointments when RAMOS takes over, but since the appointments generally give several members of the same family high-paying jobs (Cr$20.000 to Cr$55.000), the pay-offs are handsome.

Although Ramos is personally conservative (which might help him get federal aid, especially if he controls the Santa Catarina PSD in Brasilia), he owes major political debts to Doutel de ANDRADE's PTB. One result of the minor schism suffered by the PTB in the election was that all the more conservative members have been thrown out of the party. Doutel is more or less obligated to João GOULART and barring other influences would probably support him at the national

0313

CLASSIFIED PORTIONS OF NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD OCTOBER 16 - NOVEMBER 15, 1960

1. Paraná PSD in October's Aftermath

For the third time in his career as governor of Paraná, Moysés LUPION has been threatened with impeachment because of flagrant corruption in his government. Since October's defeat, fiscal irresponsibility and plain embezzlement have been running at an all time high as party hacks have attempted to lay away enough funds to carry them through the next five years. Some senior PSD leaders, looking to the future, are discretely severing their connections with the Lupion government in order to escape the onus for the present dishonesties. Among these leaders are Alfredo PINHEIRO, Jr., Chief of Police, and João RIBEIRO, Jr., formerly Secretary of Agriculture, later Secretary of Finance, and perennial Brazilian delegate to the coffee conference discussions in Washington. SOURCES: Personel observations and conversations, local press. LIMITED OFFICIAL USE

COMMENTS: Lupion will probably escape impeachment, and may also avoid prosecution for malfeasance because he will reassume his seat as a Senator until 1962, and in that year he will try to be elected a Federal Deputy. This would give him parliamentary immunity. Lupion is expected to run for Federal Deputy because he couldn't get enough votes to be re-elected Senator. LIMITED OFFICIAL USE

The future PSD leadership is hazy. Lupion is on his way out because of the extremem excesses of his administration. PSD leaders (Alô GUIMARÃES and Guataçara Borba CARNEIRO) who bolted the party to support PTB candidate for governor, Nelson MACULAN, lost most of their political leverage when Maculan lost. They are not likely to be welcomed back to the PSD. Old-time PSD dissident ACCIOLY Filho is stillpersona grata with the party since he did not support Maculan or Braga, but he lacks stature to be president. This leaves João Ribeiro Jr. and Alfredo Pinheiro Jr. who are carefully rebuilding the PSD organization to their own taste in eastern Parana. LIMITED OFFICIAL USE

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4. Jânio QUADROS and Paraná

On the occasion of accepting his certificate of election (diplomação), governor-elect Ney BRAGA promised "justice" to those now in the government. This was a thinly veiled threat of punishment for persons in the incumbent government who are spending

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be extremely difficult to keep public opinion in Curitiba alert to the dangers posed by communist Cuba. (OFFICIAL USE ONLY)

CULTURAL EVENTS

8. Edna Duge, IIE Director for Latin America, in Curitiba

Miss Edna Duge, IIE Director for Latin America, visited Curitiba November 7-9 to discuss the IIE processed educational exchange programs. She talked with the local scholarship committee, and conferred with representatives of the binational center here. She also gave a well-received press interview. Later she called on the rector of the University of Paraná with whom she discussed the possibility of an exchange of professors. (UNCLASSIFIED)

9. See enclosure.

10. Ex-Exchange Visitor Directs Local Railroad

Early in December the federally appointed director of the Paraná Santa Catarina Railway (RVPSC) resigned because of alleged lack of cooperation and support from the federal government for his railroad. One of his deputies, Francisco CRUZ, specialist exchange visitor to the United States in 1959, took over operation of the railroad until Janio QUADROS names a new director. CRUZ studied railroad management and operations while in the Unites States. SOURCES: Local Press.

Edward M. Rowell
American Consul

Enclosure: Classified items (transmitted separately)

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In the other camp, governor-elect Celso RAMOS has uneven prospects in promoting economic development in the state. He commands a majority coalition (PSD-PTB-PDC) in the state legislature, which should be helpful. But he is on the other side of the fence from the newly elected federal government, which may restrict the amount of help and cooperation he can expect from Janio QUADROS. SOURCES: Personal observations and conversations. (OFFICIAL USE ONLY)

COMMENTS: See enclosure.

PSYCHOLOGICAL EVENTS

6. The U.S. Election

Coverage of the U.S. election was massive, and joy overflowed with Kennedy's election. To date we have found only two Brazilians in Curitiba who had hoped Nixon might win instead of Kennedy. Everything is expected from a Kennedy government: aid to Brazil without strings, more aid and a lessening of Russian-U.S. tensions (this latter especially in view of Khruschev's faint overtures to Kennedy). SOURCES: All local press, personal conversations. (UNCLASSIFIED)

COMMENT: Considering that Kennedy is not a Brazilian, the degree of euphoria over his victory is astonishing. This positive attitude may be very helpful in enabling the U.S. government to make maximum psychological advantage of whatever aid it grants. It is also potentially dangerous in the sense that if some Brazilians aspirations are not met in the reasonably near future, disappointment may drive the local people mentally into the neutralist afro-asian style camp. (OFFICIAL USE ONLY)

7. Cuba

Except for ultra-leftist Ultima Hora and very red O Dia, press comments have been increasingly anti-Castro for the past month. In relating Kennedy's election to the Cuban situation, no one expected any amelioration of U.S.-Cuban problems unless Castro reduced his continuing attacks. ... It was especially interesting that the Parana Student Union (university level students) voted NOT to invite Castro to Parana after he visits Goias, because such a visit would be "undesireable and liable to create confusion". SOURCES: Local press. (UNCLASSIFIED)

COMMENT: The growing disenchantment with Castro is due mainly to his unpolitic tactic of vitrolic attack on constitutional government within Latin America, as well as against the U.S. If Castro were to be more moderate to his fellow Latin Americans, it would be extremely

the politicians. DARCS and NASSAR were the most emphatically outspoken of the local hyper-nationalists in this year's campaign, and it may be that the rest of the party leaders have lost confidence in their inflamatory approach to getting votes. (OFFICIAL USE ONLY)

3. Governor-Elect BRAGA Retires to Ruminate

Taking a page out of Jânio QUADROS' book, Paraná governor-elect Ney BRAGA quietly and hurriedly took off from Curitiba for Europe in mid-November. Expenses of the trip were paid by PANAIR do Brasil and a few Curitiba firms with European connections. Since his election BRAGA had been pestered continually by well wishers and favor seekers, and he took the Panair offer to recuperate physically from the election strain and to plan his government away from uninvited interferences. He was joined at various points in his itinerary (Portugal, Spain, France, Italy, Switzerland) by various confidants who discussed the future Parana government. Braga returned to Rio on December 5. SOURCES: Personal conversations, local press. (OFFICIAL USE ONLY)

COMMENTS: On assuming command February 1, Braga will quickly have to establish some kind of control in the State Legislative Assembly. His UDN-PDC-PL forces now have only a one-third minority. However, the bitter enmity between the PSD and the PTB may play into his hands. The reorganizations occurring in these parties also may help him for as long as they are in progress. (OFFICIAL USE ONLY)

Braga also needs to cement close cooperation between the federal government (Jânio QUADROS) and himself in order to resolve some of the outstanding problems left by the Lupion government (highway construction, power construction, bankruptcy). Since Braga campaigned hard for Quadros, and is a good friend of São Paulo governor Carvalho Pinto, he can reasonably expect some help. But Janio's obligations to São Paulo combined with his need to gain workable cooperation from some of the nation's PSD and PTB forces (See Item 4), may prevent him from helping Ney as much as Ney wants. (OFFICIAL USE ONLY)

4. Jânio Quadros and Paraná

See enclosure.

5. Election Aftermath in Santa Catarina

Although not so serious as the moral disintegration of the Paraná PSD, the Santa Catarina UDN is also engaged in some final feathering of the nest before it leaves office. In spite of the fact that the state lacks funds to pay some of its present employees, mass appointments to high-paying jobs are being given to people who gave special help to the UDN in this year's campaign. (OFFICIAL USE ONLY)

In the other camp,

0309

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PRIORITY

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December 6, 1960
DATE

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SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR THE PERIOD OCTOBER 16-NOVEMBER 15,1960

NSA-2 ARA NAVY FBI-1

DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS DEC 12 1960

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CONTENTS

1. Paraná PSD in October's Aftermath
2. Reshaping the Paraná PTB
3. Governor-elect Braga Retires to Ruminations
4. Janio Quadros and Paraná
5. Election Aftermath in Santa Catarina
6. The U.S. Election
7. Cuba
8. Edna Duge, IIE Director, in Curitiba
9. Polish Exchange Grantee in Trouble
10. Ex-Exchange Visitor Directs Local Railroad

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1. Paraná PSD in October's Aftermath

See enclosure.

2. Reshaping the Paraná PTB

On January 14 and 15 the Paraná PTB will elect a new executive committee and begin to plan for mayoral and congressional elections in 1962. Since the party's candidate for governor, Senator MACULAN, lost the election, the PTB is in effect headless. Three main contestants for the party Presidency are Curitiba Mayor, Iberê de MATTOS, MACULAN, and Federal Deputy, Miguel BUFFARA. SOURCES: Local Press, personal conversations. OFFICIAL USE ONLY

COMMENT: It is much too soon to guess exactly how the PTB will reorganize itself. One hopeful sign in the early rounds, however, is the fact that the most extreme leftwing members, Waldemar DARCS (State Deputy) and Jorge MASSAR (Curitiba Alderman), are receiving short shrift from the rest of the politicians.

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Yet, the party's chances of survival rest on its ability to change its objectives to include social betterment of the people and then convince the people that the PSD is the best vehicle to that future. It means radicalizing or popularizing the party if present trends in Brazilian political life continue. Whether the PSD can or in its present composition even wants to make this change is far from clear.

Conclusion

The chances for strengthening the PSD under present circumstances are slim. Not only is the party rotting at the top and bottom but in the years to come it will have to face the dissolving influence of Janio Quadros, famed as a wrecker of parties. Its hope would seem to lie in its middle, still vital leadership, headed by soon-to-be ex-President Juscelino Kubitschek who has the capacity to revitalize the party on a new, more forward looking basis. Aside from questions of health or other unpredictable eventualities, Juscelino Kubitschek's chances of success appear to rest largely on the effectiveness of Janio Quadros' forthcoming performance.

For the Ambassador:

Philip Raine

Philip Raine
Counselor of Embassy
for Political Affairs

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0307

people who know him only by his speeches and his carefully constructed and widely publicized reputation as the great governor of São Paulo.

It remains for the PSD to build up its position, but this will not be easy for a party dominated by flaccid fat cats and built on a base of petty corruption. Its old guard leaders of national stature, Amaral Peixoto, Benedito Valladares, Etelvino Lins, Jurandyr Pires Ferreira, Armando Falcão, Ildo Meneghetti, Horacio Lafer, Cirilo Junior, Bias Fortes and Filinto Muller are either all but senile, largely discredited or have trod the path of dissidence. None among them has the popular touch so badly needed in today's Brazil.

Party leaders at the next level are apparently deeply concerned and dissatisfied with the leadership at the top. A new rebellion (following the ill-starred attempt of the Ala Moça) is shaping up, led by a number of deputies labeled by the press as the "grupo invisivel" (the invisible group) because of their relative lack of weight and importance in party councils, as well as for the difficulty in identifying their leaders. In any event, the invisiveis claim the support of more than half the PSD deputies in the Chamber and are apparently closely allied with remnants of the Ala Moça, e.g., José Joffily, José Maria Alkmim, Cid Carvalho and Renato Archer, whose names crop up in the news in connection with doings of the rebels. So far as Brazilian political observers have been able to make out, the principal movers are the relatively unknown deputies, Expedito Machado (Ceará), Valério de Magalhães (Rio Branco), Clélio Lemos (Pernambuco), Osmar Cunha (Santa Catarina), Rachid Mamed (Mato Grosso), and Filadelfo Garcia (Mato Grosso). Their complaints are directed against party leadership and they seek, inter alia, a change at the top (the rebellion is apparently directed against Amaral Peixoto, not President Kubitschek), a revision of party regulations which would make the National Committee more responsive to congressional demands and suggestions, transfer of the party headquarters to Brasilia, establishment of a tight control over participation by PSD members in the new government, and the passage of certain legislation and constitutional reforms whose character is not entirely clear but is believed to be relatively advanced.

Three vice-leaders of fifteen in the PSD have already resigned in protest at party leadership, yet Amaral Peixoto blandly denies the existence of discontent within party ranks, let alone rebellion. He will probably try to stop it by attempting to take it into camp, giving way to a number of demands, rejecting outright only the demand for change in leadership but, as is his way, give lip service to the movement's objectives but failing to act effectively.

0306

enough to carry Goulart to victory, and his own prestige is far from being adequate to make a try with reasonable prospects for success. Thus, while he must lean heavily on the PSD (he would have been badly defeated in the vice-presidential race without massive PSD support), by the same token that dependence on an essentially conservative party inhibits his efforts to gain more support among the urban labor voters.

The present relationship, therefore, is likely to continue so long as the PTB under Goulart remains too weak to retain national prominence without it or until such time as certain radical legislation is enacted which the PTB considers as a must to prepare the ground for launching its all-out effort to capture the executive. Meanwhile, of course, Goulart will be seeking an accommodation with Quadros (Quadros has more than once reaffirmed his loyalty to PTB principles and directly or indirectly will attempt to seize party leadership from Goulart) which would permit him to retain party leadership and yet to enjoy some of the fruits that come with participation in the Administration.

Which Way? The PSD is today at a crossroads. Having declined rapidly from its position of predominence in the political scene, its activities over the next two years will determine whether in the 1962 elections the present trend will continue and it will become a minority party, bankrupt for all intents and purposes, or whether it will climb again to retain or improve its present leading position in the Chamber and Senate. (In 1958, the PSD did better in the proportional than in majority races--as witness its retention of strength in Congress that year. With the loss of so many state administrations, however, it is unlikely that the local PSD machines will be in the same position in 1962 that they enjoyed in 1958. Thus, it would seem likely that the PSD's congressional strength will decline substantially in 1962.)

The destinies of the party and its effective leader, Juscelino Kubitschek, are closely linked. And there is no doubt that if all goes reasonably well, Kubitschek intends to run again for the presidency in 1965. It does not suit his purposes to assume titular leadership of the party during the first critical years of the Quadros administration and while the PSD works out its problems with its present leadership. It would better serve his ambitions to return actively to the scene after people have had a chance to forget their living problems under Kubitschek and see his concrete achievements in better perspective. By this time Quadros will doubtless have lost much of the aura of saviour of the people which now surrounds him among

0305

is not likely to become one because it never had reformist tendencies, desiring simply to be in power. If it undertook systematic opposition (early in the Quadros administration at least), it would lose even more popular support because it would be blamed, by frustrating Quadros, for opposing the will of the people. All-out opposition would bring serious defections from and schisms within the party. In any event, it is unlikely to follow the opposition path because it simply does not, as a party, have the moral strength, short of the loss by Quadros of his popularity, to continue without government favors. Quadros is a past master at using the carrot and stick technique.

Another road for the PSD would be integration within the Administration. The PSD would probably not object to joining the Administration if it could preserve its unity in doing so. However, the more radical members would object to this procedure which would demand more unquestioning support for Quadros than they are yet prepared to give.

Collaboration with the new Administration in its early days at least seems to be the most likely choice, and President Kubitschek has publicly indicated this probability. The party will support measures deemed useful for the country (with some quid pro quo) and will oppose others not to its liking or where it may hope to gain politically. But much will depend on party leaders' ability to maintain unity in the face of Administration efforts to keep it fragmented with intra-mural quarrels. With more than a third of the Chamber's deputies (until 1962 at least) it is a force to be reckoned with by any administration. In a Quadros administration which will have no firm party base (much depends on how well the UDN can adjust to Quadros, but as likely as not it will be quarreling with him in short order), the PSD has a great deal of bargaining power. Its troubles would be considerably less if Quadros and the UDN could not work well together.

Future of the PSD

Relations with the PTB. Relations with Jango Goulart's PTB--he has firmly established his leadership in the party for the time being at least--will doubtless continue pretty much on their present level and may even become temporarily closer as a defense against a Quadros onslaught which is almost certain eventually to challenge the Goulart leadership. Nevertheless, the longer term tendency is for a split between the two, unless the PSD cares to mold itself in the PTB pattern and accept Goulart (or other PTB) leadership--an unlikely prospect. Goulart must soon make his major bid or before long resign serious aspirations to the presidency. The party is not yet strong

0304

Both times he made clear early in the campaigns that he regarded his office as that of a magistrate and that, while he had his preferences and they were his party's candidates, he would not be anybody's "cabo eleitoral" (ward heeler). Just before October 3 he declared that he considered his final goal democracy--in this case failure of the government to use its immense political and economic power to elect its candidates--achieved.

The 1960 Elections

The PSD, with exceptions of course, gave more attention and aid to its gubernatorial candidates than to its presidential candidate, Marshal Lott. The party, which works most efficiently with ample funds and with professional politicos, was often at a loss to understand the candidate it had picked as the one man in Brazil who seemed to have some chance to defeat Janio Quadros. The Marshal's refusal to cooperate with PSD leaders early in the campaign (a complete novice in politics, he insisted on conducting his campaign as he thought best, at heart distrusting politicians) kept them at arm's length through most of the campaign and, when they did go to work in the final days of the campaign, found that little money was available and that Quadros had bought up or otherwise possessed most of the implements by which elections are usually won. The result was the debacle in the presidential election and the loss of the principal remaining bases of PSD power, Minas Gerais, Paraná and Guanabara. With the executive lost at the national level where once it was supreme throughout the land, the PSD will control only Pará, Maranhão, Santa Catarina, Goias and Espirito Santo, none of which weigh heavily in the national scene. It will continue to be the majority party in the Chamber of Deputies and the Senate, but defections will undoubtedly trim down even these advantages.

In the short term the party paid the electoral price for the negative aspects of President Kubitschek's development program. Forced draft economic development brought running inflation, ever higher living costs, and social unrest and dissatisfaction. The President himself, paradoxically, according to most observers, was relatively untouched by this discontent and, it is generally agreed, came out of the October 3 elections strengthened.

The PSD in the Quadros Administration

While the party leaders speak bravely of adopting a strong opposition role when Quadros assumes office, the party will find it difficult to make a hard and fast decision to which most of the party will adhere. The PSD is not an opposition party, has never been, and

0303

industrially and increasing numbers of Brazilians left the land for the growing cities, had to depend more and more on its alliance with the Brazilian Labor Party (PTB) to help it keep the reigns of government. But, as the PTB grew in strength, the PSD declined, able to remain in power only because its partner of convenience (and necessity) had not grown enough to gain and hold power alone.

The one man in the party who apparently understood the shifting forces better than anyone else was its leader, President Kubitschek, architect of the forced draft development plan which did so much to undermine the party's traditional bases. Throughout his presidency he adopted unprecedented procedures in dealing with the public, moving indefatigably from one end of the country to the other, personally supervising and inaugurating innumerable projects which contributed to Brazil's economic growth. He became unquestionably the most widely-known president in the country's history and doubtless one of its most popular. Yet, the PSD was apparently unable to capitalize on the President's popularity or adjust to the new winds blowing in Brazil. It continued to grow fat and lethargic in power while its bases slowly eroded under it. Even when the extent of its losses with the electorate became evident in the 1958 elections (it lost the governorships of Pernambuco, Rio Grande do Sul and Bahia and kept the same number of deputies, while the UDN picked up three deputies, the governorships of Bahia and São Paulo and, more significantly, the PTB picked up five deputies and five governorships in an election generally agreed to have repudiated extreme nationalism), it was unable to stop the mounting tide. The PTB was becoming ever more radical and nationalistic and even the National Democratic Union (UDN) permitted a group of young ambitious deputies with a minimum of discouragement from the older, conservative leadership to espouse radical, nationalistic orientation within the party, but the PSD suffocated a bid by the Ala Moça group for change in party orientation to put it more closely in tune with the aspirations of the electorate. In a changing Brazil, with election fraud and traditional vote-influencing clearly on the way out, the PSD chose to carry on politics as usual. Kubitschek's program, while furthering principally the interests of the industrialists, nevertheless did so with the country foremost in mind and with the ultimate betterment of the people as a principal objective. Kubitschek was without doubt the most effective and truest nationalist the country had produced since Vargas, a fact which the people readily understood but which his party did not understand or at least did not know how to exploit to its advantage.

The party hacks criticized the President in 1958 and again after the 1960 elections for not going all out to elect PSD candidates.

0302

Decline of the PSD

Founded in 1946 by Getulio Vargas as his conservative, rural base and composed largely of those members of the Brazilian elite who had supported and waxed fat on the Vargas regime, the PSD successfully kept Vargas and his successors in power from that time to 1960. The PSD dominated the Brazilian political scene from 1946 to 1960 as a center party which more often than not was right of center despite the often leftist inclination of its founder. Nurtured by the votes gained largely in rural areas by office holders at the federal, state and municipal level long in office (from these ranks came the "colonels" of Brazilian politics, who for so many years regularly delivered the unbeatable PSD votes) and financial support from the growing industrial class which the party favored above all others, nonetheless, it fell victim to the new situation its leaders were most responsible in bringing about--the country's increasing industrialization.

Some party leaders recognized the changing character of Brazilian society, but thought they could still ride the new wave without real concessions to the new class of voters. One leader § stated privately several months ago in conversation with visiting ex-Governor Adlai Stevenson that he opposed large-scale social measures, such as a concentrated effort to raise the educational level in Brazil at this time, since the result would be to create social demands and pressures which the country in its present state of development could not satisfy. He saw Brazil's road as demanding first economic infra-structural development (transportation, power) and then social development. This philosophy, if the PSD actually has one other than the often disparate vested interests of its principal supporters, seems to have guided the party in recent years at least. Its inability to convince the people that industrialization would help them soon enough is another principal reason for the party's decline.

President Kubitschek and the PSD

Thus, the party, apparently unable to adapt to changing sociological conditions, notably the shift of centers of political power and control from the rural to urban centers as the country developed

§ Tancredo Neves, unsuccessful candidate for the governorship of Minas Gerais in the October 3 election.

0301

Senate and that body's vice president, to consider the party's future line. Those present constituted a majority of the party's National Committee which presumably gives all but official weight to its deliberations and decisions.

The communique issued after the meeting reads in translation:

> "The PSD bench with (the party's) president, Amaral Peixoto, meeting today to fix the party's position in the parliamentary field in the face of the new political situation, determined unanimously to adopt an opposition position and after consultation with allied benches immediately to approve the following legislative projects:
>
> "Salary parity between military and civil services; regulation of profit remittances abroad; strike regulation; simple extension of rent (control) law."

It was informally announced in addition that a committee is being formed to study revision of the party's statutes and platform and to draw up agrarian reform legislation. Another committee was named to call on the party's unsuccessful presidential candidate, Marshal Lott, to express the party's regrets and also its gratitude for his hard-fought campaign in its behalf.

Another matter discussed, but with no decision apparently taken (although reportedly no voices were raised in their defense), was the expulsion of some of the party leaders who on the national or local level worked against the party's candidates, notably José Maria Alkmim, Ribeiro Pena and Carlos Luz of Minas Gerais; Daniel Faraco and Peracchi Barcelos (among others) in Rio Grande do Sul; and Wagner Estelita of Goias, who to a more or less degree worked for the Quadros candidacy. §

Although the party's showing in the election was discussed thoroughly, no announcement was made regarding what conclusions, if any, were reached.

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§ This action was subsequently reported to have the approval of President Kubitschek, at least insofar as it relates to Minas Gerais, but it is dubious if the party will take action to expel many, if any, of these otherwise highly regarded leaders.

0300

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PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO — DESP. NO. 466 — DEC 7 1960

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE December 6, 1960

REF : Embassy Despatch ara 407, November 16, 1960

20 For Dept. Use Only	ACTION	DEPT.
	ARA-4	RM/R-2 INR-7
	REC'D 12-1360	OTHER CIA-10 USIA-10 OSD-5 NSA-2 ARMY-4 NAVY-4 AIR-6

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
DEC 1960

SUBJECT: THE SOCIAL DEMOCRATIC PARTY AFTER THE OCTOBER 1960 PRESIDENTIAL ELECTION

732.00/12-660

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Summary

In its first full dress meeting in Brasilia after the October election, the Social Democratic Party (PSD) bench in the Chamber of Deputies, together with other party officials who comprised a majority of the members of the National Committee, determined on October 19 to pursue a policy of opposition to the future Quadros government; to punish party members who deserted the PSD during the presidential campaign; and to support legislation of nationalist tendencies. The PSD's defiant stand in the face of the crushing defeat of its presidential candidate at the hands of Janio Quadros on October 3 is probably the best tactical position the party can assume in an effort to preserve the cohesion of a once-unbeatable majority party which some years ago began a period of declining power, ending in the October 3 debacle in which it lost virtually all its principal remaining bases of power. The PSD, far from being an opposition party, in the future Quadros administration is more likely to collaborate with Quadros in an effort to preserve the privileged positions enjoyed by its principal leaders and supporters whose interests are far more important to them than the amorphous ideology of the PSD. This prognastication is based on the assumption that a rising revolt within the party led by some of the younger leadership closer attuned to the times will be put down as have similar, if less widespread, protest movements in the past.

The PSD Meets to Assess the Damage and Chart a Course

With all but the final count in, in the national presidential and vice-presidential elections and the elections of eleven of Brazil's governors, held on October 3, representatives (some fifty) of the PSD bench in the Chamber of Deputies met on October 19 in Brasilia with the party's president, Amaral Peixoto, the majority leader in the

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Israeli Embassy's Cultural Attaché at the end of the month. President Kubitschek's first visit took place when he accompanied his wife on her inauguration of the large and modern Sarah KUBITSCHEK Hospital which was named for her. The second visit was to sign a bill opening a credit of CR$600,000,000 to enable the municipality of Belo Horizonte to proceed with the public works project that will secure for the city an adequate water supply.

The new Brazilian Ambassador to Japan visited the State to see the facilities of the USIMINAS iron and steel plant, financed with Japanese and Brazilian capital. Although USIMINAS is not yet in operation, the Ambassador to Japan did not want to depart for his new post without first seeing that important enterprise, financed as it is by Japanese capital to the extent of 40 percent and jointly operated by Brazilian and Japanese management.

The Israeli Cultural Attaché came to Belo Horizonte to attend a lecture by a recent Brazilian visitor to Israel on his impressions of that country and to visit the Brazil-Israel Cultural Center's Hebraic teaching facilites and a children's painting exposition. In the course of his visit he told the press that his Government was planning an exchange of technicians between Israel and Brazil.

IV. The U.S. Presidential Elections

The U.S. Presidential elections received wide coverage, second only to Brazil's own Presidential elections on October 3. Senator KENNEDY won by a landslide in Minas Gerais, and virtually all the comments ran along lines of most optimistic expectations in the field of economic and political relations between the United States and Brazil. Although the consensus was that either candidate would bring about closer relations between the two countries, most commentators felt that Senator Kennedy would emphasize the "Good Neighbor" policy of President Franklin D. ROOSEVELT and would be more open-handed than Vice President NIXON in dispensing economic assistance.

Edmund A. da Silveira
American Consul

0298

student body government of the University of Minas Gerais and started about 8:00 P.M. By the time the police arrived from the Division of Political and Social Order at 10:00 P.M. the parade organizers had desisted, and the situation had returned to normal.

These demonstrations have been centered in the student body government of the University of Minas Gerais. A list of the members of the student government is given below:

Guilherme BUONACCORSI, President
Pedro ALVES
Vania Gelape BAMBIRRA
Vinicius Caldeira BRANT
Juarez BRITTO
Sebastiao CALAIS
Antonio Otavio CINTRA
Cilson G. DAYREL
Paulo Roberto HADDAD
Theotonio JUNIOR
Teodoro LAMOUNIER
Arnaldo MOURTHE (recently returned from a visit to Cuba at that country's invitation)
José Paulo Sepúlveda PERTENCE
Suzana Paulino PRATES
Simao SCHWARTZMAN
Fernando TUPINAMBÁ
Jose Maria ZUQUERATO

Of the above students José Paulo Sepúlveda Pertence, Paulo Tupinambá, and José Maria Zuquerato were among the lawyers for the defense at the student mock trial of Fidel Castro. The press reported that Pertence gave the most effective defense. He emphasized the large U.S. interests in Cuba and said in this connection that "A declaration by large landowners who lost their lands cannot change the views of the Brazilian youth".

José Maria Zuquerato was quoted as having said in the course of his defense of Fidel Castro: "It does not matter whether the revolution is marching toward socialism. It does not matter whether it becomes Communist, for regardless of what may be wished the world is marching toward Communism".

The defense tactics was to emphasize the Cuban situation prior to the victory of Fidel Castro. Student Paulo Tupinambá's defense was a case in point. He stressed unemployment and under-employment in pre-Fidel Castro's Cuba, where the workers, he said, worked only four months out of twelve. The Cuban worker in the days before Castro, he stated, was always in debt; Batista's Cuba hid a world of misery, fear, and enslavement.

III. Important Visitors

The most important visits to the State were those of President KUBITSCHECK on November 11 and 28, the Brazilian Ambassador to Japan on November 19, and

0297

close ranks behind whatever decision is reached. At the present time the exponent of outright opposition is Senator-elect Camilo NOGUEIRA DA GAMA. The exponent of collaboration is San Tiago DANTAS, defeated candidate for vice governor, who is said to be able to count on the support of six other PTB deputies.

4. The Portent of Post-Election Activities in the State Legislative Assembly.

The approach of the Legislative Assembly to a large number of bills involving the expenditure of money, including the 1961 budget which has just been passed by the Assembly, might be used to gauge how the incoming Administration will fare with respect to the legislative branch of the government. The budget and numerous bills, dealing among other items with salary raises on a large scale for government employees and the establishment of a mixed-capital corporation for the exploration of mineral water springs, were prepared by the incumbent Administration, but the financial burden and the responsibility for carrying them out will rest on the shoulders of the new Administration. The UDN deputies objected strenuously to many of the provisions in the bills on the expenditure side for the reason that there was no adequate revenue. Although they represent a small minority in the Assembly, they succeeded, in part by employing filibuster tactics and in part by invoking the determination of Dr. Magalhaes Pinto to keep some semblance of order in the State's finances, to bring about mutually satisfactory compromises in the Assembly. Final passage of several of the bills in a form acceptable to Dr. Magalhaes Pinto, however, remains uncertain in view of the great pressure being exerted by powerful groups.

What the present activities of the Assembly demonstrate is that there is no inclination or widespread intention to place obstacles in the way of the new Administration simply for the sake of opposition. Dr. Magalhaes Pinto has a large reservoir of public good will, and the potential opposition parties recognize that inflexibility would be impolitic. He is, however, a very mild, gentle-mannered person, and the big question is whether these personal characteristics imply a lack of forcefulness which he will require to deal with an Assembly in which his Party will be, at least until 1962, in such a small minority. There is evidence that Dr. Magalhaes Pinto was one of the most surprised persons at his own election. Gossiping tongues have it that only his main opponent, Tancredo NEVES, was more surprised.

II. Students' Pro-Fidel CASTRO Demonstrations

Pro-Fidel Castro demonstrations have ceased for the time being. The Consulate has been informed that these activities are to be interrupted until the U.S. President-elect takes office and to be renewed then if U.S. policy toward Cuba shows no improvement toward that country.

The interruption, however, did not take place until student sympathizers of the Cuban revolution made an attempt on the evening of November 10 to organize a parade to celebrate the acquittal of Fidel Castro at his mock trial by a university student jury. The parade was prevented by a determined group of opposing students but not first without an exchange of blows between the contending factions. The battle took place in front of the headquarters of the

0296

actively pressing for a change in the Party hierarchy which they blame for not perceiving the popular will.

2. The Republican Party. The position of the PR with respect to collaboration with the incoming Administration is considerably more positive than that of the PSD. Although the PR State committee decided at a meeting held on November 5 to assume a position of independence, defined as "neither systematic opposition nor outright support", toward the new Government, it added that the National president of the Party, Artur BERNARDES Filho, would be empowered to make arrangements with the Governor-elect aimed at PR participation in his Administration. It is widely believed in local political circles that at least 14 of the 17 PR deputies will support the new Administration.

It may be reasonably said that the position of possible collaboration with Dr. Magalhaes Pinto's Government, taken by the PR, is in no small measure affected by the fact that the National head of the Party, Bernardes Filho, was on the side of the angels in the electoral campaign and is a native son of Minas Gerais. Officially, the State section of his Party backed the losing candidates, but nationally the PR backed the Janio QUADROS ticket. During the electoral campaign Bernardes Filho himself openly publicized his support of Janio Quadros in this State and was not too successful in hiding his sympathy for the Magalhães Pinto candidacy.

The actual split in the State PR between those who followed the State directives on the one hand and those who followed the National directives on the other is causing a raging controversy which on balance is enhancing the influence and prestige of Bernardes Filho. This result stems in large part from the publicity that the militancy of his opponents in the Party has given his position. PR Federal deputy for Minas Gerais, Bento GONÇALVES Filho, who is also the president of the Nationalist Parliamentary Front, has become the exponent of Bernardes Filho's opposition in the PR and of the defense of the State PR's position in supporting the incumbent Administration candidates.

The controversy came to a head during the National Convention of the PR, held in Rio de Janeiro on November 12. At that Convention all State sections of the Party asked for the expulsion of Bento Gonçalves on the basis of unproved charges he had made before the Supreme Electoral Tribunal to the effect that the Bank of the State of São Paulo had bought Bernardes Filho himself and also the votes of the PR National Convention that nominated Janio Quadros. Actual expulsion was avoided presumably because Bernardes Filho asked that the decision be left up to the PR National committee. A vote of confidence in Bernardes Filho was given in the form of his reelection to the presidency of the Party.

3. The Labor Party. Among the major parties in the State, the PTB's position toward the new Administration is the most uncertain. It is known, however, that the PTB is also divided between those who favor outright opposition and those who would prefer collaboration. The division is superficial in that it stems from the fact that the hierarchy has not yet felt the urgency of reaching a decision. The hierarchy is confident that the Party as a whole will

0295

Despite this numerical disadvantage, the UDN has a number of significant assets not the least of which are the dispensation of patronage, the psychological impact of victory itself, and internal dissidence in the opposition parties. All these factors have been in evidence in the past month. Most of the straws in the wind point to compromise on the side of accommodation with the party in power.

1. The Social Democratic Party. The PSD, as the party which has been shaken to its roots, is having the most difficult time in reaching a decision on party strategy and reorganization. In the absence of a determined attitude on the part of the Party's executive committee, the PSD deputies in the State Legislative Assembly have taken the lead in pressing for a decision. The problem confronting the Party is two-fold: 1) whether to choose systematic or occasional opposition; and 2) whether or not to take disciplinary action, including expulsion, against Party dissidents.

An important meeting of the State PSD deputies, in which these questions were discussed, was held on November 9 with the presence of PSD deputy Israel PINHEIRO Filho in his capacity as acting State PSD president. The moderate nature of the conclusions reached showed the influence of the State PSD president, Senator Benedito VALADARES, who although absent in New York as a member of the Brazilian delegation to the United Nations, had made his views known to Israel Pinheiro Filho.

On the question of what kind of opposition strategy to adopt the majority of the deputies favored a "constructive and independent" opposition toward the incoming Administration. This policy was defined as support or rejection of Administration measures solely on the basis of whether or not they promoted the public welfare. Although a firm position in this respect will be taken only after Senator Valadares' return, expected early in December, it is known that eight of the 25 PSD deputies are leaning toward a policy of collaboration.

Two main considerations entered into the deputies' conclusions at the November 9 State PSD meeting: 1) The PSD retains approximately 250 mayoralties throughout the State, and Mayors are to a large extent dependent on the assistance they get from the State Government; and 2) There was the fear that the electorate might react against too inflexible an opposition, reducing the PSD representation in the Assembly in the next elections in 1962.

Concerning the expulsion of dissidents, the prevailing view was that of Senator Benedito Valadares who let it be known that the Party needed to be reunified before any thought could be give to disciplinary measures against the dissidents. The dissidents include a former President of Brasil, a former Minister in President Kubitscheck's Cabinet, a former president of the State Legislative Assembly and vice governor, and the most voted State deputy in 1954. Not only the political prominence of many of the dissidents but also the advantage to the Party of having them in some post in the incoming Administration were considerations taken into account by the PSD deputies. Another factor complicating the question of disciplinary measures is that the dissidents instead of being humbled by the prospect of expulsion are themselves

0294

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FOREIGN SERVICE DESPATCH

FROM : AMERICAN CONSULATE, Belo Horizonte — 16 (DESP. NO.) — December 5, 1960 (DATE)

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : Consulate's despatches No. 9 of November 3 and No. 11 of November 18, 1960

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	ARA-4	RM/R 2 INR 7
	REC'D 12-12-60	INFO OTHER CIA-10 USIA-10 NSA-2 NAVY-4

SUBJECT: Political Summary for November 1960 - State of Minas Gerais

732.00/12-560

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JAN 18 1961

Table of Contents

I. Political Lineup in the State Legislative Assembly Before Inauguration of New Administration

1. The Social Democratic Party
2. The Republican Party
3. The Labor Party
4. The portent of Post-Election Activities in the State Legislative Assembly

II. Students' Pro-Fidel Castro Demonstrations

III. Important Visitors

IV. The U.S. Presidential Elections

I. Political Lineup in the State Legislative Assembly Before Inauguration of New Administration

In the month under review there was much activity among the political parties that made up the State Government alliance for support of the Administration candidates in the October elections. The alliance having collapsed as a result of the major Administration defeat at the polls, the former member parties - Social Democratic Party (PSD), Republican Party (PR), and Labor Party (PTB) - are going about in their separate ways trying to work out a suitable strategy with which to face the incoming Government of Dr. MAGALHÃES PINTO to be inaugurated on January 31.

The importance of this strategy to the viability of the incoming National Democratic Union (UDN) Government is realized at once when one considers that the UDN has only 11 deputies in the State Legislative Assembly out of a total of 75 deputies. In sharp contrast, the three parties making up the former alliance that supported the outgoing Administration have a total of 53 deputies divided as follows: PSD-25, PR-17, and PTB-11. The remaining 11 deputies are distributed unevenly among four small parties.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
DEC 14 1960

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IX. (continued)

COMMENT: Juliao has previously called upon the PSB for assistance - financial and other - for the Ligas. It is conceivable that the PSB will now become a valuable vehicle or auxiliary for the Ligas' expansionist movement into other areas of Brazil. (CONFIDENTIAL)

X. Pelopidas Visits the Engenho Galilea

Vice Governor Pelopidas Silveira of Pernambuco enjoys making unexpected visits while acting as Governor. While Governor Sampaio was in Sao Paulo, Dr. Pelopidaswent on October 26 to make his initial visit to the Engenho Galilea, site of the state's colonization project and homestead of a famous Liga Camponesa. Gently needling the Governor's program, Pelopidas stated that the project required more dynamic action to fulfill the expectations of the colonists. (Jornal do Commercio, October 29) (UNCLASSIFIED)

COMMENT: The incident illustrates a technique that Pelopidas has developed for riding the fence - cooperating with both political sides but yet maintaining his independent status. In general, he complimented the colonization project but at the same time he deftly pricked at exposed sore spots. The press naturally headlined the criticisms implicit in his statements and his declaration that now the state would initiate the strong action required. (LIMITED OFFICIAL USE)

For the Consul,

Edward T. Walters
Vice Consul

2 cc - American Embassy, Rio de Janeiro

0292

VII. Laurels for Sampaio

In late October, Governor Cid Sampaio of Pernambuco journeyed south to ~~XXXX~~ Sao Paulo and Rio de Janeiro for a series of conferences with Janio Quadros, the UDN hierarchy, and Government (Paes de Almeida, Mal. Denys) officials. During this visit, he was treated as a conquering hero, according to magazine and newspaper accounts; he was a featured guest at several dinners and luncheons. Journalists promptly painted Sampaio as the leader of a politically revived and again important sector (the Northeast) or sectors (North-Northeast). Also frequently discussed was the possibility of his being Janio's successor for the Presidency in 1965. (UNCLASSIFIED)

COMMENT: Sampaio's royal reception made excellent political propaganda for home consumption. (OFFICIAL USE ONLY)

VIII. Pernambuco Tax Problems

Returning from his triumphal tour of the South, Governor Sampaio became immediately embroiled in the politically dangerous task of fighting for higher taxes. In attempting to impose a 4.5% tax on all sales transaction not presently covered by the state sales tax, he ~~xxx xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ has encountered opposition from the local commercial and industrial associations as well as from the state legislature. Since October 27, the Governor has been conducting conferences (complete with blackboard illustrations) with various legislators and businessmen. On November 29, he talked for 90 minutes on radio and television with the "taxpayers," defending his proposed "social assistance and public security tax" and highlighting the financial problems of an ambitious state administration. (UNCLASSIFIED)

COMMENT: The proposed tax would primarily affect merchandise received from outside of the state; ~~xxx~~ sales of these goods are protected against state taxation by a federal law prohibiting the taxation by states on interstate commerce. The Governor hopes to bypass this federal regulation by labeling the tax for social welfare and protection. Despite the unpopularity of the tax, local interests feel obligated to support the Governor's program for progress. To date, the legislature has not given him this tax but has approved a 1% hike in the general sales tax which the Governor does not wish to utilize. (OFFICIAL USE ONLY)

IX. Socialist Leaders - Pelopidas and Juliao

The Brazilian Socialist Party (PSB) announced on October 26 that two Pernambuco personalities had been named to membershipon the PSB National Directory. The new directors are Pernambuco Vice Governor Pelopidas Silveira (who officially joined the PSB earlier this year) and Pernambuco state Deputy Francisco Juliao, leader of the Ligas Camponesas. (Diario de Pernambuco, November 27) (UNCLASSIFIED)

0291

V. The Political Succession In Pernambuco

Pernambuco politicians are already jockeying for position for the October 3, 1962 election in which the state will choose its next governor. Among those who have tentatively entered or are being pushed into the contest are: Barros de Carvalho, PTB, presently Minister of Agriculture; Armando Monteiro Filho, PSD, Federal Deputy, and former state Secretary of Agriculture; and Artur Lima Cavalcanti, young Vice-Mayor of Recife, a possible PSB candidate. Although Governor Sampaio has remained silent, observers predict that his choice will be between state [redacted] deputy Murilo Costa Rego, close political ally and leader of the regional Jan-Jan movement; Renato Bezerra de Melo, young industrialist and president of the Pernambuco Federation of Industries; and Joao Cleophas, former Minister of Agriculture. In preparation for the 1962 contest, both the PSD and the PTB are discussing ways of rebuilding their ponderous organizations into effective machines.
(Source: press reports, conversations) (OFFICIAL USE ONLY)

COMMENT: Other probable candidates include Recife Mayor Miguel Arraes, who lost momentum because of Lott's Recife defeat; Vice Governor Pelopidas Silveira; and ex-Governor Cordeiro de Farias (PSD). A Consulate official was informed in strict confidence [redacted] by Colonel Jose Cavalcanti, State Secretary of Public Security, that he had been approached by Governor Sampaio and had discussed the possibility that he (Cavalcanti) may be picked as his official candidate for the governorship. Col. Cavalcanti, a career army officer (strongly anti-communist) is not overly enthusiastic about [redacted] such an honor. (CONFIDENTIAL)

Another nomination for a political office was made by Aluisio Alves, Governor-elect of Rio Grande do Norte and former executive secretary of UDN, who stated - on November 7 - that Governor Sampaio would be a "happy solution for the presidency of the UDN."
(Diario de Pernambuco, November 8) (UNCLASSIFIED)

VI. PRESIDENTIAL CONFERENCE IN RECIFE ??

A November 24 news report that Presidents-elect Quadros and Kennedy might meet in Recife was headlined by the local press. In answer to queries regarding this rumoured meeting, Governor Sampaio and other officials disclaimed any knowledge of the matter, but all agreed that it would be a "great honor for the Northeast to be host to such real leaders of the American." (UNCLASSIFIED)

COMMENT: Most Brazilians were strong Kennedy partisans during the U.S. presidential campaign and were quite pleased when the U.S. voters picked "their" candidate. Although a remote possibility, such a meeting would have a tremendous impact in this complex-ridden area.
(OFFICIAL USE ONLY)

0290

II. (continued)

COMMENT: Incumbent Governor Fernandes, as earlier reported, has also received an invitation for a Chinese and Czech tour. (UNCLASSIFIED)

III. New Mayor in Natal

With the attendance of Dona Edna Lott and Recife Mayor Miguel Arraes, the new Mayor and Vice-Mayor of Natal - Djalma Maranhao and Luiz Gonzaga dos Santos - were sworn into office on November 11. In a nationalistic flurry of speeches after the ceremony, it was declared that the new mayor "would maintain his strict political and ideological philosophy in order to bring to life his nationalistic ideas in the sacrificed and plundered northeastern area." Mayor Maranhao stated that the mayors of Recife and Natal will have a "plan of joint action." (Jornal do Commercio, November 13) (UNCLASSIFIED)

The communist weekly O Seminario, in an ecstatic telegram, congratulated the people of Natal ("number one nationalist city of Brazil") on their "high degree of political maturity in choosing one of the most highly estimated and loyal combatants in the cause of national emancipation to lead them against the imperialism and latifundia that are exploiting Brazil." (O Seminario, November 12) (UNCLASSIFIED)

V. SUDENE Politics

A news report from Rio de Janeiro on November 23 reported that the PDC was pressuring for the replacement of SUDENE head Celso Furtado by General Juarez Tavora. The item stated that Furtado would remain, however, because of his outstanding performance and because of the unanimous support of the northeastern governors. (UNCLASSIFIED) (Diario de Pernambuco, November 24)

COMMENT: The Consulate had been previously informed by area business and banking sources that there was a quiet but concerted effort being made by various sectors of the commercial and agricultural community to replace Furtado by the more conservative Tavora. Furtado is disliked because of his strongly socialist orientation and his planning that would affect much of the traditional commerce of the region. These forces hope to utilize the prestige and influence of Governor Sampaio of Pernambuco in their planned overthrow of Furtado. It remains to be seen if Sampaio will favor such a move or would assist in the politically risky task of firing the popular founder of SUDENE.

General Tavora of Ceara first won fame as a military figure in the 1930's; he was later Minister of Agriculture under Getulio Vargas. During the recent political campaign, he - although in bad health - stoutly supported winner Janio Quadros and loser Fernando Ferrari. He is considered to be exceedingly honest. (CONFIDENTIAL)

0289

I. (continued)

COMMENT: One Alagoas political noted that (1) Falcao's in-laws have been the worst element in his tumultous term as Governor, and (2) Palmeira dos Indios has always been a rough political town with a high incidence of political mayhem and commissioned killings.
(LIMITED OFFICIAL USE)

In Rio Grande do Norte, the state legislature became a house divided following a 10 minute shooting spree that was started by the leader of the government forces during a heated debate on November 7. The only person wounded during all of the gunplay was a brother of Governor-elect Aluisio Alves who immediately issued a declaration of all-out war against the incumbent administration of Dinarte Mariz. With two state assembliesslegislating against each other following the incident and with a real threat of more violence pending, Pernambuco Governor Cid Sampaio was sent to Natal on November 10 to mediate between the two politicians by the UDN. Both are members of the UDN. (Source: news reports) (UNCLASSIFIED)

COMMENT: Although reports and public statements regarding the effectiveness of Sampaio's efforts as mediator were mixed, a Consulate official visiting in Natal after the incident noted a general relaxation of public tension following the Pernambuco Governor's talks with key Rio Grande do Norte political figures and his radio address to the public. (OFFICIAL USE ONLY)

It is interesting to note that the subject being discussed which so aroused the legislators' ire was a proposed tax exemption for a Brazilian subsidiary of Bates Bag Co., a U.S. firm which proposes to establish a paper plant in Rio Grande do Norte.
(UNCLASSIFIED)

In Paraiba, there was no bloodshed, but state Deputy Antonio Vital do Rego, with appropriate advance publicity, announced on October 28 that a plot to kill Governor-elect Gondim had been uncovered. The plot, described in [redacted] dramatic but general terms, was said to have been originated in the Governor's Palace with the approval of Governor Jose Fernandes. All was promptly and categorically denied by Paraiba authorities and Federal Deputy Abelardo Jurema, PSD leader.
(UNCLASSIFIED)

II. Gondim May Visit Red China

Paraiba state Deputy Vital do Rego, spokesman for [redacted] Pedro Gondim, informed a Recife journalist that the Governor-elect, his wife, and a few colleagues were considering a December-January visit to China and Czechoslovakia. The proposed trip was described as one that "would certainly be advantageous for Paraiba."
(UNCLASSIFIED)

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FOREIGN SERVICE DESPATCH

FROM : Amconsul, RECIFE
DESP. NO. 22

TO : THE DEPARTMENT OF STATE, WASHINGTON.
DATE December 3, 1960

REF : S/S-3 U/CEA-1 P-3

25 For Dept. Use Only	ACTION	DEPT.	INFO	OTHER
	Ara-4	RWR-2 INR-7 I-O-4 Eur-4 FE-4		
	REC'D 12-8			CIA-10 USIA-10 Navy-4 NSA-2 Army-4

SUBJECT: POLITICAL SUMMARY: October 16 - November 30, 1960

TABLE OF CONTENTS

I. Politics - Northeastern Style
II. GORDIM May Visit Red China
III. New Mayor In Natal
IV. SUDENE Politics
V. The Political Succession In Pernambuco
VI. Presidential Conference In Recife
VII. Laurels For Governor Sampaio
VIII. Pernambuco Tax Problems
IX. Socialist Leaders - Pelopidas and Juliao
X. Pelopidas Visits The Engenho Galilea

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I. Politics - Northeastern Style

Although the elections were completed, politics was still a source of threats, violence, and bloodshed in three of the Northeastern states.

Alagoas featured a military occupation of Palmeira dos Indios, an interior city, on October 29 following a well publicized exodus of political refugees who declared that their lives had been threatened. Among the refugees were the newly elected UDN mayor and vice-mayor of of the city. Governor Muniz Falcao, PSP hero of several recent articles in the communist national weekly newspaper O Seminario, labeled all as a sensational attempt to smear his administration and his brother-in-law Roberto Mendes, the present Mayor of Palmeira dos Indios. A series of peace conferences held in Rio de Janeiro by Federal Minister of Justice Armando Falcao with Governor Falcao and his adversaries finally resulted in a truce being called on November 4. Later (November 21-22) one local politician was killed and two others wounded as normalcy returned to Palmeira dos Indios.
(Source: news reports) (UNCLASSIFIED)

ETWalters
REPORTER

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Com os olhos voltados para aqueles, que há 25 anos se imolaram estão aqui todos: Exercito, Marinha, Aeronautica, Força Policial do Estado, porque todos deram a sua quota de sacrificio. Simples guardas-civis e inspetores do trafego tambem lutaram. Muitos que combateram e que, naquela hora, eram jovens, hoje aqui estão já com os cabelos brancos.

Enganam-se os que pretendem tirar as castanhas do fogo por meio de armadilhas, embustes e matreirices velhacas, através de infiltrações suspeitas.

DE PÉ, OS MORTOS!

Segurança nacional, fortalecimento do regime e acima de tudo a vigilancia dos "capitães que cuidam" - eis as constantes de todos quantos aqui assistem a esta cerimonia. Por isso quando um a um, nós chamamos os mortos, como que do fundo de suas sepulturas eles nos respondem, "Presente!"; a demonstrar que tambem eles continuam vigilantes, destemerosos como sempre. Muitos que tombaram foram mortos, não como caem os soldados no campo de honra, frente a frente ao inimigo. Mas à traição, na tocaia mais vil de que se há memoria. É preciso que os homens das novas gerações considerem na torpeza do atentado, que os vitimou. Mas o Brasil não cairá dormindo, nessa luta, que é a luta de toda a humanidade livre, porque os mortos de ontem ainda estão de pé:

Capitão José Sampaio Xavier!

1º sargento Jaime Pantaleão de Moraes!

Cabo João de Deus Araujo!

Soldado Lino Victor dos Santos!"

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em vão. A solenidade de hoje é uma afirmativa eloquente de nossa fidelidade aos ideais, que conduziram dez anos depois nossos soldados aos campos de batalha da Europa, para ajudar a demolição do fantasma nazi-fascista, que se projetava sobre o mundo.

FIDELIDADE DAS FORÇAS ARMADAS

Nos quadros da politica interna brasileira, dão as Forças Armadas neste momento o mais eloquente testemunho de fidelidade ao ideal democratico, o que significa a sua eterna vigilancia, para que a infiltração comunista não transponha os limites que os mortos de 35 lhes determinaram. A gloriosa França, da Primeira Grande Guerra, conheceu dois gritos memoraveis: um foi o "Ninguem passa"; o outro foi "De pé os mortos". O primeiro episodio foi o da inexpugnavel fortaleza de Verdun; o outro foi, na defesa de um baluarte, que era preciso conservar a todo custo. Os tumulos dos herois, que no Recife cairam para defender o Brasil da agressão comunista, constituem para nós marcos decisivos, diante dos quais se deterão as tentativas do inimigo insidioso. De pé estarão sempre os mortos de 35, para conte-los, apesar de que, na ultima campanha presidencial, vimos aqui de cambulhada, de braços dados e como se nada entre eles tivesse acontecido, velhos politicos, ambiciosos do mando, de qualquer jeito, e aqueles de quem se consideravam figadais inimigos. A ambição os havia reunidos nos palanques e nos comicios da praça publica.

Meus senhores, uma das mais vivas reações do Exercito, nos ultimos dias do regime monarquico, foi o de ajudar os capitães do mato, na perseguição dos negros cativos. O Exercito de Caxias não servia de instrumento aos negreiros. A seguir as insidias dos politicos, sempre procuraram enlea-lo.

Mas hoje, não há mais disso, não. O espetaculo, que nos oferecem as Forças Armadas, é o mais edificante. O honrado marechal Denys irmanou as Forças Armadas num só ideal, a defesa irrestrita do principio democratico. Foi o que se viu nas eleições de outubro: as Forças Armadas inteiramente devotadas aos seus deveres militares, afastadas de toda e qualquer agitação, acima de qualquer espirito de facção e de partidarismo. De um lado estava um camarada; de outro, um paisano. Eleito o paisano, seria empossado. E o camarada, tambem sempre esteve de acordo com isso.

O RECRUDESCIMENTO DAS ATIVIDADES SUBVERSIVAS

Ainda há pouco, numa grande solenidade, realizada no Rio de Janeiro, o general Nestor Souto de Oliveira, comandante do Primeiro Exercito, recordava um problema grave e decisivo para a segurança nacional: o recrudescimento das atividades subversivas. Se há uma ameaça externa em potencial, existe tambem um perigo de nossas fronteiras, conduzido por um partido, que, embora fora da legalidade, continua a atuar, em obediencia às determinações emanadas de um posto central, que se situa fora de nossa Patria. Só uma força é capaz de dete-lo, unida e coêsa, como se acha hoje: as Forças Armadas, coerentes com a sua formação; agindo nos quadros da Organização das Nações Unidas e da Organização dos Estados Americanos.

– "Essa vida militar de renuncia e de amor à terra brasileira – disse o general Souto – nos une e nos torna fortes, a atestar o preparo e a solidez do Exercito para o cumprimento de sua missão".

Com/

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privilegios, que lhe dão o Parlamento, o Juri, o Habeas-Corpus, a liberdade de imprensa; e passar a um sistema sanguinario, que todas essas vantagens cancelasse? Acreditareis que isso os conviesse? Jamais. Há entretanto uma penetração indisfarçavel nos países subdesenvolvidos, conduzida por uma minoria atuante, que trabalha com certos e determinados "slogans", que infelizmente lograram impressionar à primeira vista massas obreiras, circulos intelectuais, meios estudantis. Ainda há pouco noticiava um jornal do Rio de Janeiro que se estavam aliciando estudantes para a defesa de Cuba. E o jornal indagava:

MILICIAS PARA DEFENDER CUBA?

"Viram os leitores? Milicias estudantis brasileiras para defesa de Cuba. E a defesa do Brasil? Bem, a defesa do Brasil não há de caber-lhes: há organismos especiais a isso destinados, há as forças armadas, há, enfim, o povo brasileiro que, caso necessario, saberá opor resistencia contra invasores de quaisquer matizes e procedencias. Mas os cubanos, os pobres cubanos precisam de ajuda.

Contra quem, não se esclarece. Nem há necessidade de esclarecimento, no caso. Pois, de fato, não se trata de ir contra alguma coisa. Trata-se, isto sim, de ir a favor. A favor da penetração do imperialismo comunista nas Americas".

É preciso advertir a mocidade que se não deixe enlear pelos ditos, a toda hora repetidos, de pura propaganda e procurem raciocinar e exercitar cada um o seu espirito critico; para distinguir onde começa o interesse da nação e onde se mistura o proselitismo sovietico, que em tudo mete o bedelho. Viu-se, aliás, no ultimo pleito presidencial como a opinião publica reagiu, ao repelir a propaganda comunista, que velhaca e insinceramente se pôs a recomendar um dos candidatos, que jamais os procurara e sempre os repelira.

O RECIFE NÃO É UMA CIDADE VERMELHA

Dizia-se tambem para impressionar que o Recife era uma cidade vermelha; que elegia sem pestanejar os candidatos recomendados pelo Partido e que nenhuma força se poderia opor ao rojão. E o resultado? Viu-se que o Recife deu ao candidato enfim vitorioso uma maioria de mais de 11 mil votos, quebrando-se assim o mentiroso tabu, que aos politicos de mentalidade suburbana tanto havia impressionado. Tanto assim que correram a colaborar com eles, para manter-se no poder. Perderam os comunistas seu tempo e seu latim, transportando-se os seus maiorais para o Recife, com tamanho aparato. A cidade, que no tempo da Abolição elegera a Nabuco e a José Mariano, escolheu o que melhor lhe pareceu; sem levar em conta as cavilações vermelhas, e as suas intrujices.

Foi tambem esta cidade que, em 1935, deu às Forças Armadas a sua mais completa adesão, ao repudiar a tentativa de mazorca que irrompera nos quarteis, atiçada por maus brasileiros, pois que esse era um movimento que a Nação energicamente repelia. Por que a intentona irrompeu no Nordeste? Porque entendiam eles que suas promessas seriam acolhidas de preferencia pelas populações necessitadas. Viu-se precisamente o contrario. Hoje queremos nesta hora, reverenciando a memoria dos que tombaram no cumprimento do seu dever, significar a todos que o seu sacrificio não foi inutil e

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0284

cenario magnifico, com as bandeiras desfraldadas e com os soldados e oficiais em posição de sentido, com o povo, o governo, os dignatarios da Igreja, a mocidade das escolas, as homenagens, de todo povo brasileiro; que deseja manter-se fiel às suas tradições liberais e democraticas.

NAO PRECISAMOS DOS COMUNISTAS PARA LIBERTAS OS ESCRAVOS

Nós não precisamos dos communistas, para libertar os escravos. Eles quebraram os seus grilhões, pela força irresistivel das ideias, sem que ninguem sofresse por isso, sem que se derramasse uma gota de sangue, sem que se praticasse um só atentado. Fez-se no país uma Revolução Branca, que por uma lei, da Nação, igualou a todos os homens. E de tal maneira procedemos para atingir a esse grande ideal que não ficou o traço de um ressentimento. Qual o homem que não ascende hoje às mais altas posições, por motivo racial? Nenhum. Mestiços, brancosos e mulatos chapados têm passado pelo Parlamento, pelo clero, pela diplomacia, pelas Forças Armadas, e até pela Presidencia da Republica, sem que a ninguem fosse pedida a sua carta de branquidade. Lutas raciais, discriminações de qualquer natureza, não as conhecemos. Neste particular, podemos repetir a frase que Pedro II disse de Pernambuco: "O Brasil é um céu aberto".

Mas há problemas. Há desniveis de fortuna. Há desajustamentos. Há injustiças sociais. Há necessidade de darmos mais educação e mais saude ao povo. Dizem os comunistas que a liberdade é uma noção superada para povos subalimentados e analfabetos.

UMA JORNADA DE FÉ E DE ESPERANÇA

Mas estamos todos lançados, com a mesma fé e a mesma esperança, nessa jornada, que é sobretudo uma jornada dos fieis e sinceros demacratas do Brasil, para resolver todos esses problemas. As condições de vida do Brasil de hoje são melhores do que há 25 anos. Tambem as soluções comunistas, ensopadas de sangue, não nos interessam. A prova de que os povos podem resolver, dentro dos quadros democraticos, todas essas questões, está nas pequenas democracias da Europa. Na Finlandia, na Suecia, na Dinamarca, na Noruega, na Suiça. Todos se regem por governos livres, saidos das urnas. Os comunistas nesses países jamais tomaram conta do poder. Os votos dos cidadãos não lhes confiaram o mando. Nem lhes confiarão. Preferem dirigir-se por si, sendo que, em alguns deles ainda prevalece o regime monarquico. Até nas novas republicas africanas, que há pouco se libertaram do regime colonial, as tendencias não são de uma colaboração com o mundo vermelho, antes inclinados ao sistema do Ocidente. É que todos sabem muito bem avaliar o valor da liberdade.

SISTEMA OPRESSIVO

Somente os povos, que sempre viveram num sistema politico opressivo, como é por exemplo o caso da União Sovietica ou da China evoluiram da noite para o dia, e no meio de caudais de sangue, para outros tipos de senhores. Que diferença faz a um mujik russo saber que hoje não o governa mais o Tsar, mas o poderoso Secretario Geral do Partido?

Mas perguntai a um inglês, se ele quereria mudar de regime; perder os seus

privilegios/

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Exercito Comunista, sob o comando de lideres comunistas, esquartejaram trabalhadores comunistas, foi o proprio socialismo que as vossas balas e os vossos obuses fragmentaram".

Só homens que deram essa demonstração de coragem e de altivez podem falar em "consciencia humana". Outros, não. São apenas cumplices de governos, que executam na Europa a mais torva tirania sobre povos de antiga civilização e de antiquissima cultura; e ainda ousam falar de "colonialismo" e de "imperialismo", quando se mostram os mais terriveis colonislistas e imperialistas da face da terra. Perguntai aos homens, mulheres e crianças dos infelizes países da Europa Oriental, que prefeririam eles: continuar sob o jugo sovietico ou retornar ao regime de outrora? E ninguem ousaria dizer que os de hoje são os melhores tempos.

O CASO DA LETONIA

Êste mês, a Letonia celebrou a sua data nacional, no mais recondito do seu coração, pois na sua propria patria seria impossivel faze-lo. Reconhecida como nação soberana, naquele longinquo 1918, em 1921 se tornava membro da Liga das Nações. Em poucos anos refez-se da destruição da primeira guerra; seus campos voltaram a produzir abundantes colheitas; as chaminés de suas fabricas volveram a fumegar; seus navios, a cruzarem todos os mares. Sua legislação social passou a ser das mais avançadas do mundo. Uma nação de trabalhadores pacificos recuperou-se completamente no trabalho e construiu milhares de lares prosperos e felizes.

Não há iletrados na Letonia. Mas tão pouco deflagrou a segunda guerra, o lobo sovietico apoderou-se de tudo, como a fera da fabula, sem forma nenhuma de processo; o mesmo fazendo com a Estonia e a Letuania. De outro lado, o lupus nazista estrangulava a Polonia, num dos maiores atentados da historia, fruto da "amizade eterna", que unira dois dos maiores tiranos da humanidade: Hitler e Staline. Onde andou a "consciencia humana" dos comunistas, que não tremeu em face dessa abominavel injustiça?

Ainda há pouco, a antiga legação da Letonia, no Rio de Janeiro, recordava a atitude generosa do Brasil, que não reconhecera até hoje a incorporação ilegal de sua Patria; a submissão ilegitima de um povo, dos mais antigos da Europa; e que merece para certos intelectuais menos do que as balubas do ex-Congo Belga.

Há mais de dois mil anos que vivem e trabalham à margem oriental do Baltico. Não têm direito à propria sobrevivencia, que é todos os dias reclamada até aos negritos da Papuasia.

SERVIDÃO ABOMINAVEL

Todos nós sabemos os defeitos e os erros de um regime de opinião e lealmente podemos critica-lo. Mas tudo é preferivel à servidão, que os comunistas impuseram a esses desventurados povos, os quais continuam a sofrer fome e sede de justiça. Foi para que o Brasil se salvasse desse tipo de servidão abominavel que há 25 anos, nesta cidade do Recife, no Nordeste e no Rio de Janeiro, se imolaram tantas vidas preciosas; caindo em holocausto pelo sagrado dever militar. A esses heróis, que nos libertaram da mais torva das tiranias, rendemos hoje, nesta hora e neste

cenario/

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Encl to Disp # 21
Recife 12-2-60

DISCURSO DO JORNALISTA ANIBAL FERNANDES

Foi o seguinte o discurso do jornalista Anibal Fernandes, durante a manifestação anti-comunista de ontem:

"Se aqui estou, nesta solenidade, é que de há muito me considero um combatente democratico; lutando no meu país por um regime de liberdade de opinião e de respeito pela dignidade humana. Se isso é ser anti-comunista, então posso inscrever-me como tal. Porque o totalitarismo vermelho de tal modo dividiu os homens que ou se está jurando pelos seus credos absolutistas ou se está contra eles. Então, me considero tambem contra eles. Numa oração, proferida, junto à Acropole de Atenas, o escritor André Malraux disse que o problema capital de nosso época é conciliar a liberdade individual com a justiça social. É o que estamos procurando fazer.

EQUIVOCO DESTA ERA

Um dos maiores equivocos desta éra é que Marx jamais pensou, quando escreveu o Capital, que estava traçando as paginas do Evangelho de uma Religião nova, cuja caracteristica é a intolerancia. Pensavamos todos nós que o mundo estava liberto da intolerancia; que os Torquemadas e os "autos-de-fé" houvessem desaparecido; que o seculo 20 seria sobretudo o seculo do progresso, o seculo das ideias, a conduzirem o mundo, o seculo da ciencia, o seculo enfim em que cada um de nós firmasse os seus direitos ao primado da consciencia humana. Que triste ilusão!

ZOLA E DREYFUS

Quando Zola defendeu o famoso capitão Dreyfus, na França, e todos o atacavam, todos o agrediam, todos o vilipendiavam, Anatole France escreveu que o famoso romancista, defendendo-o, sozinho, era um momento da "consciencia humana". No país da Liberdade, da Igualdade e da Fraternidade, todos acusavam o pobre Dreyfus. E somente um homem se saiu a campo para amparar sua causa abandonada. Esse homem foi um escritor, que não era nem de sua religião, nem de sua raça. Mas havia entre eles um laço em comum: eram ambos sêres humanos, dotados cada um de uma consciencia. Se Dreyfus tivesse sido julgado na União Sovietica, não haveria para ele remissão. Inocente ou culpado, teria a sorte que lhe assinalassem os poderosos do dia. Ainda hoje, Saturno continua a devorar os proprios filhos. Não é esse o sistema do regime democratico.

SARTRE E A HUNGRIA

Por esse motivo é que o caudilho Fidel Castro não quer restaurar em Cuba um sistema de opinião. Desde que ele assinale para alguem "el paredon", ao "paredon" será o infeliz conduzido. Quero tambem nesta hora render a minha homenagem a outro homem de pensamento, apesar do muito que dele me sinto distanciado. Mas quando os tanques sovieticos começaram a destruir Budapest e a propria mocidade hungara, foi Jean Paul Sartre que escreveu: "Ó assassinos cínicos, que vos orgulhais de haver morto, para impedir a guerra mundial, quando foram os vossos proprios primeiros assassinatos, que criaram o risco de provocar a guerra".

"Quando disparastes, durante aqueles dias de outubro; quando os tanques do

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come from the humblest origin of the people, and therefore the people's presence in numbers would have maximum significance.

No mention of the United States was made at all in the speeches, nor at any other time. Brazil's participation in World War II was stressed, particularly in its significance of combatting dictatorial andunjustly aggressive States. The Press, with the exception of the DIARIO DE PERNAMBUCO, gave the event little importance, printing the story on inside pages although using front-page captions and pictures. Picture coverage was very limited. Radio and television were present, but limited to Recife area.

The outstanding statement of the day was made by the Officer of the Day in reading the orders of Marshall Denys, in substance: "Brazil will resist with armed force any attempt of the communists to dominate our country; Brazil has not been, is not now, and will not be communist".

Ernest S. Guaderrama
American Consul

Enclosure: 1. As Stated

cc: Copy to Amembassy, Rio de Janeiro
Copy to Counselor for Consular Affiars, Rio de Janeiro

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Force and Military Police were formed on the stadium field; an improvised altar in the foreground was in readiness for Catholic Mass; an army drum and bugle band was on the left wing, and the Military Police marching band on the right wing.

Immediately after the orders of the day were read, Bishop-Archbishop Carlos COELHO, of Olinda and Recife, said Mass for those who had fallen in 1935 defending democracy against communism. After the Mass, the Bishop, now using a microphone, spoke for twenty minutes on the inherent dangers of communist penetration in Brazil, of the evils of communism, and of the duty of all good Christians to defend Brazil from the insidious boring of communists to achieve control of Government. There is no doubt as to where the Bishop-Archbishop stands in regard to the issue of communism.

Sr. Anibal FERNANDES, one of the leading reporters and writers for the Recife DIARIO DE PERNAMBUCO, followed the Bishop at the microphone. He delivered a well-prepared and forceful speech on the subject of communism. Copes of the speech are enclosed (in the Portuguese language). The DIARIO DE PERNAMBUCO publishedthe entire speech, but all other newspapers merely noted the speaker as one of the participants.

The Military Police Band played a solemn funeral march, a Roll Call of the dead was made, and then the various platoons, lead by the drum and bugle band, passed in review before the Commanding Officers for the region (General Emilio RIBAS, 4th Army; RAdm. Diaz FERNANDES, 3rd Naval District; Brig. Gen. Carlos Rodrigues COELHO, 2nd Air Zone; Col. Jose Cavalcanti, Military Police), the Governor and other dignitaries. The Navy platoon was conspicuously superior in its discipline and training, with the Air Force showing the greatest lack of training. After the parade, the Brazilian anthem was played, there was a 21-gun salute, and the ceremony tersely ended.

On Sunday, November 27th, the Commanding Officers of the various Armed Forces, the Governor of Pernambuco, andthe Bishop-Archbishop held another brief ceremony at the tomb of Captain José Sampaio Xavier, Santo Amaro Cemetery, but no eulogy nor any other oral tribute was paid. Capt. Sampaio was killed by communist Sgt. Gregorio Bezerra in Recife in 1935.

Army and Military Police of the 7th Military Region (Recife) were on the alert for communist counter-demonstrations on the 26th, but there was not the slightest incident reported.

COMMENTS: The reporter believes that if the general public had been invited to attend, the ceremony wouldhave had more significance and would have impressed the public with the unbending will of the Armed Forces to resist and combat communism at all costs. Since this ceremony is held yearly, possibly the Minister of Defense could be induced to suggest to the various regional commanders to publicize the commemoration, using the press and other mediae, with special invitations to the labor syndicates, civic organizations, schools, etc. to attend. It is self-evident that the rank andfile of all troops

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FOREIGN SERVICE DESPATCH

FROM : Amconsul, RECIFE

21
DESP. NO.

December 2,1960
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

For Dept. Use Only	ACTION	DEPT.
20	ARA-4	RM/R-2 INR-7 P.3
	REC'D	INFO OTHER
	12-9-60	CIA-10 USIA-10 NSA-2 OSD-5 ARMY-4 NAVY-4 AIR-6

DEPARTMENT OF STATE
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RM/R File

SUBJECT: BRAZILIAN ARMED FORCES: Celebration of 25th Anniversary of Defeat of Communist Uprising.

732.00/12-260

SUMMARY: On Saturday, November 26, 1960, combinedArmed Forces of Brazil serving in State of Pernambuco held a solemn ceremony at Sports Stadium, Ilha do Retiro, in Recife, commemorating the 25th Anniversary of the defeat of the Communist uprising of 1935 in the cities of Natal (Rio Grande do Norte), Recife (Pernambuco), and Rio de Janeiro. Acting on orders of Marshall Odilio DENYS, Minister of War, Commanders of the 4th Army, 3rd Naval District, 2nd Air Zone, and Military Police, were present at the ceremony, accompanied by their respective staffs and a considerable number of lower rank officers and non-commissioned officers. Governor Cid SAMPAIO, of Pernambuco, members of the State Legislature, other civilian authorities and members of the Consular Corps were also present. Metropolitan Bishop-Arch-Bishop of Olinda and Recife officiated at Mass for the victims of the uprising, andlater spoke well on the danger of communist domination in Brazil and its inherent threats. A press representative was the principal speaker, delivering a well prepared speech against Communism. Army and Military Police on alert for possible communist counter-demonstration which did not occur. No mention of United States made at any time. Similar ceremonies held throughout Consular District at all cities where armed forces are stationed. End Summary.

On Saturday, November 26, at 8:00 a.m., combined ArmedForces of Brazil serving in the State of Pernambuco held a solemn ceremony at Sports Stadium, Ilha do Retiro, in Recife, commemorating the 25th anniversary of the defeat of the Communist uprising of 1935 in the cities of Natal (Rio Grande do Norte), Recife (Pernambuco), and Rio de Janeiro. The ceremony was prepared and organized in Recife, and at all other cities where there are Brazilian Armed Forces, on orders of Marshall Odilio DENYS, Minister of War.

TheRecife Press did not give notice of the event to be held until the morning of the 26th, so that there were few civilians at the stadium. In the most certain sense, this was a ceremony by the Military for the Military. The State Legislature had a large delegation present, andthere was a large number of non-commissioned officers and their families among the spectators. Approximately 1200 persons were present. Governor and Mrs. CidSampaio, of Pernambuco, were the leading element of the civilian delegations.

Promptly at 8:00 a.m., the Officer of the Day read the orders of Marshall Denys to have all Armed Forces of Brazil celebrate the anniversary of defeat of the communist uprising of 1935. Platoons of 120 men from Army, Navy, Air

Ernest S. Guaderrama
REPORTER

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Comment: Jaeger apparently considers Loureiro a lone wolf seeking some firm political base.

b. The present strength of Fernando Ferrari: As to the strength here of Fernando Ferrari, he said that Ferrari could be elected governor without question if elections were held today but that two years is a long time politically and that much could happen between now and 1962. Comment: Ferrari as governor in 1962 could do much to rout the Brizola-Goulart organization which is still strong here.

c. PTB-tiff: He dismissed as a family squabble of no real importance a current argument in the local PTB ranks between Deputy Wilson Vargas and João Caruso, both members of the Brizola cabinet during the election campaign. Comment: Despite serious electoral defeats in the election campaign in 1959 and 1960 Jaeger still reckons the Brizola-Goulart machine a formidable opponent.

4. Present extremist strengths in RGS: Jaeger finds that extremists of the right and left continue a small, though active, minority neither increasing nor decreasing in effectiveness at the present time. Comment: There has been relatively little post-election uneasiness in this State. Despite some strikes, neither communists nor ultra nationalists have stirred public opinion to any significant extent.

PWarner/zms

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Page 1 of
Encl. No. 1
Desp. No. 24
From PORTO ALEGRE

MEMORANDUM OF CONVERSATION

November 30,1960

Participants: State Deputy (PSD dissident) Ariosto Jaeger

Consul Warner

Invited to express his views on several current political topics, Deputy Jaeger responded as follows:

1. Warning against attempts to prevent President-elect Quadros from taking office: His brief speech in the State Assembly, which warned against efforts to prevent president-elect Janio Qaudros from takingoffice as reported in the local press on November 29, was not directed against any specific, organized efforts at this time. Rather it was intended to alert the public against the possibility of such moves, to maintain a certain degree of cohesion of the disparate forces which had joined together to achieve the Quadros victory, and to smoke out a reaction from the PTB leadership. He noted with satisfaction that the PTB floor leader, deputy Sereno Chaise, had immediately followed him to the rostrum with a denial that any move was afoot to prevent the inauguration of the president-elect. Comment: Jaeger evidently suspects that forces within the PTB might try to spark an anti-Janio coup.

2. Attempts to establish a new political party: He denied any intention by the RGS-PSD dissidents, of which he is a leading member and organizer, to split off from the national PSD or to attempt to set up a new party. He observed that this was the first time the PSD had been cast in the opposition role and said that the RGS dissidents, now more firmly entrenched than ever, would work within the party framework to obtain support for Quadros when the dissidents believed he deserved it and to maintain an attitude of constructive criticism on other occasions. He recognizes that this will not be an easy task but anticipates that the dissidents will be able to come to terms with the national party leadership. As far as a new party is concerned, he believes that it is easy enough to start one but that such a new organization would not be effective unless it could absorb other parties and that this would be most difficult to accomplish. He noted that Carlos Lacerda is trying to create a new party and will encounter this problem.

3.a. The present role of Mayor Loureiro da Silva: As far as Mayor Loureiro da Silva is concerned, who has evidently been trying of late to maintain himself as a leader of the pre-election pro-Ferrari and pro-Janio forces, Jaeger said Loureiro is out for himself with an eye on the 1962 gubernatorial and senatorial elections.

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FOREIGN SERVICE DESPATCH

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TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

DEC 29 1960

DEC 2

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SUBJECT: Private Interview with State Deputy Ariosto Jaeger

There is enclosed a report of a conversation with State Deputy (PSD-dissident) Ariosto Jaeger dealing with current political matters which appear to be of more than local interest.

Jaeger, who is PSD floor leader in the State Assembly and secretary of the PSD state organization despite efforts by the national party to remove him, has been an outstanding figure since early this year of the PSD dissident group which did (not) much to assure the astonishing victory of Janio Quadros over Marshall Lott in this state by a majority of well over 100,000 votes. His position here, strong before the election, is even stronger now.

From time to time he has made estimates of the campaign generally and the situation of his group within the PSD which have proved accurate.

Jaeger accepted willingly and promptly an invitation to a private lunch at which the following topics were discussed as summarized in the enclosed memorandum of conversation:

1. His recent speech warning against attempts to prevent President-elect Quadros from taking office.

2. Attempts to establish a new political party.

3.a. The present role of Mayor Loureiro da Silva.
b. The present strength of Fernando Ferrari.
c. A locally headlined tiff between two PTB machine stalwarts.

4. Present extremist strengths in Rio Grande do Sul.

Encl.: 1 as n.

Percy Warner
American Consul

cc.- Amembassy Rio(with encl.)
Mr. Raine,Rio (" ")

PWarner/zms
REPORTER

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Page 2 of 2
Encl. No. 2
Desp. No. 23
From American Embassy, Curitiba
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TABLE II

GEOGRAPHIC DISTRIBUTION OF VOTES FOR GOVERNOR AND OF CONTROL OF MUNICIPAL GOVERNMENTS IN SANTA CATARINA, 1960, WITH COMPARATIVE FIGURES FROM PREVIOUS YEARS

Geographic Region	1960 GUBERNATORIAL ELECTION 1/ RAMOS	BORNHAUSEN	WINNING RAMOS 1960	WINNING RAMOS 1958	MARGINS 1/ BORNHAUSEN 1960	MARGINS 1/ BORNHAUSEN 1958	PARTY CONTROL OF MUNICIPAL GOVERNMENTS 4/ PSD 5/ 1962	1961	UDN 1960	PTB 1962	1960	PRP 1961	1960	PDC 1961	1960	PL 1962	1960	PSP 1961	1960
Itajaí Valley	55,817	59,679	Lost	Lost	3,862	7,846	5	4	4	6	-	-	-	1	-	-	-	-	-
Central Cost	33,650	32,201	1,449	3,320	Lost	Lost	2	4	9	-	1	4	-	-	-	-	-	-	-
South	49,149	38,358	1,091	Lost	Lost	4,273	6	-	7	-	1	1	-	1	-	1	-	-	-
North	43,249	39,740	3,509	Lost	Lost	14,168	3	4	3	-	-	-	-	-	-	-	-	-	-
South Center (Lajes)	32,783	24,290	8,493	4,445	Lost	Lost	-	5	4	1	1	?	-	1	-	-	-	-	-
West Center (Vale do Rio Peixe)	25,839	26,492	Lost	Lost	653	2,355	2	?	1	2	-	-	-	-	-	-	1	-	-
Far West	20,961	20,960	1	Lost	Lost	3,908	5	1	3	2	1	-	-	-	-	-	-	-	1
Totals	2/ 261,748	241,720	20,028 Net				24,785	23	30	31	11	4	7	-	1	2	-	1	1	-	1

NOTE: SOURCE PROVIDE NO LIST SHOWING WHICH MUNICIPIOS COMPRISE THE VARIOUS GEOGRAPHIC REGIONS.

1. SOURCE: O ESTADO (Florianópolis, S.Catarina), November 1, 1960.
2. We have no way of reconciling difference of 252 votes between the totals shown for governor in Table II and the totals shown for governor in Table I.
3. Senatorial election.
4. SOURCE: O ESTADO (Florianópolis), November 4, 1960.
5. Figures shown in 1961 column are total number of municipios held by the party as of February 1 1961, that is all those controlled by the party prior to that date and in which there was no election in 1960, plus all those won in the October 3, 1960 election.
   Figures shown in 1960 column are total number of municipios held by the party in 1960 prior to the October 3, election.

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STATISTICS FROM OCTOBER 3, 1960 ELECTION
IN SANTA CATARINA
TABLE I - SUMMARY

ESTIMATED POPULATION:	at 2.000,000
REGISTERED VOTERS - 1960:	573,653
N°OF VOTES CAST:	523,297
ABSTANTIONS:	50,356 - 8.8%

VOTES FOR NATIONAL OFFICE

FOR PRESIDENT		FOR VICE PRESIDENT	
Jânio QUADROS	226,152	Milton CAMPOS	175,735
Marshal LOTT	221,508	João GOULART	235,313
Adhemar de BARROS	41,683	Fernando FERRARI	57,439
Blank votes	23,234	Blank Votes	46,293
Void votes	10,640	Void votes	8,517
Total	523,297	Total	523,297

VOTES FOR STATE OFFICE

FOR GOVERNOR		FOR VICE GOVERNOR	
Celso RAMOS	261,496	Deutel de ANDRADE	238,411
Iriney CORNHA SEN	241,502	Carlos S.Gomes de OLIVEIRA 1/	215,406
		Martinho CALADO 2/	16,094
Blank Votes	13,353	Blank Votes	44,364
Void Votes	6,884	Void Votes	9,020
Total	523,235	Total	523,235 3/

SOURCE: O ESTADO (Florianópolis, Santa Catarina), October 25, 1960

1. PTB dissident, Bornhausen's official running mate.
2. PDC - Supported by PDC group which was dissatisfied with Bornhausen's politicking with PTB - dissidence .
3. Sixty-two persons voted in Presidential election who did not vote in gubernatorial election.

E'Rowell:hb

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correction factor, required to make the tallies check with the official totals, has been added at the end of the table rather than been included in one or more of the geographic region totals.

7. Seventy-nine fewer votes were cast for governor than were cast for president or vice president. Hence, the total for governor is 723,530 instead of 723,609.

cc: Embassy, Rio de Janeiro

EMRowell:bb

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TABLE II - Footnotes:

1. The SOUTHEAST is comprised of the following counties (municípies):

Rio Branco do Sul, Piraquara, Campo Geral do Sul, Paranaguá, Guaraqueçaba, Antonina, Carro Azul, São José dos Pinhais, Tijucas do Sul, Guaratuba, Campo Largo, Lapa, Contenda, Rio Negro, São Mateus do Sul, Palmeira, Porto Amazonas, Ponta Grossa, Castro, Becsiuva do Sul, Colombo, Almirante Tamandaré, Araucária, Morretes, São José do Triunfo, and Teixeira Soares.

2. The SOUTHWEST is comprised of the following counties (municípies):

Tibagí, Ortigueira, Imbituva, Prudentópolis, Palmas, Chopinzinho, Mangueirinha, União da Viteria, Cruz Machado, Bituruna, Iratí, Ipiranga, Mallet, Paulo Frontin, Pitanga, Manoel Ribas, Reserva, Candido de Abreu, Guarapuava, Laranjeiras do Sul, Foz do Iguaçu, Guaraniaçu, Clevelandia, Rebouças, Rio Azul, Cascavel, Francisco Beltrão, Pato Branco, Coronel Vivida, Toledo, Santo Antonio, Barracão, and Capanema.

3. The OLD NORTH is comprised of the following counties (municipies):

Jaguariaíva, Arapotí, Tomazina, Japíra, Pinhalão, Jabotí, Wenceslau Braz, Siqueira Campos, Santo Antonio da Platina, Ribeirão Claro, Jacarezinho, Cambará, Cornelio Procópio, Leópolis, Sertaneja, Piraí do Sul, Senges, Joaquim Tavera, Quatiguá, Carlopolis, Andirá, Itambaraca, Bandeirantes, Santa Mariana, Santa Amalia, Ibaití, Rio do Pinhal, Abatia, Jumdiaí do Sul, Nova Fátima, Uraí, and Jatazinho.

4. The NORTH is comprised of the following counties (municipies):

Apucarana, Berrazópolis, Assaí, Sertanópolis, Primeiro de Maio, Londrina, Rolandia, Arapongas, Sabaudia, São Jerenimo da Serra, Curiuva, Congoinhas, Jaguapitã, Centenário do Sul, Luiznopolis, Santo Inácio, Colorado, Guaraci, Cafeara, Itaguage, Porocatú, Florestópolis, Araruva, Faxinal, California, Bela Vista do Paraíso, Alvorada do Sul, Cambé, and Ibiporã.

5. The NEW NORTH is comprised of the following counties (municípies):

Campo Mourão, Goio Erê, Mandaguarí, Maringá, Mandaguaçú, São Jorge, Astorga, Munhez de Melle, Santa Fé, Lobate, Iguaraçu, Jandaia do Sul, Bom Sucesso, São Pedro de Ivaí, Nova Esperança, Alto Parana, Paranacity, São João do Caiua, Floraí, Cruzeiro do Sul, Paranavaí, Tamboara, Paraíso do Norte, Terra Rica, São Carlos do Ivaí, Peabiru, Cruzeiro do Oeste, Engenheiro Beltrão, Rondon Terra Boa, Jussara, Cianorte, Guaira, Marialva, Loanda, Querencia do Norte, Santa Izabel, Ivaí, São Carlos Monte Castelo, and Nova Londrina.

6. CORRECTION FOR ERROR IN OFFICIAL TALLIES: The distribution of votes by geographic region given in Table II is based on detailed tallies of votes by county (municipio). The tally in the hands of the consulate is a typewritten copy of the final report made out by the Parana Regional Electoral Tribunal. The typewritten copy was made out at the Tribunal offices.

In adding up the county tallies, the totals do not jibe with the final official totals given by the Regional Electoral Tribunal. The differences are minor, and it is our opinion that they are due to mis-types in the county tallies, and that the official, announced totals are correct. Because we have no way of knowing in which of the tallies the mis-types occurred, the correction factor,

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Encl. No. 1 to Dispatch No. 23 From Rio de Janeiro, Curitiba

TABLE II - GEOGRAPHIC DISTRIBUTION OF VOTES IN PARANÁ - OCTOBER 3, 1960

Candidates / Electoral zones	FOR PRESIDENT: Jânio QUADROS	Marshal LOTT	Ardoeam de BARROS	FOR VICE PRESIDENT: Milton CAMPOS	João GOULART	Fernando FERRARI	FOR GOVERNOR: Rey Aminthas de Barros BRAGA	Plinio D. de COSTA	Nelson MACULAN
CURITIBA	52,229	20,989	20,310	35,771	32,306	32,077	45,586	30,473	34,292
SOUTHEAST 1/	59,582	21,150	24,770	28,387	34,277	19,709	38,449	31,127	28,681
SOUTHWEST 2/	66,973	29,052	21,824	23,302	46,149	29,637	43,897	36,058	44,713
OLD NORTH 3/	44,190	16,340	26,945	26,268	31,639	10,170	21,587	32,134	29,206
NORTH 4/	62,754	17,605	34,354	40,413	35,548	16,461	37,593	32,145	45,828
NEW NORTH 5/	87,009	17,224	35,027	39,929	39,087	25,430	62,849	31,676	45,879
TOTALS	369,737	122,360	163,230	194,070	219,006	133,484	253,361	193,613	225,599
CORRECTION 6/ FOR ERROR IN OFFICIAL TABLES	-	-	+ 580	-	-	1	+191	-	-10
OFFICIAL TOTALS	369,737	122,360	163,810	194,070	219,006	133,483	253,552	193,613	225,589
BLANK VOTES		15,946			161,261			18,949	
VOID VOTES		21,756			15,189			31,827	
GRAND TOTAL VOTES CAST		723,609			723,609			723,530	7/

SOURCE: FINAL BULLETIN (N° 20) OF THE PARANÁ REGIONAL ELECTORAL TRIBUNAL, DATED OCTOBER 3, 1960

FOOTNOTES ON FOLLOWING PAGE.

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TABLE I

STATISTICAL SUMMARY OF ELECTION RESULTS IN PARANÁ
OCTOBER 3, 1960

Votes cast for President:

Capital-electorate....	124.818-voters.....	110.729....	Abstention:	14.089
Interior-electorate...	760.600-voters.....	612.880.....	"	147.720
Total - electorate...	885.418-voters.....	723.609	"	161.809

Votes cast for Governor;

Capital-electorate....	124.818-voters.....	110.712...	Abstention:	14.105
Interior-electorate...	760.600-voters.....	612.818	"	147.783
Total - electorate...	885.418-voters....	723.530		161.888

(The difference of 79 voters less for gubernatorial elections is due to the fact that these voters (military personnel not present at their domicile) cast votes for president and vice president only).

VOTING PRESIDENT:	Capital	Interior	Total
Jânio Quadros	59.582	310.155	369.737
Adhemar de Barros	24.770	139.040	163.810
Marechal Henrique Lott	21.150	101.210	122.360
Blank Votes	2.944	43.002	45.946
Void Votes	2.283	19.473	21.756
Voters	110.729	612.880	723.609

VICE PRESIDENT			
João Goulart	32.306	186.700	219.006
Milton Campos	35.871	158.799	194.670
Fernando Ferrari	32.076	101.407	133.483
Blank votes	8.409	152.852	161.261
Void votes	2.067	13.122	15.189
Voters	110.729	612.880	723.609

GOVERNOR			
MEY BRAGA.....(elected)	45.586	207.966	253.552
NELSON MACULAN	31.292	224.297	225.589
PLINIO F.F. DA COSTA	30.473	163.140	193.613
Blank votes	1.236	17.713	18.949
Void votes	2.126	29.701	31.827
Voters	110.713	612.817	723.530

Capital	555
Interior	3.340
total	3.895

(For 85 electoral districts, including 4 in the Capital and 81 in the interior of the state; 162 counties)

SOURCE: Final Bulletin (n°20) of the Paraná Regional Electoral Tribunal, dated Nov. 3, 1960.

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level government) may well be past in Santa Catarina. CONF.

Relations with Federal Government. In perversity Santa Catarina will continue to have a government nominally opposite to that of the federal government for the next five years. Since Jânio QUADROS is not a "party man", this may not involve the same drawbacks as were involved in the past five years of UDN opposition to President Kubitschek. But it is possible that Santa Catarina may continue in at least semi-isolation politically speaking. This could aggravate state financial problems, and could keep state economic development in a low gear. L.O.U.

Problems to be Solved. Santa Catarina's principal problems are economic. The state must: (1) expand power output at least three times; (2) construct east-west roads linking the interior with the coast; (3) improve highway communications between the northeast and São Paulo; and (4) resolve the problem of what to do with excess steam coal. UNCL.

Outlook. State-federal relations, discussed above, may put a drag on solutions to the problems. Further, these challenges can be successfully met only if the state breaks out of its geographical isolation. In effect this means that Parana will have to resolve some of its problems (as the connecting link between Santa Catarina and São Paulo) before Santa Catarina can hope to get very far along itself. UNCL.

Attitudes Toward the United States. Santa Catarina politicians, people and industrialists are all oriented strictly toward their own state problems and rarely think in terms of foreign countries, foreign companies or foreign aid. Since basic outlooks are conservative, thinking is compatible with United States interests. This "introspection" in Santa Catarina is very different from the Parana situation where the elected governor plans to promote state development from every resource available, including foreign investment capital (private) and foreign government aids (if possible), as well as national and federal resources. L. O. U.

Edward M. Rowell
American Consul

Enclosures: as above.
1. Paraná Election Statistics.
2. Santa Catarina Election Statistics.

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Besides the "Banco INCO" scandal, the PSD-PTB also capitalized on the fact that the incumbent government had failed to produce badly needed public works (roads, power plants), as a result of which the state economy was stagnating. UNCL.

B. Significance of Election Results.

Position of PTB Dissidents. The dissident PTB politicians[1/] are demoralized, and probably will be expunged from the national PTB. Except for Paulo BURIGO, all of the dissident PTB leaders are using their last few weeks of influence as allies of UDN government to milk the state treasury. This is a sign of political despair. In wrecking their own political fortunes, these leaders have also harmed many of the anti-Goulart and anti-Brizzola elements of the Santa Catarina PTB. CONF.

Regular PTB and Doutel de Andrade. By defeating the dissident PTB forces, his principal rivals, Doutel de ANDRADE has consolidated his own position as state regional party president. Based on its core of power in southeast Santa Catarina, the PTB may have growing influence in the state. L.O.U.

The Winners and "Nationalism". Nationalism was a low-key issue in the Santa Catarina campaign where most of the emphasis was on local problems (public works, "Banco INCO" case, teachers' and public employees' salaries). Since Doutel de Andrade is fairly closely associated with the Goulart factions of the national PTB, if the national party tries to use the "nationalism" shibboleth to advance its own ends, problems related to hyper-nationalism may be injected into the Santa Catarina scene. L.O.U.

C. The Celso Ramos Government.

The Governor and His Government. We have no new information to add regarding Celso RAMOS besides what has already been previously reported (D-3, 7/12/60). Since Celso's victory was partly due to UDN failure to promote massive public works and to raise public employees' pay, Celso can be expected to be much more open handed on these items. Further, Doutel de Andrade's PTB influence will push the government in the same direction, and Celso will not be allowed to forget that without Doutel's PTB, he (Celso) probably would have lost the election. The years of "fiscal responsibility" (and low-level

1/ The dissident leaders are: State Deputies Paulo BURIGO and Braz ALVES; Senator Saulo RAMOS (Close relative of governor-elect Celso RAMOS); and defeated Vice Gubernatorial Candidate Carlos Gomes de OLIVEIRA (Irineu BORNHAUSEN's running mate)

0265

United States working shoulder-to-shoulder. But he would be one of the first to react against the United States if he were to become convinced that American policies (either of the government or of private firms) were shaped in such a way as to forever keep Brazil a junior partner. CONF.

IV ANALYSIS OF SANTA CATARINA ELECTION RESULTS

A. Main Factors in Election Result.

General. Two influences evident throughout Brazil also affected the voting in Santa Catarina. They were: (1) resentment of inflation, and (2) an urge to change governments. UNCL.

In addition, in spite of the fact that more than 90% of the registered electors voted, it appears that party machine influences also were very important. Regional results followed the previously reported pattern of general party strengths, except that the PSD-PTB combination, fighting in opposition to the incumbent UDN, was just able to pick up enough votes from dissatisfied people to win the election. UNCL.

Finally, interest in the election was concentrated on the gubernatorial rather than the presidential campaign. This further explains why the presidential race was so much closer than the gubernatorial race, and why UDN adherents in northeastern Santa Catarina who voted against Bornhausen still voted for Jânio Quadros. OUO.

Special Factors Applying Only to Presidential & Vice Presidential Vote. The main factors affecting the vote for national offices were those outlined in Curitiba D-2 (7/12/60)(party vote, lack of enthusiasm, "vote-against" trends). Jânio barely won, riding the "vote-against" boom which helped defeat fellow UDN-partisan, incumbent Senator Irineu Bornhausen, and which elected PSD candidate Celso Ramos for governor instead. UNCL.

Special Factors Affecting Vote for State Officers. The Santa Catarina gubernatorial and vice gubernatorial race was tight all the way. Although the UDN forces long led, apparently profiting from a slight split in the PTB, in the last six weeks of campaigning a political "bombshell" sank the Bornhausen forces. The "bombshell" was rumored scandal in Bornhausen's "Banco INCO" (See enclosure to Rio de Janeiro D-222, 9/14/60), a private institution which the state used as its own bank. Impugnment of Bornhausen's reputation hit him worst in the industrial northeast which was the area on which the UDN had counted to swing the election in its favor. O.U.O.

Compounding the UDN's troubles, all their efforts to magnify dissensions in the PTB were fruitless, and the PTB-controlled southeast coal mining district was delivered intact to the PTB-PSD coalition. O.U.O.

Besides

0264

provided they meet these qualifications, and it is expected that many of Ney's appointments will be made on the advice of Newton CARNEIRO, UDN Federal Deputy, President of the Parana UDN, and son of an old, traditional Parana family of great education. CONF.

Relations with São Paulo and the Federal Government. Ney is a close friend of Carvalho Pinto, and through Carvalho has fairly easy access to Jânio. Further, Ney campaigned hard for Jânio in Parana. To the extent that Jânio is cooperative with any of the state governments, Ney can expect to receive his full share of federal help in solving state problems. He will need this help to clean up the mess left by the present government. If he is successful, his national stature will be enhanced. L.O.U.

Problems to be Coped With. Ney will inherit a hatful of headaches which are being compounded by the last, hopelessly corrupt and dishonest gasps of the Lupion government. The state budget must be balanced. The state bank must be returned to solvency. Electric power must be developed and furnished. Critical roads (Apucarana-Ponta Grossa, Curitiba-Paranagua) must be completed and paved. Inter-urban tele-communications must be improved. The Port of Paranagua must be improved. Facilities for free public education must be expanded and improved. CONF.

Outlook. Because of its importance as a coffee producer, Paraná is basically a wealthy state. Although there will be a period of belt tightening in the beginning, Ney should be able to solve the state's financial problems, and with state funds alone begin to complete some of the major public works which have been hanging fire under Lupion. Federal help, which he can reasonably expect, will accelerate this process. To push through his programs, Ney can be expected to rely to the maximum on conservative mechanisms and private enterprise (there already has been talk of construction of toll highways, built and operated by private firms under government regulation). But he will not hesitate to use government interference (expropriation with just compensation) if he thinks it necessary. LCU.

As highway communications between São Paulo and south Brazil are improved; as more electric energy is furnished to Parana; and as Parana begins to take an increasing share in the direction of great national autarkies (IBC, Mate Institute, etc.), the state is bound to grow in national importance, and Ney with it. O.U.O.

Attitudes Toward the United States. Ney Braga is friendly toward the United States and its representatives, both private and official. He has many old military comrades who are also strong supporters of close U.S.-Brazilian relations. But Ney is also convinced of the greatness of Brazil, and of the fact that Brazil will soon be a major world power. He is deeply imbued with American democratic philosophies, and would be delighted to see Brazil and the United

0263

Meysés LUPION's status as head of the Paraná PSD is in question. Hottest contenders for the throne are Alfredo PINHEIRO, Jr. (Police Chief), and João RIBEIRO, Jr., (Secretary of Agriculture, later Finance). Both are good friends, and both have moved cleverly to dissociate themselves from Lupion's excesses. Old-time dissident ACCIOLY Filho has a poor chance of assuming party control in opposition to PINHEIRO and RIBEIRO (See Curitiba D-35, 2/16/60). Unless Lupion can get himself elected senator in 1962 (appears very dubious at present), he will probably disappear as a party leader in Parana. CONF.

In spite of proof that they are beaten when divided, the PSD and PTB show no signs of patching up their old differences. On the contrary, the present national scene may aggravate those differences. Local politicians believe that Braga's government will have no trouble with the state legislature, even though the UDN-PL-PDC have less than one third of its members. The governor of Parana is in a good position to exploit party divisions in the Legislative Assembly, and such exploitation could reinforce those divisions. CONF.

C. The Ney Braga Government.

The Governor. Judging by his past performance as state police chief and mayor of Curitiba, Ney can be expected to show the following personal characteristics in running his government: (1) disposition to listen to technical advice; (2) resistance to purely political demagoguery; (3) decision making of his own (after listening to advisors), and then courageous enforcement of that decision; (4) firmness in his actions once he has elected a course of action; (5) decisions on the basis of his own concepts of what is good for the state. L.O.U.

Ney has growing ambitions for a national political career, and at this point he believes that a successful tour as Parana governor is the best way to achieve those ambitions. Ney is conservative at heart and strongly anti-communist but, like Jânio, he may be willing to use any help he can get (including leftist) to push through his programs. Ney's long career in the Army, including advanced training at all of the senior Brazilian staff schools, have endowed him with a forceful personality and a sense of command and leadership which make him relatively resistant to the political importunings and dishonesties which plagued the Lupion government. CONF.

The Government. So far, Ney has announced only one appointment: Maximo KOPP, Honorary Austrian Consul, to be president of the State Bank. Kopp is a conservative businessman, successful, intelligent, extremely honest, who has had a friendly, close and profitable relationship with the Borden Company for the past ten years. Kopp's appointment follows the pattern of appointments Ney made as mayor of Curitiba: highly qualified, technically competent individuals who are generally honest. Ney has no objections to appointing politicians, provided

0262

from businesses in southeast Paraná, Ney's campaign was run on a shoe-string in comparison with his PTB and PSD competitors. It is also interesting that most Parana public employees voted for Maculan or Costa because they feared Braga's probably reforms in government. L.O.U.

Nelson Maculan was damaged by the fact that at one point or another in the campaign, every corrupt or disreputable politician in Parana (including those from the PSD and UDN as well as the PTB) rallied to his banner. Those who distrust the corruption of the past ten years, had to distrust Maculan. The quietus to Maculan's candidacy may have been the open support of the communist party (Luiz Carlos PRESTES) in the final four weeks before election. The PSD made a great deal of this support. CONF.

Plínio Costa was lost in the mire of the party which nominated him. In spite of Plinio's good personal reputation, few people trusted his party (PSD) except the party hacks themselves. L.O.U.

B. Significance of Vote in Paraná.

A Fundamental Change. Ney Braga's election demonstrates that, given a fair chance (in this case the split of dominant political organizations), a determined campaign by a well-reputed politician without major party support can win. The fact that many middle and upper class individuals gave their extensive personal services to Braga's campaign without any hope of or desire for personal reward implies the growth of new and healthy political attitudes. O.U.O.

Nationalism and Communists. All parties and persons espoused some "nationallstic" slogans, so the election told almost nothing about nationalist sentiments. "Nationalism" in fact was not an issue. However, candidates supported by "Red" nationalists (Lott, Goulart) did not do very well.* And the successful gubernatorial candidate was one of the least outspoken on "nationalist"problems. On balance, though, the fact that "Hyper-nationalism" was not a main election determinant must not be interpreted as meaning that nationalism is unimportent in determining local attitudes towards foreign relations and foreign companies. CONF.

Realignment of Politicians and Parties. The election was a complete defeat for all of the major dissident politicians (except Accioly Filho) of the PSD, PTB and UDN in Parana. How or whether the dissidents can keep their political fortunes alive remains to be seen. The best chance for UDN or PSD dissidents would be to join the PTB, since the Parana PTB is practically headless.

Meysés

0261

Sensing these trends, both of the opposition gubernatorial candidates (PTB and UDN-PDC-PL) supported Jânio, hoping to receive his blessing. (Jânio carefully avoided committing himself to either Braga or Maculan). This undoubtedly helped Jânio. Even the PSD finally stopped being so blatant about the support of Lott in a last-minute effort to save its candidates. UNCL.

In view of all this, it may seem strange that Jânio won only 51.4% of the vote. However, this was 12.2 percentage points more than Lott and Adhemar de Barros polled together. Further, although the two main party machines (PSD and PTB) finally allowed their constituents to vote for whom they please (i.e., the parties did not try to force members to vote for Lott), they made no special campaign for Quadros. The only party organization which pressed for Quadros was the UDN, and some smaller parties (PDC, PL). O.U.O.

The picture was also complicated by Adhemar's candidacy. No responsible politicians in Parana took Adhemar seriously, yet he polled 22.3% of the vote, more than Lott who got 16.9%. (9.3% of the vote was blank or void). It appears that a vote for Adhemar was a vote against Lott by persons who either had personal affinity for Adhemar or at least were not particularly enamored of Jânio. O.U.O.

Special Factors Affecting Vice Presidential Result. João Goulart's winning margin was surprisingly thin. The general factors enumerated above militated against Goulart, since the parties which supported him (PTB, PSD) are those notoriously responsible for existing corruption and inflation. Significantly, about 20% of the Parana electorate refused to vote for anyone for vice president. These were probably people who couldn't stomach Goulart, and who wouldn't vote for either Ferrari or Campos. CONF.

Milton Campos and Fernando Ferrari did better than had been expected, especially Campos. Campos was unquestionably helped by Jânio's success (UDN running mate), and by Ney Braga's success. It also is likely that Ferrari's votes were taken mostly from Campos. UNCL.

Special Factors Affecting Gubernatorial Election. The bitter conflict between the state PSD and PTB machines in Parana was probably the single most important element leading to Braga's election. Braga also had some other, more positive advantages: (1) he spent two years campaigning (neither of his opponents spent more than 10 months); (2) he had a substantial middle and upper class following which was willing to button-hole voters on the streets, talk to voters in their homes, and which provided a fleet of privately-owned vehicles to take voters to the polls on election day; (3) as an individual he seemed to fit implicit voter demands for a "reform" candidate; (4) he was strongly supported by most of the Parana clergy throughout the campaign; and (5) he received substantial support from Jânio's São Paulo protegé, Carvalho Pinto. In spite of large campaign contributions from

0260

Celso Ramos is more the old-fashioned politician. Though he has close ties with Santa Catarina industry, he must give political recognition to Doutel de Andrade's PTB which is allied with the Goulart factions nationally, and he is pledged to major public works and welfare programs. Therefore, Santa Catarina is expected to have a spendthrift government with an unbalanced budget. The money spent on public works will go directly into the pockets of local industries, as well as benefitting them indirectly. L.O.U.

II ELECTION RESULTS

Enclosure 1 presents tables of the actual election results in Parana and Santa Catarina. In Parana Ney BRAGA was elected governor with about 37% of the votes, Janio Quadros received about 51% of the vote for president, and João Goulart won by a plurality with about 30.3% of the vote for Vice President. In Santa Catarina Celso Ramos was elected governmr with 51% of the vote (his opponent had 45%, the remaining 4% being either blank or void), Janio Quadros won by the razor-thin margin of 226,270 to 221,813, and Goulart won a 44.8% plurality. UNCL.

III ANALYSIS OF PARANÁ RESULTS

A. Main Factors in Election

General. Three general themes seemed to dominate the election: (1) the suffering caused by inflation; (2) disgust with corruption in the incumbent government; and (3) a feeling that it is time to change governments. Those trends have been clearly evident since the 1958 gubernatorial election in Pernambuco, and the 1959 municipal elections in Parana. Such opposition sentiments gained greater political importance through the introduction of the "Australian-type" secret ballot in 1958. L.O.U.

Special Factors Affecting Presidential Vote. Important special factors affecting the presidential vote in Parana were discussed in Curitiba D-35 (2/16/60). In sum they were: (1) discontent with federal coffee credit policies for both growers and brokers; (2) discontent with federal (IBC) policies which strangled coffee exports from Paranagua; (3) distrust of Marshal Lott after his destruction of the 1958 "Marcha da Producão"; (4) admiration for the efficient administration and advanced agricultural credit policies of São Paulo and the governments there of Janio Quadros and his protegé, Carvalho Pinto. UNCL.

In addition, it later became evident that Marshal Lott had poor "presence", and his appearances in Parana were detrimental to him. Janio Quadros' few appearances had an opposite effect. O.U.O.

Sensing

0259

I SUMMARY

Dominant factors in the Santa Catarina and Paraná elections were: (1) disgust with corruption and inefficiencies in incumbent governments, (2) reaction against galloping inflation, and (3) an unspoken sentiment that it was time to change governments. Enclosures 1 and 2 contain the election statistics. OUO.

Election of the PSD&PTB slate in Santa Catarina underlined the growing importance of Doutel de Andrade's PTB organization, strengthened Doutel's control of the State PTB, and eliminated Doutel's chief rivals who were PTB dissidents. O.U.O.

Election of Ney Braga in Paraná was possible because of the bitter conflict between the PSD and PTB party machines. Ney did have strong clergy support, and had waged a long two year campaign. Most significant of Ney's campaign forces were the hundreds of middle and upper class people who got out, rang doorbells, buttonholed voters, and used their own personal vehicles to take voters to the polls. These people herald a new era of healthy political consciousness. OUO.

In both states nationalism was espoused by all parties, so the vote reveals little about underlying nationalist sentiments, and consequently little about local attitudes regarding the United States, American firms and Brazil's foreign relations. O.U.O.

Both new state governments have serious public works problems to cope with. In Parana (basically a wealthy state because of coffee) this is due to corruption in the outgoing government. In Santa Catarina it is because of a narrow view of absolute fiscal responsibility which did not permit adequate use of state funds for needed development projects. The Parana government can expect help from the federal government in meeting its problems because Ney campaigned for Janio, and because Ney is a close personal friend of São Paulo's Carvalho Pinto. But Santa Catarina, having zigged when the rest of the nation zagged, is still of the wrong party and may continue in the same political isolation it has suffered for the past five years. OUO.

Ney Braga is used to command, used to making his own decisions after asking competent technical advice, and can be courageous in pursuing politically unpopular courses. He is expected to choose a cabinet first on the basis of technical competence, and secondarily for political reasons. Though he is conservative and would prefer to use mechanisms of private enterprise and private financing for as much local development as possible, Ney will not hesitate to interfere in the private economy if he thinks the commonweal requires it. L.O.U.

Celso

0258

TABLE OF CONTENTS
(continued)

(Page)

IV ANALYSIS OF SANTA CATARINA RESULTS 9

A. Main Factors in Election 9

General 9
Presidential and Vice Presidential Vote 9
Vote for State Officers 9

B. Significance of Election Results 10

Position of PTB Dissidents 10
Regular PTB and Doutel de ANDRADE 10
The Winners and "Nationalism" 10

C. The Celso RAMOS Government 10

The Governor and His Government 10
Relations with Federal Government 11
Problems 11
Outlook 11
Attitudes Toward United States 11

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DEPARTMENT OF STATE
INTER-AMERICAN AFFAIRS
DEC 29 1960
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TABLE OF CONTENTS

Section		Page
I	SUMMARY	3
II	ELECTION RESULTS	4
III	ANALYSIS OF PARANÁ RESULTS	4
	A. Main Factors in Election	4
	General	4
	Presidential Vote	4
	Vice Presidential Result	5
	Gubernatorial Election	6
	B. Significance of Paraná Election	6
	A Fundamental Change	6
	Nationalism and Communists	6
	Realignment of Politicians & Parties	6
	C. The Ney BRAGA Government	7
	The Governor	7
	The Government	7
	Relations With Federal Government	8
	Problems	8
	Outlook	8
	Attitudes Toward United States	8
IV		

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In light developments since election Quadros including his present travel and attitudes, Department desires on urgent basis despatch updating pertinent material included in despatch 104.

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0252

temperements are hot too and nobody (government nor opposition) admits that the protocol could be reconsidered, or sent to the UN or to the OAS"... "In Colombia, Communist infiltration is serious indeed and anti-Brazilian propaganda is circulated openly"... "In Mexico, revolutionary movements are expected to be synchronized with Peruvian and Colombian ones"... "In Argentina, there is reason to believe that the 24-hour strike, organized to celebrate the anniversary of the Bolshevik revolution, for the first time was supported by Communists, Peronistas and Democrats"... "It is from Bolivia, though, that apparently come the worst complications: after Brazil's Congress decided that an agreement on Bolivian oil ("Notas Reversais") should be reexamined, anti-Brazilian slogans were sounded.

10. Foreign Capital (Unclassified)

Diario de S.Paulo, in an editorial about foreign capital, says "it is childish and unpatriotic to fear foreign capital. If Brazil in the past felt no threat from foreign investment, (Brazil) should feel less now, when times have changed and -- at least in the Western, democratic world -- any people, no matter how weak, can make its voice heard, and can defend its interests, without risk to its sovereignty."

11. Integration in the U.S. (Unclassified)

O Estado de S.Paulo stated: "No one causes more harm to the United States than those who oppose integration, and adopt a "Remember Little Rock" slogan - the same slogan Communist propaganda uses in Africa and Asia. Those groups "should be condemned as the authentic Communist fifth-column for their un-American activities." The editorialist expressed hopes that the new administration will increase the speed of integration -- for the good of the United States.

Miscellaneous

12. List of Substantive Despatches

195 Complimentary Subscriptions to International Elections
196 Visit to São Paulo of Mr. Marcus Daly, head of ICEM Inter-Government Committee on European Migration
197 Proposed Bolivian Coup
198 Bi-Weekly Economic Review
199 Annual Statistical Survey of Textile Mill Products (except synthetic apparel and fibers) Brazil Calendar 56, 57 and 58
200 Santos Weekly Report
201 Opposition to Proposed Fund for Financing Sales of Automotive Vehicles and Tractors
203 São Paulo Weekly Summary No. 73

William P. Cochran, Jr.
Consul General

0251

payments over six consecutive days, and to pay the workers' wages for the days lost during the strike.

Agreements have also been reached in the textile and glass industries granting wage increases of 37%. The pot continues to boil, however, and the everpresent Communists continue to beat the drums for strikes of bank clerks, dairy workers, chemical workers and railroad workers on the Sorocabana and Paulista railroads.

COMMENT: (Confidential) Worker discontent with the sharp and unchecked rise in the cost of living, combined with constant Communist Party agitation, is the cause of these strikes. Unfortunately workers in the aforementioned industries are represented by unions under considerable Communist Party influence. However, the agreements reached in the glass and textile industries, which are also under Communist influence, should help in heading off further labor trouble.

Psychological

8. Cuba and the United States Naval Patrol (Unclassified)

O Estado de S.Paulo, in an editorial about Brazilian politics, warns about excesses by Brazilian political parties: "We already have in this Hemisphere a living example of what came from those mistakes. Remember Cuba. It was Batista and electoral frauds that paved the way for the Fidels and Guevaras that today transformed the island in a branch of Moscow. We must avoid allowing Brazil to become another Cuba." Correio Paulistano stated "Fidel Castro is the most dangerous adventurer Latin America ever produced." The same paper carried a signed article by its publisher, João de Scantimburgo, stating: "The ideological struggle (between West and East) has moved to the Latin American republics. It was natural, therefore, that the United States should answer a request by Nicaragua and Guatemala." O Diario de S.Paulo concluded: "The American Navy defends, against foreign agitators, the sovereignty of those two nations". Barreto Filho, in the same paper, adds: "Washington does not necessarily believe in the invasion threat at this time. But things can change in the future. And any way, this message of naval alertness in the Caribbean may give a hint to Russian submarines." The moral correctness of Eisenhower's decision cannot be questioned: "There is no doubt," says O Estado de S.Paulo, "that the U.S. had a right to give the assistance requested by the two friendly nations. Especially because this assistance cannot be considered an intervention, but on the contrary, it was adopted to avoid interventions."

9. Brazil and Latin America (Unclassified)

A well-known Brazilian reporter, Helio Fernandes, concluded in a Correio Paulistano article that there is an organized campaign against Brazil in Latin America, and offers as proof: "In Equador, public opinion is being mobilized to be hostile to Brazil. Reason: Rio's protocol, signed between Peru and Equador, and warranted by Brazil, United States, Chile and Argentina"... "In Peru,



COMMENT: It is noteworthy, but not surprising, that a brother of mayor Adhemar de Barros was elected president. This fact will doubtlessly aid mayor Adhemar in exercising firm control over the directorate. The election of a new municipal directorate is a preliminary step preceding the São Paulo municipal convention. Initially, the PSP convention was scheduled to meet in September, but it has since been postponed from time to time, reportedly, to avoid a commitment and to preserve its freedom of action pending the outcome of governor Carvalho Pinto's attempt to find a "unity" candidate among the opposition forces. The PSP municipal convention is now scheduled to meet in December.

6. Census Indications in São Paulo (Official Use Only)

Additional, but still incomplete census figures released this past week by the federal Instituto Brasileiro de Geografia e Estatistica (IBGE), indicate that the population of the state of São Paulo is now about 12 million; that of the capital city about 3.85 million. Olavo Batista Filho, an IBGE official, pointed out that the population of the capital city had increased 75% since the census of 1950. The rapid growth of peripheral areas such as Santo Amaro, Tucuruvi, and Pirituba, he said, had greatly contributed to the growth of the capital. He noted that the increase in some of the outlying areas of the capital ran as high as 200% over 1950 census figures. Ten years ago the capital city had 2,198,000 inhabitants, Olavo Batista Filho said. He added that the population of the state had increased about 50% during the last decade. Rapid growth was also indicated in the so-called ABC industrial area adjoining São Paulo, the municipios of Santo André, São Bernardo do Campo, and São Caetano, which were reported to have a total of about 500 thousand inhabitants.

COMMENT: The above figures provide further evidence, as this post reported earlier (see São Paulo despatch 189, November 8, 1960), that both the state of São Paulo and the capital city have had a remarkable growth during the 1950-1960 period. As has been pointed out, however (see despatch 148), part of this increase results from the census authorities' earlier under-estimation of the population of the state by 30 to 40%.

Labor

7. Labor Unrest Slackening (Confidential)

The wave of strikes sweeping the state of São Paulo somewhat abated during the past week. Packing house workers returned to work after a strike of 48 hours when the Regional Labor Court handed down a wage award granting them a 40% increase. Bus drivers employed by privately owned bus lines also accepted a similar wage award and returned to work after a 24 hour walkout. At the week's end streetcar workers decided to return to work after a six day strike which completely halted all streetcar service in the capital city. The streetcar workers were striking over non-payment o f back wages. The employer, the corruption-ridden CMTC, city-owned streetcar line, pleaded inability to pay. The issue was temporarily resolved when the company agreed to pay the wages in arrears in parcel

0249

despatch 50, August 10, 1960), received considerable impetus this past week. The president, who visited Anápolis and Goiania to inaugurate the paving of the road connecting the two cities, was asked to accept the nomination by spokesmen of the PSD-PTB, who have an effective political machine (their strength was increased during the election in October when they elected Mauro Borges Teixeira governor), and by party leaders of the UDN opposition. As this post reported earlier, Kubitschek's nomination would be made possible by the resignation of one of the present incumbents, senator Taciano Gomes de Melo, and his subsequent appointment to the Tribunal of Accounts (see despatch 50). Goiás federal deputy Celestino Filho stated that the president was a "godsend to the Goianos"; that the president should "continue to enrich public life" after he leaves the presidency. The deputy praised the president for the federal works undertaken in Goiás during his term of office; he indicated that Kubitschek's nomination for the senate would be supported by all political parties. Speaking for the opposition, Senator Coimbra Bueno, president of the UDN in Goiás, declared that Kubitschek's nomination would not have a "party character". The opposition leader added that the proposal to nominate Kubitschek comes from "the heart of the Goiano people". Meanwhile, law students at the Faculty of Law of the University of Goiás suggested that Nelson Hungria, president of the national Superior Election Tribunal, be nominated for the senate as Kubitschek's alternate.

COMMENT: (Confidential) This would seem to provide a ready made opportunity for President Kubitschek to remain active in the national political arena after he leaves the presidency should he choose to do so. His election would appear to be assured. The prestige of the state would be enhanced; the people of Goiás would doubtless benefit from the federal public works and largesse which Kubitschek might obtain for the state. This fact, in part at least, has probably influenced political leaders to support Kubitschek, for none of the political parties would wish to be placed in the position where they could be accused, in future elections, of opposing "progress".

5. PSP Elects New Municipal Directorate (Official Use Only)

The PSP, at a municipal convention held in São Paulo during this past week, elected a new municipal directorate for the capital city. The new directorate elected by acclamation, is headed by president Antonio Emidio de Barros Filho, brother of the incumbent mayor. The present vice-mayor and mayoralty aspirant, Camtidio Sampaio, was elected first vice-president; João Acioli, councilman Italo Fitipaldi, and Nevio Beni were elected second, third, and fourth vice-presidents respectively. João de Luca, Renato Macedo, and Aurelino de Andrade, were elected secretary-general, first and second undersecretary respectively; while Francisco Lopes was chosen as general treasurer, assisted by Helio Mandoga and Atilio Peppe, first and second treasurer respectively. Americo Marco Antonio was elected first attorney; the mayor's son-in-law, councilman Manuel de Figueiredo Ferraz, was chosen for the position of second attorney. Seven directors were also elected.

0248

is not going to participate actively in the forthcoming mayoralty contest because he will not personally benefit to any extent.

3. Força Publica Crisis Subsides (Official Use Only)

The crisis in the São Paulo Força Publica (state military police, see São Paulo despatch 194, November 16, 1960), tended to diminish toward the end of the past week after a number of protest meetings had been held by members of the corps, their wives and mothers. The subject was debated in the state Legislative Assembly; a commission was appointed to discuss the matter with the governor. On November 17 members of the Força Publica voted to refrain from any further action pending examination by the authorities of their claims, i.e. (1) a salary increase of 60% (2) the release of the Força Publica officers who had been arrested (see despatch 194), and (3) that nothing be entered in the respective personnel jacket of those involved in the affair. Meanwhile, the governor declared that the state could not afford to increase salaries beyond the 30% that he was recommending to the state Legislative Assembly. In connection with state salaries, the governor noted on the first anniversary of the Plan of Action this week, that the total salaries of state military forces and civil servants after the 30% increase will amount to 54 billion cruzeiros, a sum exceeding the entire budget of any other state. The governor stated that he could not promise amnesty for the officers that had been arrested. He said this was a matter that could only be discussed after the conclusion of a military inquiry, which would require about 30 days.

COMMENT: (Confidential) The crisis in the São Paulo Força Publica, which the Communist Party of Brazil (PCB) has reportedly actively supported, leaves the state authorities practically dependent upon the Brazilian II Army (stationed in São Paulo). The Força Publica at present is not an effective force and the state authorities cannot rely upon it for any action which might become necessary in connection with the current wave of strikes underway and threatened in the state. This situation has served to bring governor Carvalho Pinto into a close working arrangement with general Stenio Caio de Albuquerque Lima, Commandant of the II Army and with his Chief of Staff, general Altair Franco Ferreira, who is now commanding the Força Publica. It would appear that the state authorities will have to concede an increase in salaries greater than the proposed 30%, which is less than the increases recently granted labor in São Paulo (see Item 7). A military court of inquiry will apparently be given the difficult job of (1) sustaining the authority of the governor, (2) placating the corps sufficiently so that it is not completely demoralized. A "straw in the wind" is perhaps indicated by general Franco Ferreira's remark that "the problem is more economic and financial than military".

4. Kubitschek Endorsed for Senator in Goiás (Official Use Only)

The recent movement to elect President Juscelino Kubitschek senator from the state of Goiás after he relinquishes the nation's highest office (see São Paulo

0247

of the city. Arruda Sampaio later stated in his strongest statement to date, that he would be a candidate, if in so doing he provided a solution to the problem for pro-administration forces. Ironically, Fauze Carlos, brother of Emilio, and the state Secretary of Health, was having lunch with a party at another table in the same restaurant that the governor and Arruda Sampaio had chosen. Meanwhile, Emilio Carlos began his campaign in Vila Maria, where Janio Quadros started his political career. Emilio Carlos' campaign was being aided by janista committees.

In the PSP camp, Mayor Adhemar de Barros gave fulsome endorsement to the candidacy of vice-mayor Cantidio Sampaio, whom he termed the "moral candidate of the party". Federal PSP deputy, Mario Beni appeared to be exploring the possibilities of securing PSP-PTB-PSD support for his candidacy. He revealed that he had been seeking the support of national PSD president Amaral Peixoto, federal PSD deputy Ulisses Guimarães, and national PTB president, João Goulart.

COMMENT: (Confidential) Despite the rebuff of Emilio Carlos by the governor this past week the PTB has not given up hope of securing the governor's endorsement. Emilio Carlos' action in throwing down the gauntlet to the governor would seem to reenforce the suspicion that Emilio Carlos is going to make a fight for the mayoralty even if he does not get the governor's support. Plinio de Arruda Sampaio, however, is reported to be the governor's private favorite, and his (Plinio's) remark this past week that he would be a candidate if it provided a pro-administration solution to the mayoralty contest would seem to be especially significant.

2. Mayor Adhemar Gives up Leave (Official Use Only)

São Paulo Mayor Adhemar de Barros, who two weeks ago left a request for one month's leave of absence from office, with PSP City Council leader Italo Fittipaldi, in order to attend a mayor's conference in Israel (see São Paulo despatch 194, November 16, 1960), hastily withdrew his request this week when UDN City Council president Marcos Melega stated that if he became acting mayor, he would dismiss all of the secretaries and open the doors of the city's departments to Commissions of Inquiry appointed by the City Council to investigate irregularities of the Adhemar administration. Melega would have become acting mayor by virtue of the resignation submitted by vice-mayor Cantidio Sampaio, who did not wish to become the acting head of the city because that would disqualify him from running for mayor in the election scheduled for March 1961. Cantidio Sampaio withdrew his resignation following a long conference with Adhemar on November 15. Adhemar was reported to have given no encouragement or satisfaction to Cantidio's mayoralty aspirations. He later declared that Cantidio was the "moral candidate of the party" (see Item 1), and that he would campaign for him "only in January or February". Adhemar subsequently declared that his colleagues would not permit him to take leave -- that it was a "rebellion of love".

COMMENT: (Confidential) Mayor Adhemar was obviously not going to permit an investigation of his administration. It is also becoming clear that Adhemar

0246

AIR POUCH
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FOREIGN SERVICE DESPATCH

FROM : Amconsgen, São Paulo

202
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

November 22, 1960
DATE

REF :

NOV 23 1960

For Dept. Use Only	ACTION REC'D	DEPT.
55	ARA-4	INFO Rm/R-2 INR-7 REP-1
	11/29	OTHER CIA-10 USIA-2 OSD-5 army-4 Navy-4 air-6 NSA-2 Comm LAB-6 HEW-5

SUBJECT: São Paulo Weekly Summary No. 73, Week Ending November 19, 1960

Index:

Political
1. São Paulo's Mayoralty Race
2. Mayor Adhemar Gives up Leave
3. Força Publica Crisis Subsides
4. Kubitschek Endorsed for Senator in Goiás
5. PSP Elects New Municipal Directorate
6. Census Indications in São Paulo

Labor
7. Labor Unrest Slackening

Psychological
8. Cuba and the United States Naval Patrol
9. Brazil and Latin America
10. Foreign Capital
11. Integration in the U.S.

Miscellaneous
12. List of Substantive Despatches

RMR File no action HH

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
DEC 5 1960

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Political

1. São Paulo's Mayoralty Race (Official Use Only)

São Paulo governor Carvalho Pinto, preoccupied with strikes in the state (see Item 7) and confronted with a crisis in the Força Publica (see Item 3), found little time to devote to his quest for a "unity" candidate for pro-administration forces. The highlight of the week as far as the mayoralty race was concerned, occurred when the governor cancelled a scheduled meeting with PTN national president Emilio Carlos. The governor, reportedly, was irritated by Emilio Carlos' statement made on November 15, the day before the appointed meeting, that "I am certain that the governor will not fail me, just as I have not failed him". The state Secretary of Public Works, Brigadier Faria Lima, was said to have unsuccessfully attempted to persuade the governor to consider the choice of Emilio Carlos as a "unity" candidate. The governor, however, in an action which would appear to have particular significance, inasmuch as he [illegible] on the same day that he had earlier intended to meet with Emilio Carlos, had lunch with Plinio de Arruda Sampaio, co-ordinator of his Plan of Action, in a restaurant in the downtown section of São Paulo. Following the luncheon the two men walked through the streets in the center

see last page/lfw
REPORTER

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0245

ARA:EST/B:[illegible]Wilson:lms
(Drafting Office and Officer)

(29)

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DEPARTMENT OF STATE

Memorandum of Conversation

732.00/11-2360

XR 611.32

DATE: November 23, 1960

SUBJECT: Relations with Future Government of Brazil

PARTICIPANTS: Sebastian Paes de Almeida, Finance Minister of Brazil
Carlos A. Bernardes, Chargé d'Affaires of Brazil

ARA - Mr. Mann
ARA - Mr. Pryce
EST/B - Mr. Wilson

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In a conversation pertaining to various subjects, Mr. Mann emphasized to the Finance Minister the importance which he (Mr. Mann) attaches to preparing ahead of time for the problems of mutual interest to the two Governments to be faced by the incoming administrations. He said it would be extremely helpful for appropriate representatives of the new administration in Brazil to come up for discussions with United States officials before February 1.

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200
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TO : THE DEPARTMENT OF STATE, WASHINGTON.
November 21, 1960
DATE

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INFO: DEPT. RMR-2 REP-1 INR-7 E-7 CIA-11 SCA-3
OTHER CIA-10 ARMY-4 NAVY-4 AIR-6 OSD-4
REC'D 11/26/60

SUBJECT: Santos Weekly Report NSA-2 USIA-10 CAB-6 COM-10 TR-3 FRB-3 KMB-4 FBI-1

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated November 18, 1960.

William P. Cochran, Jr.
Consul General

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
DEC 1 3 1960

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Enclosure:

Santos Weekly Report
dated November 18, 1960

cc: Amembassy, Rio

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0243

have taken upon themselves the task of voicing noisily and militantly the issues that separate East and West and in view of the current Fidel Castro controversy, it is not improbable that these students deemed the volleyball stadium an appropriate battlefield on which to attack and defend one of the parties to the controversy. Harder to explain was the evident prejudice some sports commentators displayed against the U.S. team.

Ambassador Herbert DITTMAN of the German Federal Republic called on the Governor, the Mayor, the president of the State Supreme Court of Justice, and on a number of other civil, military, and ecclesiastical authorities. He also visited the State Legislative Assembly and some neighboring cities. He was well received everywhere he went. Being here in an official visit, he was given a dinner and reception at the Government Palace.

In his press conference, the German Ambassador stated that trade between Brazil and West Germany was balanced and added that the volume of trade should continue to increase. Brazilian coffee exports to West Germany, he said, had increased by 20 percent last year. He informed the journalists that the signing of an agreement on technical aid between the two countries was imminent and that a joint committee was being set up to study ways and means of facilitating technical and financial cooperation. To a question regarding new German investments in Brazil, he replied that he had no knowledge of any new investments. Before concluding his press conference, he stressed his intention to promote an increase in the number and length of scholarships granted Brazilians to study in West Germany, saying that one year of study was insufficient.

The two-day visit of the Argentine Ambassador, Miguel Angel CÁRCANO, was of a non-official nature. He was the guest of the "Associated Dailies", the CHATEAUBRIAND chain of newspapers.

Jean Paul Sartre's and Simone de Beauvoir's visit was a brief one. They arrived on October 18, accompanied by the Communist Brazilian novelist Jorge AMADO and his wife, and departed the following day for Brasilia, after a tour of the city and a visit to three neighboring historical towns - Sabara, Ouro Preto, and Congonhas do Campo. They gave no press interview.

Edmund A. da Silveira
American Consul

Copy: Political Section, Embassy/Rio
through Counselor for Consular Affairs

0242

Castro by the School of Law students in which he was acquitted 7-0 of charges against his methods and policies concerning the execution of opponents and expropriation of private property. Other manifestations in favor of Castro have included the occasional painting of signs on public buildings and the distribution of pamphlets.

Comment: By and large the pro-Fidel demonstrations have been confined to a vocal but small number of students, have received little publicity, and have been condemned by the public authorities and the responsible press. Several university and high school groups have, in fact, taken the lead in active opposition to the pro-Fidel students by going to the press to give their views, collecting hundreds of signatures among students in support of their condemnation of pro-Fidel activities, and on at least one occasion by coming to body blows with the opposition.

So far the whole thing has not been taken very seriously and has not amounted to more than a storm in a tea pot. At one point, on October 24, the Fidel Castro controversy was brought to the City Council when one of the aldermen asked for a vote of solidarity with some high school students who were circulating a manifesto condemning the Goiania's Law School students invitation to Fidel Castro. An alderman responded to the effect that to provide an adequate water supply to the population of Belo Horizonte was the kind of problem that concerned the City Council.

3. Important Visits

This consular district received a number of important visits during the period under review, including: 1) volleyball teams in the latter part of October from several countries, among which were the United States and iron-curtain countries, for the preliminary games of the world championship; 2) the West German and Argentine Ambassadors in the middle of October; and 3) the French writers Jean Paul SARTRE and Simone de BEAUVOIR on September 18 and 19.

The countries represented in the volleyball world championship matches were, in addition to the United States and Brazil, the USSR, West Germany, Peru, Czechoslovakia, Poland, Romania, and France. Most of the countries had women's and men's teams.

Both U.S. teams gave a good account of themselves, although the men's team played by far the more professional game. What was worthy of note was the unfriendliness which the U.S. players met with on a large part of the audience and of some sports writers. The U.S. main exhibition match was between its men's team and the French. In the view of the reporting officer, who was present at this match, both teams played extremely well, the U.S. winning by a score of 3-2 with a difference of very few points in each game. There was mixed with the applause, however, an inordinate amount of booing, obviously directed at the U.S. players. Insofar as the reporting officer could see, most of the booing as well as the applause came from what appeared to be student groups. Since in Belo Horizonte it is chiefly the students who

0241

headquarters outside the country; 4) the serious threat posed by the U.S. Hanna Company project with respect to the operation of the Brazilian Vale do Rio Doce Company, both firms being interested in the mining and export of iron ore; 5) the harmful effect on the country's iron and steel industry caused by the export of manganese in view of the limited reserves of manganese; 6) the necessity to prohibit foreign banks from receiving deposits and foreign firms from operating in the fields of insurance and investment financing; and 7) the urgent need to eliminate the control exercised by international groups over Brazil's foreign trade, particularly in the milling industry and in the export of meat and coffee.

Comment: The fact that despite all-out nationalist support the movement failed at the polls, indicates, not that nationalism was opposed or repudiated, but rather that it was not an influential factor in the outcome of the elections. Virtually all candidates had a nationalist outlook. The only difference was that the nationalist movement as such was officially associated with the Lott ticket. It is interesting to note that the only candidates directly linked with the nationalist movement who won at the polls in the State of Minas Gerais, for Vice Governor and Senator, received considerably fewer votes than the number of blank votes cast for those offices. In fact, their victory may be attributed in large part to the circumstance that, the vast majority of the electorate having never displayed much interest in any of the candidates for those particular offices, both winners happened to have their names in first place on the ballot.

2. Pro-Fidel CASTRO Demonstrations Among Students

Since early September student groups in Belo Horizonte have been active in pro-Fidel Castro demonstrations. These demonstrations stemmed initially from an invitation the School of Law of Goiania, State of Goiás, sent to Fidel Castro to give the commencement address at that School. Although the invitation was allegedly accepted, it is very much doubted that it will be implemented.

The demonstrations in favor of Fidel Castro have revolved around a "Seminar on the Cuban Revolution" promoted by the student body government of the University of Minas Gerais. The seminar, which started on October 10 and has apparently ended, consisted of conferences on Cuba's political revolution, economic development, education and housing problems, and literature. As a rule, the lectures were followed by discussion from the audience.

One of the principal lecturers was a university student by the name of Arnaldo MOURTHÉ, who returned recently from Cuba which he visited at the invitation of that country's Government. He described the political and economic situation in Cuba in glowing terms, his account not differing markedly from that of Fidel Castro himself. He stressed the imperialistic attitude and policies of the United States and urged Latin America to support the Cuban revolution as embodying a cause common to all Latin American peoples.

As part of the seminar there was on November 1 a mock juri trial of Fidel

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FOREIGN SERVICE DESPATCH

FROM : AMERICAN CONSULATE, Belo Horizonte — DESP. NO. 11

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE November 18, 1960

REF Re:

P-3 E-5 B-1 Sy-2

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	Cna-4	RMR-2 INR-7 M/o-1 M/OP-1 ICA-11
	REC'D 11-28	OTHER Cna-10 USIA-10

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
NOV 28 1960

FRB-3 OCB-2

SUBJECT: Political Summary for September-October 1960

Table of Contents

1. Nationalist Convention
2. Pro-Fidel Castro Demonstrations Among Students
3. Important Visits

The central event for the period under review was the electoral upset of October 3 and its consequences which were reported on in the Consulate's despatch number 9 of November 3, 1960. The only other items of political interest were 1) the holding of the First Nationalist Convention in the State; 2) the reaction of student circles to an out-of-State college invitation to Fidel CASTRO to give the commencement address; and 3) a number of important visits.

1. Nationalist Convention

The First State Nationalist Convention was held in Belo Horizonte on September 6. The chief purpose of the Convention was to rally support around the candidacies of Marshal Teixeira LOTT for President, Jango GOULART for Vice President, and Tancredo NEVES for Governor, all of whom lost in the State. According to the final resolution approved by the Convention, the election of these candidates best served the patriotic objectives of the nationalist movement.

Among the political leaders and main speakers at the Convention were the Marshal's daughter, Edna LOTT; Minister of Education Clovis SALGADO, the winning candidate for Governor; San Tiago DANTAS, defeated Labor Party (PTB) candidate for Vice Governor; Dr. Celso MACHADO, the Secretary of Public Security; and Clodesmitd RIANNI, head of the State labor organization.

The Convention's final resolution embodied a great number of considerations none of which departed markedly from the [illegible] nationalist line. The following were the principal ones: 1) the danger of foreign participation in the orientation, organization, and implementation of the country's educational policies; 2) the unquestionable success of Petrobras as the institution through which the state exercises a monopoly in the petroleum industry; 3) the existence of pressure groups interested in the exploration of the petroleum industry by international firms or by groups subordinated to financial organizations with

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September 21 Pro-Castro demonstrations

732.00/11-1860

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8
194
São Paulo

Miscellaneous
13. List of Substantive Despatches

190 Visit of Export Bank Officials to São Paulo
191 Request for Information on Olincraft Pulp by U.S. Forest Service
192 New PDC Municipal Directorate
193 Photographs of Prominent Personalities
194 São Paulo Weekly Summary No. 72

William P. Cochran, Jr.
Consul General

Contributors:

Burton, Shea, Wyant, Randolph (Santos)

Distribution:

INS/RAR, Embassy Rio 3; Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife, Salvador, Santos.

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0237

Non-Communist São Paulo trade union leaders, including Luiz Menossi, president of the São Paulo state Trade Union Council (CST), Dante Pellacani, Secretary-General of the CST, Dominges Alvarez, president of the state Federation of Metalworkers, and Darcy Gatto, President of the state Federation of Clothing Workers claim that the recent wave of strikes is part of a Communist attempt to have a state of seige declared, thus preventing Janio Quadros from taking office. They also claim that the Communists have been circulating a manifesto advocating a nationwide general strike, which they refused to sign (see also comment in Item 7 above).

Psychological
9. U. S. Elections (Unclassified)

Every São Paulo daily newspaper commented favorably on Mr. Kennedy's victory at the polls in the U.S. All editorialists foresaw the beginning of "a new period of understanding of our problems reminiscent of the Roosevelt era." Anti-U.S. Ultima Hora had reservations, however: "The new president of the Northern Giant must prove his friendship as regards Cuba". A Folha de São Paulo also demurred... "we don't want U.S. paternalism".

10. Cuba (Unclassified)

Said O Estado de S. Paulo on a pro-Cuba campaign organized in Brazil: "The small or not really popular repercussion of a solidarity campaign's manifestations in favor of Cuba's new dictator, promoted by some students, is an evident proof that the public opinion has made its mind up about Khruschev's promising Latin American satellite". Insists O Estado: "Brazilians, especially the young ones, (must be) alerted so there won't be any hesitation when the time comes to choose between Communism--bearded or not--and Brazil, and her rights, her goals, her hopes". O Correio Paulistano, published a six-column feature editorial calling Cuba "the first Socialist and totalitarian republic in the Americas".

11. Strikes (Unclassified)

Diario da Noite, commenting on a series of strikes and lockouts in Brazil, "the biggest the country had so far", says that the "Army Secret Service admits it is part of a continental plot, affecting Brazil, Argentina, Chile, Colombia and Venezuela". According to the same source, Brazil's Foreign Office has had the same information.

12. Algeria (Unclassified)

Incidents in Algeria, staged by colons against DeGaulle's proposed plans for the country, is just an evidence of "French Premier's race against time", reasons O Estado de S. Paulo. In an editorial about the Algerian situation, the paper says that "While DeGaulle tries to prepare the French public opinion for an 'Algerian Algeria', and beat the pressure groups still dominating the official France, time may have superseded even this liberal solution. It is a race against time.".



Santos and the Santos-Jundiai railroad were heavily policed. However, no major incidents of violence were reported. The workers on the federal government-owned railroad Central do Brasil ignored the strike call and trains on this line functioned normally. The strike was called off on November 10 when the national strike committee at Rio announced that the Brazilian Congress would pass legislation enacting the wage increase and that it had been agreed to release some 55 imprisoned strike leaders.

Some 120,000 striking metalworkers returned to work after a strike of six days when the São Paulo Regional Labor Court awarded them a wage increase of 40% over existing wages. The pot continues to boil, however, and on November 12 packing house workers employed by Swift, Armour, Wilson and British and Brazilian firms struck for higher wages, and streetcar workers employed by the city-owned streetcar line struck in a protest over non-payment of back wages. In addition bank clerks, dairy workers, chemical workers and railroad workers of the Sorocabana and Paulista railroad lines are threatening to strike. Agreements granting wage increases appear to have been reached in the textile and glass industries.

COMMENT: These strikes are being caused for the most part by a rapid and unchecked increase in the cost of living which is estimated to have been 4% during the month of September alone, 24% in the past year, and 71% since minimum wages were increased at the beginning of 1959. Minimum wages were increased 60% during October, and sizeable increases were negotiated in certain industries without resort to strikes, e.g. the non-Communist paper workers negotiated an across-the-board increase of 35%. Therefore, the non-Communists are convinced that these strikes are part of an effort by the Communist Party to promote a nationwide wave of strikes. In São Paulo, for example, veteran Communist Party organizers are participating in and practically dominating every strike committee (See Item 8 below).

8. Communists Exploit Strikes (Official Use Only)

Approximately 200 persons attended a meeting staged by unions under Communist influence on November 11 at Praca da Sé in the heart of downtown São Paulo. The meeting was called as a demonstration of solidarity with the striking railroad workers of the Santos-Jundiai railroad (see Item 7 above). However, as the strike was settled in the afternoon of the same day, the railroad workers failed to put in an appearance. Nevertheless a number of known Communists and fellow travelling deputies, trade union and student leaders spent hours blasting the federal government's attitude in the strike of maritime, port and railroad workers, condemning U.S. and French imperialism and exorcising international trusts, etc.

COMMENT: (Confidential) The meeting attracted little attention and was given very little notice by the local press. Participants included fellow travelling PTB deputies Frota Moreira and Salvador Romano Losacco, Communist Party members Luiz Firmino de Lima, and João Lausada, presidents of the local union of textile workers and construction workers, and other lesser lights.



son-in-law. This comes just before negotiations and manoeuvers for the December election of new officers of the City Council. It will be recalled that Adhemaristas last year made a deal with aldermen of the UDN and PDC and other parties opposed to Adhemar. The coalition slate they elected has worked in harmony with Adhemar. Some of the political leaders opposed to Adhemar argue that such a deal is impossible this time because of the impending mayoralty contest.

Cantidio Sampaio's position would appear even more difficult. If he were to take leave at the same time as Adhemar, he would need to absent himself from the city just when his party, the PSP, would be choosing its mayoralty candidate. Past frictions with Adhemar and competing aspirants make this too dangerous. Also Cantidio would have to interrupt for a crucial month his very active campaigning in city neighborhoods. The unhappy alternative would seem to be to permanently resign his public office.

Adhemar's request for leave is doubtless explained in part by the foregoing anticipations. In part, however, one can surmise that Adhemar is little interested in near future political battles because they offer some risks and no great opportunities for building his own political strength.

6. British Trade Ministry Visitor (Official Use Only)

Accompanied by the British ambassador to Brazil, Frederick Errol of the British Ministry of Foreign Trade visited São Paulo last week to examine export possibilities for British industry. His itinerary followed the usual VIP pattern, including a luncheon speech to the local British Chamber of Commerce and a press conference. According to various news accounts, Errol said that (1) after delinquent Brazilian debts to Great Britain are paid, trade between the two will grow, (2) possibilities for British coffee imports from Brazil are limited due to imports from the colonies and the tea habit, (3) increased British wood, mineral and meat imports from Brazil are more feasible, (4) Great Britain's diverse obligations preclude heavy investments in Brazil, (5) British industry will be informed of great possibilities for machinery exports to Brazil. Errol explained and defended regional marketing organizations and wished success to the quest for such arrangements in Latin America.

Labor

7. Wave of Strikes (Official Use Only)

A nationwide strike of maritime, port and railroad workers tied up the port of Santos, and shut down the important Santos-Jundiai railroad for three days during the past week. (The workers struck in support of their demands for a 30% wage increase which would bring them in line with salaries of the military which were recently increased. For some months bills granting such an increase have remained dormant in the Brazilian Congress.) The strikers, for the most part, were civil servants employed by autarchies, i.e. government-owned railroads, docks and shipping companies, and are represented in São Paulo by unions and associations under considerable Communist influence. The strike in São Paulo was for the most part peaceful. The Army was placed on a twenty-four hour alert. The port of

0234

numerous but also extremely powerful, economically and politically, in the state of São Paulo.

4. São Paulo Legislative Developments (Official Use Only)

São Paulo governor Carvalho Pinto's 1961 state budget of 106,365,675,000 cruzeiros was passed by the state legislature this past week with few amendments. An increase of approximately 600 million cruzeiros was almost exclusively due to an increase of the verba pessoal from 1.2 to 5.5 million cruzeiros for each of the 91 state deputies and eight alternates.

Representatives of various farm organizations and others testifying before the Economic Committee of the state legislature in the past week were mostly critical of the state government's proposed agricultural reform legislation.

COMMENT: (Confidential) Majority and minority leaders of the state legislature advised this post's deputy principal officer that minority obstruction action on the budget was abandoned to avoid possible interference with State Assembly president Abreu Sodré's departure on a Varig inaugural jet flight of November 9 to the United States. The verba pessoal is available for dispensation in amounts and to "causes" designated by the individual deputy, for his political benefit and sometimes even for his private profit.

It is expected that the state Department of Agriculture will ultimately offer a substitute agricultural reform measure which includes some two-thirds of the various amendments thus far proposed. An opposition legislative leader advised this post's deputy principal officer that these amendments will meet most of the objections of the conservative landed interests, that the extreme leftist viewpoint does not carry enough weight in the state legislature to matter.

5. Mayor Adhemar Asks Leave (Official Use Only)

São Paulo mayor Adhemar de Barros has put in the hands of the PSP leader in the City Council (Italo Fitipaldi) a request to the City Council for a month's leave of absence from office. UDN City Council president Marcos Melega announces that he has not officially received such a request. PSP national boss Adhemar reportedly plans to attend a mayor's conference in Israel as part of a larger foreign travel itinerary as yet unannounced. Advisers of PSP vice mayor Cantidio Sampaio are said to be busy studying whether their man can avoid becoming acting mayor without resigning his present office (as acting mayor, he could not later be a candidate for that office in March 1961). Marcos Melega is said to be on the spot too as next in line for acting mayor behind the vice-mayor.

COMMENT: (Confidential) Melega as acting mayor would appear to have the unhappy caoice of either running the city for a month with Adhemar's gang, or attempting short term quick replacements of that gang, or else renounce the City Council presidency in favor of Council vice-president Figuereida Ferraz, Adhemar's



headquarters, after Colonel Geraldo França had resigned, governor Carvalho Pinto swore in General Franco Ferreira, Chief of Staff of the II Army (of Brazil, stationed in São Paulo), as the new commander of the Força Publica. Various reports indicate that the Força Publica rank and file are largely on the side of their officers, who in turn have discouraged any overt show of support and appear to carefully avoid any display of force or violence. The officers are demanding a gubernatorial endorsement of pay increases for the Força Publica, release of the prisoners, termination of the inquiry, and redress of the insulting reprimand.

COMMENT: (Confidential) Appointment of an army general to the Força Publica command is indicative of the governor's determination to have a showdown with the periodically insubordinate Força Publica. It will be recalled that once before in Carvalho Pinto's incumbency as governor, the Força Publica generated a major crisis when they engaged in their own private "war" against the state's civil police, over the latter's unknowing arrest of a member of the Força Publica who was dressed at the time in civilian garb. Various competent observers have in the past privately advised that the Força Publica command should be given to someone from the military rather than "from the ranks" to obtain a greater discipline. It would appear that some Solomon-like solution may now be needed by which the governor's authority and command can be unequivocally sustained without too sharp a demoralization or loss of face for the Força Publica and its officers.

5. Algerian Liberation Visitors (Official Use Only)

During the past week a delegation of the Algerian National Liberation Front, headed by Benyoussef Benkhedda, visited São Paulo. The group is visiting Latin American countries to promote sentiment in favor of the proposal now pending in the UN for a UN-supervised plebiscite. They made courtesy calls to various newspapers and to the state assembly and gave a press interview. The Consuls General of the Arab Republic and of Lebanon accompanied the group much of the time. DeGaulle was criticised for bad faith and his Constantine Plan was labelled a propaganda instrument, a vehicle for the economic subordination of Algeria to France. Benyoussef said that his group would continue their fight and accept help from any source if defeated in the UN, but that this did not mean that they were Communist. Benyoussef expressed doubt about the United States because while president-elect Kennedy had spoken in favor of the Algerian cause in the Senate, an advisor of Kennedy subsequently sent to Africa thereafter characterized Algeria as an internal problem of France. By invitation of the state student union, Benyoussef gave a talk at the São Paulo University Law School.

Attempts to obtain audiences with Brazil's president and minister of foreign affairs were reported unsuccessful. At the airport, about to embark for Lima, Peru, the delegation declared that they had not thus far obtained visas for admittance to Peru. Students served notice that they would telegraph their Peruvian counterparts to exert pressures in favor of admitting the delegation. Though news reports are not clear or consistent, it appears that the members of the delegation, in addition to Benyoussef, included Ghandi Hadi, Amour Soukhal, Boutarane Kadda, Larbi Mohamed Demaghlatrous, and Fatih Agha Bouayed.

COMMENT: Benyoussef noted that president-elect Quadros has expressed sympathetic support for the Algerian nationalist movement both before and after election. The Arabic community, as this post has previously reported, is not only



candidate. It was announced that Emilio Carlos would launch his mayoralty candidacy on November 13 in a number of political rallies in the capital city.

There were also other lesser developments on this political front. PTN state deputy Farubulini Junior found a party to endorse his candidacy -- the PL, which withdrew the candidacy of its regional president in favor of Farubulini. Also, a PSB municipal convention endorsed federal deputy and ex-Campinas mayor Ruy Novaes, although it was evident that PSB regional president Febus Gikovate and others would favor abandoning such a candidacy in favor of a unity candidate of "leftist" forces.

COMMENT: (Confidential) Pro-Quadros politicians evidently do not expect any break with the governor over the mayoralty candidacy but do reflect likely bruised feelings, resentments and possible non-support or apathetic support for the governor's candidate. Some hope that, if need be, Quadros will ultimately make appropriate political offerings to persuade Emilio Carlos to withdraw from the mayoralty contest. Various key Quadros politicos privately assert that a showdown with Carvalho Pinto, if necessary, would come in São Paulo's 1962 gubernatorial contest; that good relations with Carvalho Pinto as the almost ex-governor in 1962 would then be less important to Quadros; that politically astute president Quadros does not intend to destroy or weaken his important political base in São Paulo and would seek in 1962 a governor more beholden and loyal to him than to Carvalho Pinto. If the political opportunism of Janio Quadros should run counter to the political ethics of Carvalho Pinto in the selection of a 1962 gubernatorial candidate (and this now appears to be the case with respect to Emilio Carlos' mayoralty candidacy), then a clash could ensue. Apart from the fact that much of the seasoned political strength supporting Carvalho Pinto in São Paulo is first and foremost pro-Quadros, Janio will have the added advantage in 1962 of three more years to go in the presidency.

2. Força Publica Defies Governor (Official Use Only)

Lobbying for pay increases in the state legislature on November 8, a few members of the São Paulo Força Publica (state military police) started a chain of events which, by the end of the week, brought a showdown between São Paulo's governor Carvalho Pinto and the Força Publica. The violation of the governor's general mandate against lobbying by state employees brought a reprimand from Força Publica commander Geraldo França. Thereafter 66 additional Força Publica officers signed a manifesto which protested França's insulting language and expressed solidarity with the lobbyists. Arrests of officers followed. A state military police inquiry was started and the manifesto signers were being brought before the inquiry. Officers of the Força Publica then converged on their state headquarters and offered themselves for arrest in protest. The guards of the governor's palace were reinforced, put on 24 hour duty, and armed with sub-machine guns. Shortly after midnight of November 12, some 150 to 200 Força Publica officers were removed, under arrest, in hired busses from Força Publica headquarters to Força Publica posts in the interior of the state. At approximately 4 A. M. of November 13, at Força Publica



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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 194 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — November 16, 1960 DATE

REF :

NEA-4 EUR-4

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	ARA-4	RPM/R-2 INR-7 REP-1 IO-4 USUN-3 PRS
	REC'D 11/22	INFO OTHER CIA-10 OCB-2 USIA-10 LAB-6 Army-4 Navy-4 NSA-2

SUBJECT: São Paulo Weekly Summary No. 72, Week Ending November 12, 1960

Index:

Political
1. Janistas vs Carvalho Pinto
2. Força Publica Defies Governor
3. Algerian Liberation Visitors
4. São Paulo Legislative Developments
5. Mayor Adhemar Asks Leave
6. British Trade Ministry Visitor

Labor
7. Wave of Strikes
8. Communists Exploit Strikes

Psychological
9. U. S. Elections
10. Cuba
11. Strikes
12. Algeria

Miscellaneous
13. List of Substantive Despatches

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
NOV 1960

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Political

1. Janistas vs Carvalho Pinto (Official Use Only)

From published reports and from reliable private sources in direct contact with São Paulo governor Carvalho Pinto, it appears clear that, as of the close of the past week, the governor was determined to find a "unity" candidate for São Paulo mayor (to be elected in March 1961) other than PTN national president Emilio Carlos, even though the latter was favored by president-elect Janio Quadros. From these private sources (and in part first-hand) one learns that key political personalities such as Oscar Pedroso Horta, Quintanilha Ribeiro, Abreu Sodré and other lesser pro-Quadros politicians favor Emilio Carlos. While many hailed as impressive a manifesto of support for whatever candidate the governor may choose, signed by 47 of the 91 São Paulo state deputies, others privately noted that many important pro-administration names were missing and that the signatories included a number of deputies from the opposition PSD and PTB and other non-administration political parties. At the end of the week, strikes and the crisis in the state military police (see items below) had diverted the governor from his quest for a unity

see last page/lfw
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possible to do so without getting a corresponding increase in state receipts. All of the leaders, including the opposition, agreed to vote a major tax for the purpose, but afterward avoided attendance in the Assembly, leaving that section without a quorum. The Governor then had a meeting with the representatives of the public employees and apparently reached an understanding which sent them in a body to the Assembly where the opposition could not evade them. A solution has not yet been reached, but it is clear that this type of pressure will be very difficult to resist since it appears to have the Governor's approval.

6. Anti-Communist Legion Created.

A hopeful sign in this area of strong leftist tendencies was the creation ten days ago of the Anti-Communist Legion of Salvador. It is intended to appeal to all social classes of Bahia and to provide a common front for combatting the marxism which is attempting to destroy Christian ideals and "and the fraternal friendship with the American peoples and others who are taking part in the occidental bloc".

James M. Flanagan
James M. Flanagan
American Consul

cc: American Embassy, Rio de Janeiro.
Counselor of Embassy for Consular Affairs.

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ternational scene; and both would take office with a relatively free hand. A typical reaction was that of Federal Deputy Antonio Carlos Magalhães who said he thought Kennedy would win because he was the Jânio Quadros of the United States -- "Penso que Kennedy vencerá, mesmo porque êle é o JQ dos Estados Unidos." The Catholic angle was not stressed, though Padre Palmeira, President of the Commission of Constitution and Justice said frankly he preferred Kennedy because he was a Catholic -- "Só posso estar com Kennedy que, além de todas as qualidades, possui a meu ver a de ser católico. E seria um prazer para mim, que pela primeira vez na história dos EEUU um candidato católico, subisse a sua mais alta magistratura." There was some pessimism as to any change for the better for Latin America. Deputy José Cândido, vice-leader of the UDN, said "Sou favorável a Kennedy. Entretanto não acredito que a vitória dêsse candidato possa contribuir para melhorar as relações dos Estados Unidos com os países da América Latina". Governor Juracy Magalhães, who is accredited by the newspapers with a profound knowledge of politics in the United States (due to his years as military attache in Washington) stated early and frankly his preference for Kennedy. All told, the support for Nixon came primarily from the permanent residents of the American colony.

4. Ex-Governor Balbino.

The rumors of Ex-Governor Balbino's political adaptability continue. Apparently he is a flexible man, willing to cut his losses (See Despatch No. 25 of October 14, 1960). The story is that a meeting is being promoted between Balbino and Secretary Vieira de Melo with the object of bringing unity to the Baiano PSD. According to current interpretations an effective agreement would facilitate the pacification Juracy Magalhães has been aiming at and bring the total of the PSD into his "esquema estadual". The PSD, for its part, could look forward to a peaceful conquest of the Bahian government.

It is difficult to estimate the strength of the present accord between Vieira de Melo and Juracy Magalhães. It is doubtful that it will last. Vieira's present policy is to avoid any act of hostility toward Juracy. Balbino is more than willing to go along on that basis, for he has now set his sights on the job of Senator, apparently resigning his hopes of returning as State Governor.

5. Trouble in Sergipe.

Governor Luiz Garcia recently called together the leaders of Sergipe's legislature to discuss the problems of raising the salaries of State employees. He explained that it would be im-



Governor Juracy and made other arrangements.

The reporters naturally had a field day and took full advantage of their change to make national news. Cid Sampaio made the greatest impact with his shrewd declaration that the Northeast did not need a one-man leader -- or a tutor. His refusal to accept a poor-man, passive role for the Nordeste made a very favorable impression. He made it clear that there would be no personal contest between himself and Governor Magalhães and that the time was past for such a narrow interpretation of the region's needs. He called again for a new party, an effective fusion of the political groups which had elected Jânio Quadros.

Magalhães Pinto repeated for newsmen the results of his last conference with Jânio. He emphasized Jânio's freedom from party commitments and his complete freedom to organize a personal administration -- "seu corpo de auxiliares". Virgílio Távora of Ceará was more reticent. He stated his opinion that Jânio would have a majority in the Congress but refused to amplify the statement. With regard to the creation of a new party, he rested with the assertion that he had begun as a udenista and would end as one -- "Comecei udenista e terminarei udenista".

Deputy Vieira de Melo shared the spotlight with Governor Magalhães. It is significant that a luncheon given in his home for the personages invited to the wedding was very well attended and tha t the guests included all of the State secretaries. As one observer put it, "If Jânio comes, can 1962 be far behind?" As to the pro-Lott camp in Bahia, the feeling is summed up in an expression now making the rounds in the capital. Jânio's campaign slogan, "Jânio vem aí!", has been restated as "Jânio vem. Ai'." ("Jânio is coming. Ouch'.")

3. The Elections in the U.S.

The elections in the United States aroused widespread interest in this capital. The newspaper coverage was excellent, with full-page spreads before, during and after election day. There were articles in all papers on the nature of the American system, especially the Electoral College; the personalities of the two candidates; and the issues as seen from here -- Cuba, "prestige", the strength of the dollar and international relations. Resident Americans were interviewed for their opinions, as were the Brazilian politicos.

Brazilian sympathies went to Kennedy, whose election was generally predicted. The parallel with Jânio Quadros appeared to them to be a most striking one. Both were young and vigorous men with good records; both were fresh and new voices on the in-



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RESULTADO GERAL DE TODO ESTADO
PARA PRESIDENTE DA REPUBLICA

JANIO QUADROS	255.530
ADHEMAR DE BARROS	47.824
MAL. HENRIQUE T. LOTT	232.391
VOTOS VALIDOS	535.745
VOTOS EM BRANCO (BLANK VOTES)	19.931
VOTOS NULOS (VOTES VOIDED)	29.202
VOTANTES DAS SECÇÕES ANULADAS	1.230
TOTAL DE VOTANTES	586.108

2. The Magalhães Wedding.

The wedding in Salvador last week of State Deputy Juracy Magalhães Jr. carried a political weight far beyond that implied by the young groom's modest record to date. It was an elaborate affair, stage-managed to the last detail by his father, Governor Juracy Magalhães, who thereby demonstrated the solidity of his national position and, one surmises, his availability for a key role in the new administration. No less than five governors and a good section of Janio's principal supporters came to Salvador to express, as the newspapers openly stated, their solidarity with Juracy -- "para dar uma demonstração de solidariedade política ao governador Juracy Magalhães". This was a concrete answer to those elements in Bahia who felt that Juracy had overshot his mark and had been left stranded on the political scene.

Coming so soon after the wedding in the Quadros family the Magalhães nuptials capitalized on the pattern and provided an even better excuse for Brazil's winning coalition to gather together and compare notes. Among those who showed up in Salvador were Magalhães Pinto, Governor-elect for Minas Gerais; Cid Sampaio, Governor of Pernambuco; Luiz Garcia, Governor of Sergipe; Aloisio Alves, Governor-elect of Rio Grande do Norte; Emilio Carlos, candidate for Mayor of São Paulo; Virgílio Távora of Ceará; Castilho Cabral, chief of the "Movimento Popular Jânio Quadros"; Augusto Marzagão and Manoel Massarani of Quadros' staff. The politicos of Bahia, of course, were there in full force.

According to local stories Jânio Quadros also intended to be present at the wedding, and to leave directly from Salvador for Europe. Unfortunately his sailing plans were made public and a reputed 82 "puxas" (wheedlers, hangers-on) also reserved passage on the same ship. Jânio hastily sent his regrets to



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-28-
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November 10, 1960
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25	Ara-4		R/NR-2 INR-7 Id-4 P-3
	REC'D 11-22		CIA-10 USIA-10 Army-4 Navy-4 NSA-2

SUBJECT: POLITICAL: Summary

1. Official Totals, Presidential Election in Bahia.
2. The Magalhaes Wedding.
3. Reaction to the U.S. Elections.
4. Ex-Governor Balbino.
5. Trouble in Sergipe.
6. Anti-Communist Legion Created.

1. Official totals for Presidential Election in Bahia.

Official compilation of the voting in the presidential election in Bahia was completed today. Janio Quadros carried the state by 23,139 votes but lost the capital, the municipality of Salvador, by 15,315 votes. These totals and those following have not yet been made public. They are from a confidential source and should remain classified until the Tribunal's report appears in the public prints.

PARA PRESIDENTE DA REPUBLICA
RESULTADO GERAL DO MUNICIPIO DE SALVADOR

JANIO QUADROS	37.609
ADHEMAR DE BARROS	16.319
MAL. HENRIQUE T. LOTT	52.924
SOMA	106.852
VOTOS EM BRANCO (BLANK VOTES)	3.694
VOTOS NULOS (VOTES VOIDED)	8.059
VOTANTES	118.605

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7:24 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 629, November 9, 7 p.m.

Reply drafted 10-10-60

Secretary General Foreign Office today inquired whether anything of interest to Brazil had occurred in recent Eisenhower-Lopes Mateos conversations particularly with regard to Cuba. I would appreciate anything I may pass on to him.

CABOT

MRJ/4

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DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
NOV 2 1960

SUBJECT: New PDC Municipal Directorate

The São Paulo Municipal Council of the PDC on November 1, 1960 elected a new municipal directorate composed of Natalicio José dos Santos, president, professor Euvaldo de Oliveira Melo, secretary, and José Maria de Souza, alternate.

William P. Cochran, Jr.
Consul General

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DATE November 7, 1960 EST

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DEPT. INFO RMR-2 INR-4 90-4

OTHER Pia-10 USIA-10 Army-4 Navy-4

SUBJECT: MONTHLY POLITICAL SUMMARY - SEPTEMBER 1960 NSA-2

During September and up to Election Day, the political scene was dominated by the intensive campaigns waged by the candidates for the office of State Governor (Pará/Maranhão), with the Presidential contest appearing, at least outwardly, as a secondary issue. In the State of Amazonas, where no local candidate was running for election, the Presidential race developed into a bitter struggle for power and prestige between Lott-backer Governor Mestrinho, and Janio supporter Plinio Coelho former Governor and recently resigned Manaus Mayor.

732.00/11-760

CAA

THE GUBERNATORIAL CONTEST IN PARÁ

All gubernatorial candidates kept up an exhausting schedule of political rallies - both in Belém and in the interior -, as well as a steady flow of radio speechmaking, round tables and interviews coupled with an ever-increasing amount of newspaper propaganda. In the last stages of the campaign, "O Liberal", the local PSD daily stepped its vicious attacks on Coligação candidate Klautau and his supporters while ignoring almost entirely Marshal Assumpção. The Coligação finally countered with a series of blasts at the river boat political junket of Governor Moura Carvalho, PSD candidate Aurelio do Carmo and assorted PSD-PTB politicians, which was long, costly and quite gay.

In early September Marshal Assumpção's running mate, Federal deputado Epilogo de Campos quietly stepped aside in favor of State deputado Armando Carneiro who had just deserted the ranks of the PSD with considerable fanfare. His defection, however, did not draw the vilification that was expected from the PSD, as the latter continued to concentrate the fire more and more on the Coligação, particularly on Pará's PSP chieftain Dr. Lopo de Castro (Mayor of Belém), whose elder daughter married earlier this year Aldebaro KLAUTAU Jr. (son of the Coligação candidate for State governor).

THE PRESSIDENTIAL CAMPAIGN

While in Pará and Maranhão, the gubernatorial candidates paid vague lip-service to the Presidential aspirants - and not too enthusistically at that, even in the case of the PSD-PTB alliance -, in Manaus, on the other hand, the personal feud between Mestrinho and Plinio raged to the point that Mestrinho succeeded in keeping Plinio entirely off the air, and out of all but one of the local newspapers.

A. José DeSeabra
American Consul

AJDSeabra:mb
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3. Election Campaign Ends: As the campaign progressed into its final stages, the electorate seemed motivated increasingly by its mood of protest against the "ins", tipping the balance toward Janio Quadros. The breach within PSD ranks widened while Fernando Ferrari strongly supported by the Mayor Loureiro da Silva of Porto Alegre, seemed to continue his successful inroads on the PTB rank and file and to strengthen his following not only in the PDC but with other party groups and the independent vote which appeared to be larger than usual this year because of wide-spread dissatisfaction throughout the State.

Comment: Based on the assumption that Ferrari and Loureiro would win away at least 33% of the PTB vote and that most of the PSD would vote for Janio (if not for Ferrari), the Post estimated on September 19 that Janio would win over Lott by a margin of 120,000 votes and that Ferrari would poll considerably more votes than Jango in this, their home state.

Percy Warner
American Consul

cc.: Amembassy RIO

02 18

delegation which did not arrive until late on September 21. Until the arrival of the Cubans, the Congress had been struggling to stick to its economic last. Apparently with the help of strategically located communist sympathizers, the Cubans created a turmoil which threw open controversial political and social topics to discussion. At its end, the Congress was stated to have approved a 21 point "Declaration of Principles", a communist-line document which probably had been prepared in Havana.

Comment: It is not quite clear at this point how the adoption of the "Declaration of Principles" came about because 23 delegations, a narrow majority, were reported at the same time to have voted a protest against it. The Consulate will report further on this event.

d. Military Officers denounce communist infiltration of local "Circulo Militar"- On September 28th local papers carried a paid full page denouncement of communist infiltration in the local "Circulo Militar" by a Captain Luis Augusto S. de Azambuja. Nineteen other officers, including eight generals, an Air Force Brigadier and five colonels, supported the captain's protest at the same time. The Captain, evidently by his own statements a narrow nationalist of a type not unusual in the Brazilian Military, was joined by the others because of an uneasiness over the transformation of the "Circulo", in violation of its statutes, into a place for meetings "of a particular party line (politico)"; because these meetings were of a type which disfigured the "authentic nationalist ideal" by the "communist tendencies of most of the speakers invited... for example Dr. Osny Duarte Pereira" 2/; because of insults of this speaker against "the Catholic and Protestant Churches", "eminent Brazilian churchmen", and "Christian doctrine itself"; because young military and civilian students attending these meetings are subjected to a "constant and systematic denigration of the individual through deification of the State" and are helped "to obtain books of communizing and revolutionary content"; and because the statutory violation mentioned above culminated in the announcement of a lecture by "Dr. Dalton Boechart, a known subversive" who in a recent meeting here "urged action by the Armed Forces if the voting proved unfavorable to their candidates.

Comment: Communist infiltrators have apparently overplayed their hand with these members of the "Circulo Militar". The Post will report further developments.

2/ Who gave a lecture dealing with "Nationalist Studies" on August 26 at the Circulo Militar sponsored by the Cultural Department of the Circulo, the Order of Lawyers of Rio Grande, and the Alumni Association of ISEB.

0217

of their redeemed civilization... seeking economic emancipation and fighting against the powerful international trusts." The motion was voted down.

On the same day a pro-Castro rally was held at 5 pm at a central point in downtown Pôrto Alegre. Not more than 500 appeared to be in attendance with many well known commies making an unusually bold public appearance. After the rally, about 100 demonstrators made a display before the Consulate but made no attempt to enter the building.

Comment: Announcements of this meeting caused a distinct anti-US edge. The meeting, however, received little favorable response.

b. East German telephone technicians leave - After being in Pôrto Alegre about three weeks, East German telephone technicians (ref. desp. No. 7 of July 19, 1960) departed as quietly and unobtrusively as they had come. About a month after their departure, opposition State Deputy Euclides Kliemann (PSD) presented in the Assembly a request for information about State funds used for their expenses, indicating that their hotel bill paid by the State had ammounted to 100,000 cruzeiros. An administration spokesman replied that there had been no extravagant use of State funds, that the East Germans had been guests of the State because they were rendering services to the development of the State. Subsequently in an interview published on August 17 dealing with the telephone situation, Governor Brizola was quoted as follows: "The East German technicians referred to in the press have concluded their studies and observations as part of the collaboration they proposed to offer the State, seeking a solution to the always present telephone problem".

Comment: Despite Brizola's left-handed denial after his return from Europe, (ref. desp. No. 40 of April 18, 1960) of press reports that East German telephone experts would come to Rio Grande do Sul, such experts were here evidently at Rio Grande do Sul expense.. Reliable sources close to the current telephone negotiations between the Governor and IT&T representatives inform the Consulate that the East German visitors have, so far at least, had no discernible effect on the telephone situation here.

c. Cubans create turmoil at 1st Latin American Congress of Economists: A "First Congress of Latin American Economists" was held here September 18-25 to commemorate the 50th anniversary of the Economic Faculty (and its predecessor entities) of the URGS (University of Rio Grande do Sul). Delegates were invited from all other Latin American countries and from other Brazilian economic faculties (ref. Despatches No. 11 of Sept. 13 and 14 of Sept. 30). Forty five delegations attended, twenty five from within Brazil and twenty from abroad, including a two man Cuban



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FOREIGN SERVICE DESPATCH

FROM : Amconsulate PÔRTO ALEGRE
DESP. NO. 20

TO : THE DEPARTMENT OF STATE, WASHINGTON.
DATE November 3, 1960

REF :

NOV - 4 1960

DIC-1 IO-4

For Dept. Use Only	ACTION	DEPT. INFO OTHER
	ARA-4	RMR-2 NEP-1 INR-7 E-7 ICA-11 EUR-5 SR-2 CIA-10 USIA-10 FBI-1 COM-12 ARMY-4
	REC'D 11/16	

SUBJECT: RIO GRANDE DO SUL POLITICAL SUMMARY-No.11 July-September 1960 1/

NAVY-4 AIR-6 OSD-5 NSA-2 LAB-6 TAR-2 FRB-3 AGR-6 HEW-5

R/MR

1. General
2. Subversive
   a. Pro-Castro moves get little support
   b. East German telephone technicians leave
   c. Cubans create turmoil at 1st Latin American Congress of Economists
   d. Military officers denounce communist infiltration of Circulo Militar
3. Election Campaign Ends.

1. General: The Rio Grande do Sul Department of Statistics published a report early in July showing that the cost of living rose in Pôrto Alegre by over 33% between June 1959 and June 1960. By individual factors the percentage increases were as follows: Transportation 50%; Food 35%; Housing 28%; Clothing 25%; Medical care 18%; Light and fuel 10%.

Comment: These figures go to the root of much of the popular discontent which fuelled the drive of the Quadros-Ferrari ticket in this area.

2. Subversive:

a. Pro-Castro moves get little support - On July 26, "student" and "labor" groups sponsored two pro-Castro rallies in downtown Pôrto Alegre. At the same time, State Deputy (PTB) Guilherme do Valle introduced a motion in the State Assembly for a vote of congratulations to the "'heroic Cuban' people on the anniversary

1/ The customary political summaries were not prepared for these months because consular activities reached a peak and an inspection took place while the post was undergoing a quite understaffed condition.

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ARA/OMA
INTER-AMERICAN AFFAIRS
NOV 18 1960

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To implement his program, Dr. Magalhães is very much interested in attracting foreign investment to the State. The Consulate has learned that he plans a trip to Europe in the next few days and intends to stop in the United States before his return to Brazil for the purpose of looking into the possibility of getting U.S. capital investments for his State. According to one of his advisors, he is convinced that large scale investment is required. Also, to judge from the emphasis on the public sector of his program, he may be interested in finding special types of financing for the development of public services.

There is every reason to think that the new Administration will be friendly toward the United States and that it will be particularly interested in continuing to receive Point IV technical aid. The Consulate believes that it can expect the same good relations with Dr. Magalhães' government that it enjoys with the present Administration.

Dr. Magalhães is known for his moderate and democratic views and for a pragmatic bent of mind. He demonstrated these qualities at his press conference in the conciliatory manner of his approach to the political opposition in the State Legislative Assembly.

Edmund A. da Silveira

Edmund A. da Silveira,
American Consul

Copy: Political Section, Embassy/Rio
through Counselor for Consular Affairs



In brief, in the immediate post-election period the PSD and the PR are likely to be subjected to the greatest stress because, as it has now become reasonably clear, the dissidence eroded seriously the unity of these two parties. While a number of those leaders who supported the official candidates are advocating a purge of the dissidents and the organization of their ranks into an effective opposition, the very defeat of their major candidates has given the dissidents a powerful psychological weapon that threatens the viability of the party following a purge of that magnitude.

With respect to the talked about possibility of a political realignment to strengthen the party system, the prospect of success is slim since, as it is generally recognized, any emerging organization would be based on personal following and as devoid of ideological content as its predecessors.

The reason for the view that of the three parties backing the defeated State Administration candidates, the PTB is the one likely to suffer the least as a political party is that the PTB in Minas Gerais is considerably freer of factional strife than the other members of the alliance. As a consequence, its hierarchy can more easily arrive at politically viable decisions.

4. The Incoming State Administration

In his first post-election press conference in the State, held in Belo Horizonte on October 31, 1960, newly elected Governor Magalhães Pinto gave a general outline of the program he has formulated for his Administration. The program, as stated at this conference and in a recent conversation the reporting officer had with one of Dr. Magalhães' campaign organizers and present advisors, has two main objectives: 1) the decentralization and diversification of economic activity by promoting the development of agriculture, animal husbandry, and small industry in the municipalities of the interior; and 2) the development of social and public services throughout the State in order to raise the productive capacity of the human factor. The emphasis throughout was on the need and widespread demand for economic development and the strengthening of municipal institutions.

Dr. Magalhães and his advisors depart from the premise that economic development, having become too concentrated in one or two major fields and geographical areas, has resulted in the displacement and impoverishment of vast numbers of the population, and that the restoration of a balanced economy has become, therefore, an urgent necessity. They argue, however, that much of this population is now an economic and social dead weight through crippling, contagious and dietary deficiency diseases and abysmal ignorance. It cannot be transformed into a significant factor of productivity, they contend, until it is provided with an adequate diet, housing, schools, and sanitary and medical facilities. In so far as the reporting officer has been able to observe for himself both in the capital and in interior towns, he feels that the picture of a population made unproductive by physical deficiency and ignorance has not been overdrawn.



The PR is also essentially a conservative party, but it is more rural in outlook than the PSD. Many of its sections in the interior were attracted to the program of the newly elected Governor, Dr. Magalhães PINTO, because of its emphasis on economic decentralization and municipal development. The PTB, on the other hand, is a growing urban party with a leftist outlook, made up chiefly of elements from the lower working classes. Superimposed on these fundamental divergences was the rankling bitterness of many members of the PSD at the pressure tactics of Jango Goulart in forcing on the PSD State Convention his own choice of gubernatorial candidate.

Weakness of the Party System. A third factor that contributed to the ousting of the Government forces is the basic weakness of the political party system. This aspect of the political picture was most clearly reflected in the factional divisions within the parties prior to the election. The virtual absence of a party ideology or definite long-range programs that might cement party loyalties facilitated the decision of a number of political leaders to disregard the official directives of their parties in order to follow their personal inclinations.

3. Outlook for the Defeated Political Parties

The unexpected defeat of the State Administration forces has thrown the three parties making up these forces -- the PSD, PR, and PTB -- into a state of near confusion. Efforts at stock-taking and possible political realignment have so far borne little fruit. The strains and stresses that were all too obvious before the election have been further aggravated by the defeat.

Political leadership is split on two major issues: 1) whether the given party should choose a systematic opposition role; or 2) whether it is necessary to reshuffle present political parties to accord with alignments as shown at the polls. The outcome of these issues will be known only in the indeterminate future after the parties concerned hold State conventions and their hierarchies consult with the national leadership.

A few comments, however, are in order at this time on the basis of authoritative current thinking on the subject. Of the three-party alliance in the defeated State Administration, the PSD lost the most since it had the Governorship and since the defeated gubernatorial candidate had come from its ranks.

The loss to the PR was only slightly less, for this Party was officially deeply committed to the election of the PSD gubernatorial candidate, the PR vice gubernatorial candidate, Minister of Education Clóvis Salgado, being intimately associated with the PSD State and Federal Administrations. Clóvis Salgado's victory at the polls was of little comfort. The number of votes he received was considerably smaller than the number of blank votes cast for the vice governorship -- 496,139 for Clóvis Salgado to 537,466 blank votes.



Among these factors were Statewide patronage, the popularity President Kubitschek enjoys as a native son and benefactor of his home State, the economic upsurge of Minas Gerais under the present State and Federal Administrations, and the overwhelming support given the Administration candidates and their political parties by the press. It should be added that this support was confined for the most part to the editorial page and that the reporting itself of the political campaign was noted for its objectivity and fairness.

In so far as the reporting officer has been able to ascertain through conversations with a large number of voters, inflation is given as the predominant but by no means the sole factor in the victory of the opposition. The other main factors were the increasing deterioration of the Administration three-party alliance -- made up of the PSD, the Republican Party (PR), and the Labor Party (PTB) -- and the basic weakness of the political party system. Also, although Marshal Lott is a native of Minas Gerais, he has never been identified with the State. Kubitschek's aloofness from the campaign, too, worked against Lott in that the people of Minas Gerais never felt the President's will in pressing for his Party's candidate.

Inflation. All indications are that the vote was not one of protest but rather for a return to fiscal responsibility without sacrificing economic progress. Although inflation has hurt a vast segment of the population, not only in the salaried lower classes but also in the growing middle class among those with fixed incomes, the State has fared well with respect to economic growth. Had Kubitschek been the Presidential candidate, he would have in all probability won in Minas Gerais and carried with him the other State candidates.

The point is that a majority of the electorate saw in the election of Marshall Teixeira Lott a good possibility of having inflation without compensating economic development. Jânio Quadros, on the other hand, came into the campaign with a reputation for sound fiscal administration and economic policies that promoted business and industrial growth.

Factional Strife. The second main factor in the electoral upset was the progressive deterioration of the State Administration three-party alliance. Made up of heterogeneous elements, the alliance was never free of conflicting views both with respect to relations between and within the parties constituting the alliance. These conflicts received increasing publicity culminating in a bloodless shooting incident in the State Legislative Assembly between a dissident PSD deputy, Luis MARANHA, and PTB deputy Hernâni MAIA, which resulted in hurt feelings and much publicity that did Administration forces no good.

The difficulties in holding the alliance together stemmed primarily from the divergent background of the member parties. The PSD is a conservative party in transition from a rural to an urban outlook, made up in large part of middle class business and liberal profession elements.



Candidate	Party	Office	Percentage of the vote
Jânio Quadros	UDN	President	40+
Teixeira Lott	PSD	"	40+
Adhemar de Barros	PSP	"	10
Cancelled and blank votes			10
		Total	100
Milton Campos	UDN	Vice President	39
Jango Goulart	PTB	" "	38
Fernando Ferrari	PDC	" "	8
Cancelled and blank votes			15
		Total	100
Magalhães Pinto	UDN	Governor	42
Tancredo Neves	PSD	"	40
Ribeiro Pena	PDC	"	4
Cancelled and blank votes			14
		Total	100

Minister of Education Clóvis SALGADO, the Republican Party candidate for Vice Governor, won with 496,139 votes by a margin of 196,305 over his nearest opponent. The number of blank ballots cast for this office, however, was 537,466, an indication of the voters' indifference toward the candidates or the office. The indifference was even more evident in the balloting for Senator, in which the winner, Labor Party candidate Camilo NOGUEIRA DA GAMA, won with 396,435 votes as compared with 662,080 blank ballots.

2. Factors in the Election Outcome

The election results were not a complete surprise with respect to the Presidential candidate. The trend in the last few weeks prior to the election was, as pointed out in the Consulate's despatch under reference, clearly in favor of Jânio Quadros. More unexpected was the defeat of the State Government's PSD candidate for Governor, Tancredo NEVES. The upset was particularly emphasized by seemingly well established political forces, communications media, and economic factors favoring the Government-backed candidates.



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FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, Belo Horizonte

DESP. NO. 9

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE November 3, 1960

REF : Consulate's Despatch No. 5, dated Sept. 9, 1960

P-3 4 NOV 1960

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	REC'D 11/15	INFO OTHER

ACTION ARA-4
DEPT. RM/R-2 REP-1 INR-7 IO-4 CU-5 E-7 ICA-
OTHER CIA-10 USIA-10 ARMY-4 NAVY-4 OSD-4
FRB-3 TR-3 LAB-6 NSA-2
HEW-5 COM-10 XMB-4

SUBJECT: IN THE AFTERMATH OF THE ELECTIONS

The results of the October 3 elections have brought about a drastic change in the political landscape of the State of Minas Gerais. The Government forces suffered a considerable defeat with the loss at the polls of their candidates for President, Vice President and Governor.

The defeat was particularly telling in the case of the Social Democratic Party (PSD) which has been in political control in the State for many years. Plagued with an influential dissident wing, it is likely to experience considerable difficulties in adjusting to a policy of opposition without losing its effectiveness as a party.

In view of the growing importance of this State in the national political scene, this despatch has as its main purpose to comment or report on: 1) the reasons for the way the people voted; 2) the effect on political party alignments; and 3) the program and attitude of the incoming State Government.

1. The Official Results

The final official results of the election were announced by the State Electoral Tribunal on October 31. The Democratic National Union (UDN) candidate for President, Jânio QUADROS, won over Marshal Teixeira LOTT by the narrow margin of 13,566 votes in 1,712,586 votes cast, receiving a little over 40 percent of the ballots as compared with not quite 40 percent for Lott. The balloting for the Vice Presidency was similarly close, the UDN candidate receiving 39 percent of the ballots as compared with 38 percent for the Labor Party candidate, Jango GOULART.

Following is a table giving the names of the candidates for President, Vice President and Governor, their party affiliation or backing, and the percentage each received of the total number of votes cast in the State of Minas Gerais:

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COMMENT: From the public opinion viewpoint, Soviet grossness and the success of U.S.-backed motions have created a feeling of consistent U.S. diplomatic success at this General Assembly. The importance of this can hardly be exaggerated, since this success reverses local misgivings about U.S. positions and U.S. leadership which have been growing since the U-2 incident and the cancellation of the President's visits to Moscow and Tokyo. ... In many editorial comments there has been increasing interest in the possibility of a Latin American "Third Force" which would be led by Brazil, and which would join with the Afro-Asian neutralists whenever necessary to keep the two major world antagonists "within bounds". The Latin American "Third Force" attitude should be closely watched. ... In all respects support for the U.N. seems to be absolute, except that the primacy of the C.A.S. in Western Hemisphere affairs is recognized. CONFIDENTIAL



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(Classification)

CLASSIFIED PORTIONS OF CURITIBA NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD AUGUST 15 - OCTOBER 14, 1960

7. The Cuban Affair

From the U.S. point of view, local reactions to the Cuban situation have distinctly improved in the past two months. The press was universally offended when Raul Roa attacked Brazilian Foreign Minister Lafer after the VII Foreign Ministers' Meeting at San José. This served to awaken the local populace to the extreme provocation the U.S. has been suffering in Castro's more violent polemics. At the same time the massive nationalizations of real property in the past few weeks, plus Castro's parroting of the Soviet line at the U.N., are convincing even the most starry-eyed idealists of the communist nature of the Castro regime. Perhaps more effective than any other single event in creating doubts about the purity of Castro's revolution have been the new anti-Castro rebellions in the Cuban sierras. SOURCES: Personal observations and conversations, all local press. OFFICIAL USE ONLY

COMMENT: When it has finally been identified, communism is thoroughly abhorred here. Hence, local opinion has now progressed to the point where strong measures against Castro and his chief aides would be accepted if they were taken under the aegis of the O.A.S. Although an "unprovoked", unilateral U.S. attack against Cuba would evoke sharp criticism, a very strong U.S. self-defense against Castro-Cuban provocations would probably be accepted in the long run. We have reached the point where we gain more in local respect by aggressively pursuing our rights with Cuba, than we do by being overly cautious. So far as Curitiba is concerned, excessive U.S. self-restraint is reaching a point of diminishing returns. CONFIDENTIAL

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9. XVth U.N. General Assembly

Press coverage of the XVth U.N.G.A. has been heavy considering that it has had to compete with the Brazilian Presidential election. Most attention was given to U.N. action in the Congo, Khruschev's attacks on Hammarskold, Khruschev's antics, and the rising importance of the "neutralist Third Force" nations. Khruschev's boorishness and Castro's puppet performance were generally condemned. There was growing appreciation of "the importance of a 'Third World Force' which would keep the U.S. and the U.S.S.R. from engaging in a private nuclear war to the detriment of everyone else". The "necessity" for giving Communist China U.N. membership was ruefully acknowledged, the "necessity" being based on the fact that Communist China is too big to be ignored. SOURCES: All local papers.

COMMENTS:

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MISCELLANEOUS ITEMS

13. Mexican Consulate

Local press reports and personal conversations indicate that the Mexican Embassy in Rio de Janeiro has asked the Brazilian Foreign Office to approve the nomination of Adolpho MACHADO as Honorary Mexican Consul in Curitiba. Mr. Machado is President of the Curitiba Commercial Association, President of the equivalent of the local Chamber of Commerce, and is a prominent Parana coffee broker and exporter. He is an extremely conservative individual, friendly to the U. S., and was quite helpful to the U. S. Trade Mission last June. Brazilian government approval of the nomination may take a year. O.U.O.

14. Italian Consular Agencies

The Italian Consul General has informed us that he has just reopened a consular agency in Florianopolis, Santa Catarina, and that he plans to establish a new agency in Maringa, Parana. The Consular Agents are Brazilians, and their names have been in the approval mill at the Itamaraty for more than a year. The Agency in Ponta Grossa is being reopened for prestige purposes only, and because the city complained loudly when the agency was closed (death of the former incumbent) about two years ago. The Italian Consul General states that volume of work alone would not justify the Ponta Grossa office. O. U. O.

Edward M. Rowell
American Consul

Enclosure: As stated.
Classified Portions of Curitiba News Summary (non-Economic) for Period August 15 - October 15, 1960 (transmitted separately).

cc: Counselor for Consular Affairs, Rio de Janeiro

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0206

The signing of the Bogotá convention was applauded on all sides. Though some writers have reservations regarding U.S. motives, and others fear that $500 million will be the total contribution instead of just a start toward Latin American "rehabilitation", the U.S. position at Bogotá did much to create a feeling that the U.S. is truly interested in broader Latin American development. One paper commented that $500 million is enough to buy 20,000 flasks of perfume, 13,000 Cadillacs and two tractors...a criticism of the waste and corruption of the Dutra government, 1945-50, and a subtle warning against Latin American corruption in dealing with these funds. SOURCES: All local press, personal conversations. O.U.O.

CULTURAL EVENTS

11. U.S. Cultural Activities

U.S. cultural efforts in Curitiba have been fairly heavy in the past two months. Contemporary musician James A. SYKES had a three-quarter's house at the University Auditorium for a piano recital. The JOSÉ LIMON DANCE COMPANY played to a receptive two-thirds house in the University Auditorium on October 9. However, there has been considerable disappointment that none of the U.S. choral groups which toured Latin America this year ever came to Curitiba....An outstanding success was the visit of Claremont Graduate School of Economics' Professor James D. CALDERWOOD. Professor Calderwood so impressed University of Parana professors that he was invited to an exclusive professorial "kaffeeklatsch" two nights running, and the Dean of the Economics School has asked if the U.S. could send a man like Calderwood to teach at the University of Paraná for a year. Lawyer Ronald Scheman was also well received, in spite of short notice on his arrival. He spoke very effectively for the U.S. in a press conference arranged by the Curitiba Binational Center. ~~XXXXX~~ SOURCES: Personal observations. UNCL.

12. Polish, German and Soviet Cultural Activities

State Deputy Tadeu SOBOCINSKI has announced, and the Polish Consul has confirmed the fact, that the Polish Government has invited Sobocinski to visit Poland. Sobocinski belongs to the incumbent PSD group defeated October 3, and is a native-born Brazilian of Polish ancestry. UNCLASSIFIED

German educational exchange programs are receiving wide publicity. One program offers graduate students all travel inside Germany, all tuition costs, and monthly maintenance of 600 marks. Knowledge of German is required. Another paper announced that five Parana journalists have been given grants to visit Germany for 20 days during October-November. The paper at the same time criticized the U.S., England and France, but especially the U.S., for being stingy in its grants to local journalists. NOTE: Three of the journalists obtained U.S. visas from the Embassy in Rio just before they left for Germany.... A small newspaper article in Curitiba Diario do Paraná (8/28/60) announced that three Parana students have gone behind the Iron Curtain at the invitation of the Soviet Government. Two men will study for doctorates in physics and chemistry at Moscow for the next four years. One girl will study economics in Czechoslovakia. Names of the students are unavailable. SOURCES: Local press. See also Curitiba D-18 (8/28/60). O.U.O.

MISCELLANEOUS ITEMS



10. Miscellany: U.S. Elections, Bogota Conference

Interest in the U.S. election has been intense. Both news items and editorials were fairly ample prior to the Brazilian election, and since then only KHRUSCHEV's blustering in the U.N. has taken more space. Although the local consensus is still that a Democratic government is automatically better for Latin America than a Republican government, here and there some editorial writers are beginning to take a more balanced view between the two parties. OFFICIAL USE ONLY

0204

There was nervousness in police circles because, while Prestes was lecturing, Adhemar de Barros was holding a rally at a park a short distance away. Fortunately, Prestes left town the next day with only an eye slightly darkened during his airport engagement.
SOURCES: Personal observations and conversations, local press.
UNCLASSIFIED

COMMENT: The local leftist press said that a Catholic priest was responsible for organizing the "Bronx cheers" at the airfield. However, there is no doubt that avowed communism (as distinct from well camouflaged communist subversion) is recognized by all socio-economic classes in Curitiba as being a threat to cherished institutions. OFFICIAL USE ONLY

6. University Students' Elections

The Annual Paraná Student Union election is revealing a refreshing trend to responsible political awareness on the part of students who have more conservative views than those in the leftist camp. The incumbent student officers who represent a hyper-nationalist outlook are being actively opposed by a newly organized "Third Force" which is more moderate. The 'Third Force' slogan is "Nationalism without extremism" and "opposition to trusts, either economic (capitalism) or ideological (communism)".
SOURCES: Local press, personal conversations. OFFICIAL USE ONLY

COMMENTS: The statutes of the Student Union are rigged to favor the incumbents, so that it is very unlikely that the "Third Force" will win this year. If it perseveres, it may have a chance in 1961 or 1962. At the very least the "Third Force" reduces the incumbent group's hitherto unopposed leadership of Paraná students. OFFICIAL USE ONLY

PSYCHOLOGICAL EVENTS

7. The Cuban Affair

See Enclosure.

8. New Communist Newspaper

In mid-August, Walmer MARCELINO, self-avowed communist and number one former anti-American editor on Curitiba daily "O Dia", left "O Dia" and launched his own newspaper, "Hoje". Thus far, about six issues of "Hoje" have come out, all at irregular intervals. Content of "Hoje" is predictably anti-U.S., pro-Soviet. At present there is a reasonable chance that "Hoje" will die of anemia before the end of the year. OFFICIAL USE ONLY

9. Fifteenth U.N. General Assembly

See Enclosure.

10. Miscellany:

0203

were more favored. Even so, both Ferrari and Campos did better than had been expected, helped quite possibly by Ney Braga's strength. If Ferrari had not run, Campos probably would have won in Parana. OFFICIAL USE ONLY

3. Polish Consulate Participation In Election Campaign

On two different occasions in the six weeks preceding October 3, the Polish Consul in charge of the Consulate General in Curitiba commented that he was accompanying State Public Works Secretary Ladislau LACHOWSKI on campaign visits to Polish communities in Parana. The Polish Consul's statements were confirmed by newspaper eyewitness reports. UNCLASSIFIED

COMMENT: LACHOWSKI visited Poland earlier this year on a Polish Exchange Visitor grant. LACHOWSKI is reported to have been rather depressed by what he saw of Poland, but he may have been grateful enough for the trip to take a hint and invite the Polish Consul to accompany him on campaign trips. The election results indicate that the Polish Consul's efforts may boomerang since the vote for the PSD was not particularly good in Polish communities. It should be recalled that the PTB and PSD were split in Parana, and only the PSD supported the communists' national candidates. Further, the Parana PTB's far left members dissociated themselves from the PTB candidate for state governor last July. OFFICIAL USE ONLY

4. Ambassador Cabot's Visit To Florianopolis And Curitiba

Ambassador Cabot made routine protocol visits to local officials in Florianopolis (Santa Catarina) and Curitiba (Parana) on September 8 and 9. On the whole the visits were very well received. A small group of leftist students painted some Curitiba streets with "Go Home Cabot" signs, but the only newspaper to comment on this effort called it "childish". SOURCE: Personal observations. Curitiba D-11, 9/16/60. UNCLASSIFIED

COMMENT: Respected Aloysio BIASI, senior socialist reporter and editorial writer in Curitiba, indicated personally to me and in his column that the Ambassador's answers in a free-wheeling Curitiba press interview were encouraging, and indicated a changing U.S. attitude toward Latin American problems and fuller recognition of Operation Pan America. OFFICIAL USE ONLY

5. Prestes' Pre-Election Visit To Curitiba

PCB leader Luiz Carlos PRESTES had a stormy one day stay in Curitiba on September 19. On arrival at the airport he was booed by several people, and one student attempted to engage in fisticuffs with him. That night Prestes gave a lecture to an unimpressive audience at the Law School. There was



57,439), although his lead over Milton Campos was less than had been predicted. UNCLASSIFIED

COMMENT: The issues and attitudes reported in Curitiba D-2 (7/12/60) and in Rio de Janeiro D-222 (9/14/60) appear to have been the primary determinants in the election result. The one exception is that voter "restlessness", the desire to change governments and governing parties, was probably stronger than had been reported. Thus in the case of presidential, gubernatorial, and vice gubernatorial winners, the opposition candidate won in every case. Only the Vice President is a carry over. UNCLASSIFIED

2. Paraná Election Results

Paraná's 885,418 voters surprised everyone. Janio QUADROS' majority of slightly more than 50% of the votes cast had been anticipated, but Adhemar de BARROS' polling of 23% of the vote was about thirteen percentage points higher than had been guesstimated, although this did not affect the final outcome at either the state or national level. At last count, Quadros received 337,740 votes, Lott got 113,035, Adhemar de Barros got 153,110, and 61,112 votes were invalid. UNCLASSIFIED

Jeãe GOULART won in Paraná, but by a narrow plurality over Milton CAMPOS, instead of the absolute majority that had been predicted. Statistics to date: Goulart - 201,772 votes, Ferrari - 122,619 votes, and Campos - 180,820 votes. Significantly, almost 25% of the votes cast, 146,687 so far, were blank. UNCLASSIFIED

The gubernatorial race was the real shocker. Ney BRAGA, the man who was almost without a political party, won by a very clear plurality. Even Ney's closest associates had lost hope before the election and continued to campaign for him only for honor's sake. The vote at last count: Ney BRAGA (UDN-PL-PDC) - 245,049, Nelson MACULAN (PTB-PSD dissidents) - 219,012, Plinio COSTA (PSD incumbents) - 212,895. UNCLASSIFIED

COMMENTS: The analysis presented in Curitiba D-35 (2/16/60) and Curitiba D-59 (6/25/60) has been generally vindicated by the election results. Dissatisfaction with current living problems (e.g. inflation) and revolt against corruption in the state government played very important roles in the voting, as well as previously reported antipathy for many federal government policies toward Paraná. Election of Ney Braga can be considered a political revolution in its most fundamental sense and demonstrates a genuine rebellion against established political mechanisms. This factor may have been dominant in producing the 146,687 blank votes for vice presidential candidates, votes which probably would have gone to incumbent Jeãe GOULART in other times when the PSD-PTB national and state alliances were more



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FOREIGN SERVICE DESPATCH

FROM : American Consulate, Curitiba, Brazil — DESP. NO. nº 17

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE October 28, 1960

REF :

This Document Inserted in the RM/R Central Files

20 For Dept. Use Only	ACTION	DEPT.
	ARA-4	RM/R-2 INR-7 P-3 EUR-5 IO-4 CA-5
	REC'D 11-4-60	INFO OTHER CIA-10 USIA-10 ISD-4 NSA-2 ARMY-4 NAVY-4 AIR-6

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD AUGUST 15 - OCTOBER 15, 1960

CONTENTS:

1. Santa Catarina Election Results
2. Paraná Election Results
3. Polish Consulate Participation In Election
4. Ambassador Cabot's Visit To Florianopolis And Curitiba
5. Prestes' Pre-Election Visit To Curitiba
6. University Students' Elections
7. The Cuban Affair
8. New Communist Newspaper
9. Fifteenth U.N. General Assembly
10. Miscellany: U.S. Elections; Bogota Conference
11. U.S. Cultural Activities
12. Polish, German, And Soviet Cultural Activities
13. Mexican Consulate For Curitiba
14. New Italian Consular Agencies

DEPARTMENT OF STATE
BUREAU OF INTER AMERICAN AFFAIRS
NOV 9 1960

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POLITICAL EVENTS

1. Election Results In Santa Catarina

Ninety-one per cent of Santa Catarina's 573,653 registered voters trooped to the polls in an orderly election on October 3. As had been expected, the vote was extremely close. Celso RAMOS (PSD) defeated Irineu BORNHAUSEN (UDN) for governor, 261,496 votes to 241,502, a difference of less than 5% of the total vote cast. For national office Janio QUADROS defeated Henrique LOTT by the very narrow margin of 4,564 votes (226,152 to 221,588), or about 1% of the total vote. Adhemar de BARROS received 41,683 votes. As expected, "Jango" GOULART considerably outdistanced his two Vice Presidential competitors (João Goulart - 235,313, Milton Campos - 175,735, Fernando Ferrari - 57,439),

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NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

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IV CONSULAR

1. General (UNCLASSIFIED)

Consular operations have continued normally during the past week, and there is nothing especial to report.

V ADMINISTRATIVE

1. Principal Officer to Take Leave (UNCLASSIFIED)

The reporting officer plans to commence leave on October 24 and return to work November 14. In his absence the Consulate will be in the charge of an officer detailed from the Consulate General in Sao Paulo. During the next three weeks this "Weekly Comment" will not be written.

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0199

companies refused to acquiesce to the demand of the National Federation of Stevedores that the "estiva libre" practised by the Brazilian Coal Company (and others) be ended. This informant indicated that the shipping companies felt this to be the most important point at issue. He also stated that the Santos Centro de Navegaçao has calculated that the average Santos stevedore earns Cr$20.300,00 a month for working approximately 4 days a week, and that his own firm employs a number of stevedores who consistently earn Cr$40.000,00 a month.

This source said further that the shipping companies will resist the stevedores' efforts to have the vacation fund collections paid directly into the union's coffers.

2. Santos Dock Company Increases Wages of Salt Handlers (UNCLASSIFIED)

On October 20 the Santos Dock Company, under the threat of strike, agreed to recommence paying a 25% extra in the wages of dockworkers loading salt, on the grounds that handling sodium chlorate is unhealthful.

III ECONOMIC

1. Tanker Goes on Rocks (UNCLASSIFIED)

Early in the morning of October 17 the 12,510 DWT tanker Hamilton Lake (capt. Aksel Hemoe) ran on the rocks of the Island of Sao Sebastiao. It was first feared that the vessel was a total loss, but after considerable exertion and much luck the tanker was floated off and will be repaired in Rio de Janeiro.

Comment: (UNCLASSIFIED)

The Hamilton Lake, now sailing under the Liberian flag, was built in 1927 and was the world's biggest tanker up to the outbreak of the Second World War. It is now used as a ferry to lighten super-tankers, which cannot enter Santos fully laden.

2. Preliminary Census Figures for Consular District (UNCLASSIFIED)

Preliminary census figures indicate that the City of Santos now has about 265,000 persons as against 203,562 in 1950. However, Sao Vicente is up to about 75,000 inhabitants from 32,000 in 1950. Santos comparatively small gain in population is explained by the exodus of many workingmen to Vicente de Carvalho across the harbor on the Island of Santo Amaro (Guaruja). Vicente de Carvalho alone is now calculated to hold 25,000 people as compared with 7,000 ten years ago.

/LV C MSGard.

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6-1-50

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Encl Desp #165
Sao Paulo 10/21/60

OPERATIONS MEMORANDUM

THIS DOCUMENT MUST BE RETURNED TO RMR CENTRAL FILES

TO: American Consulate General, Sao Paulo **Date:** October 21, 1960

FROM: American Consulate, SANTOS, Brazil VP

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Santos Mayoralty Contest (UNCLASSIFIED)

The three front runners in the Santos mayoralty race are State Deputy Athie Jorge Coury, Federal Deputy Antonio Feliciano da Silva, and Santos Public Works Director Luiz La Scala, Jr. It is agreed that Coury is having a hard time rallying Janistas and Carvalhistas behind him, that Feliciano was badly hurt by having supported Marshal Lott, and that La Scala is now out front.

Comment: (UNCLASSIFIED)

Mayor Fernandes Lopes is expected formally to endorse La Scala next week.

II LABOR

1. Santos Docks Paralyzed by One-Day Stevedore Strike (UNCLASSIFIED)

To the surprise of local shippers, the Santos stevedores kept their promise to strike unless their demands were met, and at 7 a.m. on October 18 all stevedoring halted in Santos (and elsewhere in Brazil). The strike in Santos was peaceable, and the Captain of the Port did not even have to take unusual police precautions on the docks. By the next day the strike was settled, with the stevedores receiving a 35% wage increase and a 5% increase in the contribution made by the shipping companies to the stevedore union's vacation fund. Shipping schedules were not seriously disrupted by the one-day walkout, for passenger operations were not affected.

Comment: (OFFICIAL USE ONLY)

The strikers claim a complete victory. A local shipping company president told the reporting officer that the shipping /companies

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

165
DESPATCH NO.

October 25, 1960
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

20 For Dept. Use Only	ACTION	ARA-4	
	REC'D	11-1-60	
	INFO	DEPT.	RM/R-2 REP-1 INR-7 E-3 ICA-11 IO-4 PER-2
		OTHER	CIA-10 WAB-6 Com-10 USIA-10 HEW-5 NSA-2 ARMY-4 NAVY-4

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated October 21, 1960.

William P. Cochran, Jr.
Consul General

732.00/10-2560 HBS

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
NOV 9 1960

Enclosure: as stated

Santos Weekly Report
dated October 21, 1960

cc: Amembassy, Rio

1960 NOV 1 AM 1 23

RJBurton:lfw
REPORTER

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RG: 059

ENTRY: CDF60-63

TAB #: 7

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BOX: 1575

ACCESS RESTRICTED

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Folder Title: 732.00/10-2560 HBS

Document Date: 25/10/60

Document Ser.#:

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X. (continued)

and speechs. As the Secretary General of the UDN who was elected by the PSD-PTB (as well as PRP, PTN, and PDC), Deputy Alves was busy playing both sides fm of the political fence in Pernambuco. In addressing the State Legislature he stated that "the problem of the Northeast is, above all, one of the state of mind . . . Today the Nordestino has a life that is only a slow, disgraceful, and humiliating way of dying." As the leader of an underdeveloped state within xxxx an underdeveloped area, he appealed to Pernambuco for regional leadership and assistance.

While in Recife, the ex-secretary of the "Lantern Club," also conferred with economist Celso Furtado about SUDENE plans for economic development activities in Rio Grande do Norte during his forthcoming tenure of office.

Meanwhile, in Natal, incumbent Governor Dinarte Mariz was reportedly preparing to clean out the coffers by last minute political appointments, spending projects, and fiscal manueverings. The Tribuna do Norte (Aluizio Alves' newspaper) predicted a loss of 4 million cruzeiros for the taxpayers.

(UNCLASSIFIED)

Ernest S. Guaderrama
American Consul

Department: Please pass two (2) copies to the American Embassy, Rio de Janeiro

1 cc - Consul General, Amembassy, Rio de Janeiro

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VI. (continued)

Other Nordestinos mentioned as possible key men in the Quadros administration include João Cleophas as the Minister of Agriculture, Lael Sampaio for a post with the Banco do Brasil, Geraldo Guedes for the presidency of the Institute of Sugar and Alcohol, and Sociologist Gilberto Freyre as the Minister of Education.
(UNCLASSIFIED)

VII. Recife City Council Black-Balls Janio

Riding the waves of euphoria of the Janio victory in Recife, City Councilman Hisbelo Q. Campos proposed, on October 11, that Mr. Quadros be made an honorary citizen of Recife. The motion died quietly as a majority of the councilmen quietly voted against extending such an honor to a man they had so recently classified as an "intreguista."
(UNCLASSIFIED)

VIII. Paraiba Governor Lays Vacation Plans

Paraiba Governor Jose Fernandes de Lima (PSB) has announced that he will start an extended vacation on January 24, 1961 so that he will not have to personally turn over the reins to the victorious opposition candidate, Pedro Gondim, who takes over on January 31. Following Governor Fernandes' lead, all member of his cabinet will also make an early evacuation from the executive mansion.

As part of his itinerary, Governor Fernandes plans to visit a "youth congress" in Moscow as a member of an invited group of legislators.
(Jornal do Commercio, 10/16/60)
(UNCLASSIFIED)

IX. Promotion in Maceio

Hearing a remark about the absurdity of electing a "clown" like Sandoval Caju as the new Mayor of Maceio, Mr. Caju interrupted the group discussion to announce: "I was a clown, but now I am the owner of the circus!" (Jornal do Commercio, 10/5/60) (UNCLASSIFIED)

COMMENT: Mayor Caju's incumbency will be an entertaining one for the Alagoas capital. His political ideologies remain obscure as the leftists move in to help the novice organize city hall. (OFFICIAL USE ONLY)

X. Aluizio Alves "Rests" in Recife

Rio Grande do Norte Governor-elect Aluizio Alves, purportedly resting in Recife after his bitter campaign, was involved in an incessant series of press conferences, telecasts, conversations with state and municipal authorities, luncheons,

0193

V. (continued)

SUDENE chief Celso Furtado was immediately tackled by journalists curious to hear his opinions regarding the future of SUDENE under a new national administration. Furtado predicted no modification in the presently proposed SUDENE program or the stress to be placed upon it. "It (SUDENE) was born as a non-partisan project and I believe it will have to be maintained as such . . . SUDENE has potentialities only if it remains outside of politics." On hand to greet him was Pernambuco Deputy Murilo Costa Rêgo, close cohort of both Janio Quadros and Governor Cid Sampaio; Deputy Costa Rego noted that his presence at the airport was to demonstrate that the SUDENE program will continue with the full support of the new government.

During the interview, Dr. Furtado announced that a program for more exchange of specialists in geology, hydrology, and the fishing industry plus a large number of scholarships had been established with the French Government.
(UNCLASSIFIED)

COMMENT:
The President-elect, Janio Quadros, reading his political platform in Recife during the final days of the campaign (September 18) pledged his government to "the policy of the recuperation of the Northeast, including the approval of the plans and studies now existing, with an increase of the resources presently available for this end . ." On September 26, Governor Sampaio read a covenant that the UDN governors of the Northeast and Janio had executed, pledging Janio's future administration to resolving the Northeastern socio-economic crisis and promising continuing support for SUDENE.
(UNCLASSIFIED)

VI. Cid Sampaio - Federal Deputy from Paraiba in 1963 ?

Following the impressive Janio-UDN victories in the Northeast, Governor Sampaio, having reached a new zenith in his political career, has finally convinced local political observers that he will serve out his term as Governor of Pernambuco rather than become a Federal minister. However, he has already been approached by the Governor-elect of Paraiba to be a candidate in that neighboring state in 1962. He would be running for a job as federal deputy, and, if elected, would assume office in 1963 after finishing his gubernatorial term of office. As a first step, he has been named an "honorary citizen" of João Pessoa, capital of Paraiba, during the victory celebrations for Pedro Gondim and Janio Quadros.
(UNCLASSIFIED)

COMMENT: This strategy has worked for other Brazilian politicians (i.e.-Janio Quadros in Parana'). Paraiba's new Governor, Pedro Gondim, is now closely allied with Governor Sampaio and would strongly back this projected candidacy as Cid Sampaio becomes the outstanding regional leader and a likely choice to dispute with Carvalho Pinto of São Paulo as to who shall succeed Janio Quadros as the UDN candidate in 1965.
(OFFICIAL USE ONLY)

0192

II. (Continued)

a pro-Lott political rally on Sunday morning, September 25. Among the featured speakers at the rally were communist leader Luiz Carlos Prestes and Rio Grande do Sul Governor Leonel Brizzola. (UNCLASSIFIED)

COMMENT: Although the March of the Ligas was impressive, Julião was unable to marshal his promised number of 5,000 participants. (OFFICIAL USE ONLY)

Socialist Leader Attacks Julião

On a September 23 telecast interview, a pro-Janio member of the PSB from São Paulo, Rodrigo Duque Estrada (President of the São Paulo Socialist Action group and one of the founders of the PSB in 1934), called Julião a traitor to the rural classes he is leading. ". . . .Julião is communistic . . . and he is carrying them to extreme political action when he should only seek to solve the problems of the rural classes as he was doing at the start of his campaign, with the support of the socialists from all the nation." Snr. Duque Estrada, after relating the details of Julião's request for Cr$600,000 for a Ligas propaganda trip that would cost Cr$200,000, further noted that Julião " . . is a false socialist or does not know the exact definition of socialism . . . but I don't believe he is using the Ligas Camponesas for selfish interests." (UNCLASSIFIED)

III. Julião Invites Church Help

While in São Paulo, campaigning for Marechal Lott in the name of the Ligas, Deputado Julião was quoted by the Ultima Hora as wanting to have the "help of the clergy in the campaign that he has undertaken against slave labor (and for agrarian reform) . . . They could lead the campaign with the dominance that the Church still exercises over the peasant; but they prefer to remain at the edge of the road, passive and indifferent."

It was during this interview that Julião revealed the "secret meeting" between Janio Quadros and Nelson Rockefeller in Venezuela following Janio's departure from Cuba earlier this year. (UNCLASSIFIED)

IV. Mayors' Conference

The newly elected Mayor of Natal, Djalma Maranhão, delayed in Recife for four hours while traveling to Rio de Janeiro. The Recife stopover was made in order to confer with Recife Mayor Miguel Arraes on October 11, 1960. (UNCLASSIFIED)

COMMENT: Both men are noted for their leftist associates and activities. It appears that the groundwork is being laid for closer inter-city administrative and political cooperation. (LIMITED OFFICIAL USE)

V. The Future of SUDENE

Returning to Recife on October 4 from a visit to Israel, Italy, and France,

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FOREIGN SERVICE DESPATCH

FROM : Amconsul, RECIFE
DESP. NO. 17

TO : THE DEPARTMENT OF STATE, WASHINGTON.
DATE October 22, 1960

REF :

20 For Dept. Use Only	ACTION	DEPT.
	ARA-4	RM/R-2 INR-7 CU-5 EUR-5
	REC'D 11-1-60	INFO OTHER CIA-10 USIA-10 OSD-4 NSA-2 ARMY-4 NAVY-4 AIR-6

SUBJECT: MONTHLY POLITICAL SUMMARY - September 16 - October 15, 1960 Rio de Janeiro-2

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TABLE OF CONTENTS

I. Ligas Camponesas Leader Tours Behind the Iron Curtain
II. Ligas on Parade
III. Julião Invites Church Help
IV. Mayors' Conference
V. The Future of SUDENE
VI. Cid Sampaio - Federal Deputy from Paraiba in 1963 ?
VII. Recife City Council Bubk-Balls Janio
VIII. Paraiba Governor Lays Vacation Plans
IX. Promotion in Maceio
X. Aluizio Alves "Rests" in Recife

I. Ligas Camponesas Leader Tours Behind the Iron Curtain

Francisco Julião, Pernambuco state deputy and leader of the Ligas Camponesas, left Recife on October 4 en route to Sofia, Bulgaria where he will represent Brazil in the International Conference of Democratic Jurists. From Sofia, he will proceed to Peiping at the invitation of Mao Tse Tung to observe Chinese agricultural programs and results of agricultural reforms. The communist press (Folha do Povo, October 6, 1960) reported that he will tour for about two months and will probably visit other socialist countries, including the USSR.

DEPARTMENT OF STATE
UNCLASSIFIED
NOV 17 1960

In other news involving Deputado Julião and the Ligas:

II. Ligas On Parade

With much advance whoopla, more than 2,000 members of the Ligas Camponesas, carrying wooden swords and banners (including portraits of Fidel Castro and Luis Carlos Prestes), marched through the streets of Recife and participated in

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all. Moreover, the transfer of the capital into the interior of the country considerably angered conservative forces, who in no case fail to speak of the "abandonment and decimation" of Rio de Janeiro, with the added comment that Kubitschek and the social democrats caused it all.

The circles which stand behind Quadros, however, probably have the decisive influence on the results of the elections. They are none less than the powerful foreign economic and financial groups whose center is mainly the USA. Several scandals, which were revealed in the course of the pre-election campaign, testified on this. A number of financial groups are charged with using their means for buying votes. Several governors and other highly placed personalities are involved in a gigantic corruption affair. Here once again dollars on the Latin American scene.

Basically the official wording of the government programs, with Lott as with Quadros, agree--both promised an increase in the standard of living, the defense of democracy, etc., but they are also against the establishment of normal relations with the USSR, are against the legality of the Communist Party of Brazil, etc.

The difference, however, is namely this: Behind Lott were the working classes of the nation including the Communist Party of Brazil, while the main support of Quadros are the American monopolies. Quadros did not express himself on this point. The majority won in an election is not important--especially in Latin America--but how the elected president responds to the longings of his nation. And the near future will show this in the case of Brazil.

For the Ambassador:

Robert W. Kent
Second Secretary of Embassy

0189

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FOREIGN SERVICE DESPATCH

227
DESP. NO.

FROM : Amembassy PRAGUE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE October 21, 1960
OCT 21 1960

REF : ---

For Dept. Use Only	ACTION	DEPT.
	ARA-4	RM/R-2, EUR-5, INR-7, M/O-1, M/OP-1
	REC'D 10/26	OTHER RIO DE JANEIRO-1, CIA-15, USIA-10, OCB-2

SUBJECT: Czechoslovak Comment on Brazilian Elections

For possible use in discussions with Brazilian officials regarding their relations with Eastern Europe there follows a translation of an article which appeared in "Obrana Lidu" on October 16, 1960, commenting on the recent Brazilian elections:

The official results of the Brazilian presidential elections of October 3 are still not known, but there cannot be any doubt about the victor. The new president for the next five years will be the opposition leader, Janio QUADROS, governor of the richest state, Sao Paulo, and a representative of the National Democratic Union (UDN).

The election of J. Quadros means a great break in Brazilian politics because Marshal Teixeira LOTT, the candidate of the government coalition, and whose election was almost counted a certainty, was defeated at the same time. Not only has Marshal Lott always appeared as a dauntless defender of the constitution and the laws, by which he won great popularity, but he first of all represents the so-called national forces trying to develop the country without foreign interference.

In contrast to this, newly elected President J. Quadros is a representative of conservative forces, the so-called "etreguistas", that is, the circles ready to sell the national wealth and perhaps even its sovereignty.

The third candidate, who alone does not have much influence, was Ademar de BARROS, who, however, nonetheless played an important role. He drew off a considerable number of votes from both main candidates, especially from Lott. With this, his task ended.

Leaving out of account the fact that the votes will not all be counted until the end of the month, one can now consider the reasons for Lott's defeat. One side maintains that KUBITSCHEK, the previous president, has a great share in it because he broke tradition and practically did not support the Lott campaign, as

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NOV 1 1960

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1) In the meeting between Governor Magalhães and Ex-Governor Balbino mentioned in Despatch No. 25, October 14 an account was reported to by the newspapers that we considered too wild to relay without further proof. Balbino is supposed to have made the following proposition; that if Juracy were to resign his office, Balbino would guarantee that the Vice-Governor, Orlando Moscoso would also resign and a clear path would be had for a unified Bahian Government. Moscoso was reported as indignantly rejecting the whole idea. The point suggested here is such a proposal would not even be considered if Juracy did not have the prospect in the offing of a better -- or a different -- jobe as a reward from Janio.

2) There has been a very marked and very recent wave of cordiality from the Governor and his staff -- including the Mayor, Heitor Dias -- toward Consulate officers. We are at a loss to explain it.

3) The apparent goodfellowship between Cid Sampaio and Juracy Magalhães seems a bit thick -- unless there is really no competition and the older man has an out.

4) Brazil's Ambassador to the United States is in Brazil at the moment. Can there be doubt that he will return?

5) DEDUCTION: Juracy has served in Washington as Military Attache; his pro-Americanism is noted; he speaks a fluent English; he is a polished man of affairs, an excellent administrator and negociator; yet he is a somewhat awkward figure for Janio to have about the national scene. It could be that his reward for delivering Bahia to Janio will be an ambassadorship, and quite possibly an ambassadorship to the United States?

James M. Flanagan

James M. Flanagan
American Consul

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FROM : Amconsul SALVADOR, Brazil. -27-
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. October 21, 1960
DATE

REF : ----

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
NOV 1960

20 For Dept. Use Only	ACTION	DEPT.
	ARA-4	INFO RM/R-2 INR-7
	REC'D 11-1-60	OTHER CIA-10

SUBJECT: POLITICAL: Meeting of Governor Juracy Magalhaes and Governor Cid Sampaio, October 20, 1960.

Rumors of impending political change continue unabated in the capital of Salvador, but so far at least there has been nothing but speculation, some of it wild. The most persistent rumor is that Governor Magalhães will soon make a clean sweep of his present cabinet and appoint younger, more able men who have not prejudiced their political careers by excessively active roles in the past election. The Secretary of Public Security, Rafael Cincurá, has been something of a target. He has been criticized rather vaguely as being "negative". Rômulo Almeida, Secretary Without Portfolio for the Northeast of Bahia, has resigned to serve as one of the five members of the new OAS Board of Economic Advisers. The position has been carefully labelled as "temporary" by his Comissão de Planejamento Economico staff here in Salvador, but considering Romulo's consistent lack of luck in state politics (1958 and 1960) there is doubt that there will be a berth waiting for him.

Governor Magalhães has also been the subject of speculation. The local paper, Diario de Notícias, carried a screaming headline announcing that he had lost the leadership of the Nordeste to Governor Cid Sampaio. Other papers and columnists picked up the theme in a more discreet fashion. The suggestion was that Juracy had lost his grip and that Bahia would be in for another period of Federal neglect. Against this background came the meeting yesterday between Cid and Juracy at the Salvador airport, Ipitanga, that was reminiscent of the famous meeting between Juracy, Janio and Vieira de Melo before the election. Cid emphasized to the reporters that his trip to see Janio was purely a courtesy call and that he had not asked for any favors. Both governors were seeing eye to eye and there was no competition for "leadership" of the northeastern states. This incident has done much to restore Juracy's prestige and to still the rumors of his decline.

For what it is worth the writer reports a personal conjecture. It is based on a number of apparently unrelated incidents and considerations:

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OCT 22 1960
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FOREIGN SERVICE DESPATCH

FROM : American Embassy BOGOTA

244
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 19, 1960
DATE

REF : CERP, Section D-5-A

For Dept. Use Only	ACTION REC'D	DEPT INFO OFFICER
25	ara-14	Wash-1 RWR-2 & E-7 ICA-11
	10-25	Cia-10 Com-6 TRS-FRB-2 XMB-4

SUBJECT: Conversation with the Minister of Finance on the Financial Implications of the Brazilian Election.

Barranquilla-1 Cali-1 Medellin-1 Tar-2 Army-4 Navy-3

In a meeting with the Minister of Finance, Hernando AGUDELO Villa, on October 17 on another matter, the reporting officer commented that those favoring financial stability could take some comfort in the margin of victory of the opposition candidate in the recent Brazilian presidential election. The Minister of Finance agreed, but said that he had never been able to understand Brazilian politics; he could not understand why the Brazilian people would accept the degree of inflation which had existed in Brazil without revolution. It might be that they were easier to handle than the Colombian people, who, in his opinion, would certainly rise up against the Government over a much lesser rate of inflation. The reporting officer noted that there were reports that President-elect Quadros would attempt to stabilize the economy. The Minister indicated that he thought this would be very difficult in view of the degree of inflation to which the Brazilian people had become accustomed and the heavy load of financing coffee retentions. In the latter respect, he said that reports received by the Colombian Government indicated that there would be no significant change in Brazilian coffee policy under President-elect Quadros. The reporting officer recalled that the present Chilean Government had been fairly successful in reducing inflation despite a long inflationary tradition. The Minister reacted quite enthusiastically to this comment and continued by noting other governments in Latin America which had been successful recently in approaching financial stability.

For the Ambassador:

Samuel D. Eaton
Chief of Economic Section

CC: Mr. Gerberich

DEPT PLS PASS TO AMCONS Barranquilla, Cali, and Medellin.

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
1960

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São Paulo

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0184

elections. The newspaper was particularly irritated with U.S. News and World Report, which mentioned the "absurd" possibility of "Brazil giving up her policy of close friendship with the United States."

9. Janio's Press Conference (Unclassified)

Janio Quadros' first press conference as president-elect inspired a spate of editorials on his views and plans. Folha de S.Paulo expressed approval of Janio Quadros' "willingness" to consider Operation Pan-America as "exceptionally important, to maintain Brazil's anti-imperialistic and anti-colonialistic traditions, and act with absolute independence in international affairs, though strengthening the friendly ties that link us to all American States." Other newspapers expressed similar thoughts. They also applauded Quadros' desire of definitely establishing commercial relations with the Communist bloc. O Estado asserted that "we particularly liked the way Janio Quadros put the problem of our relations with the Chinese and Soviet dictatorships... Obviously he favors the idea of commercial relations between Brazil and USSR and Communist China. But only that."

Again Ultima Hora did not agree. Columnist Dorian Jorge Freire criticized Quadros' "lack of clarity, objectivity... He is still exactly the same", "His 'yes' is still 'no', and his 'no' is still 'yes'." However, the commentator thought that Quadros was posibive in the important oil question, when he said that the State monopoly law will be "observed to the letter". Next day, Dorian Jorge Freire returned to the subject, insisting that Quadros' press conference was nothing but words, "escapes and more escapes, tricks and more tricks." Mario Mazzei Guimarães expressed a similar point of view in the pro-Quadros Folha da Manhã. "Nothing is yet changed in the man. Janio Quadros' press conference as president (elect) was as vague and evasive as always."

Miscellaneous

10. List of Substantive Despatches

149 Proposed U.S. Trade Exhibit in São Paulo
150 Final Vote Returns, São Paulo
151 Latest Elections in Goiás and Mato Grosso
152 The Reaction in São Paulo to Speeches of the Brazilian Representative of Third Annual Meetings of the Governors of IMF
153 The Inter-American Study Conference on Labor Management Relations, Montevedio, Uruguay, Nov. 3-12, 1960, Suggested Attendance Labor Officer.
154 Request for Additional Copies of Material in "Economic Development Reference Book Shelf"
155 Santos Weekly Report
156 São Paulo Weekly Summary No. 68

William P. Cochran, Jr.
Consul General



Psychological

6. Khrushchev at the U.N. (Unclassified)
of the Soviet premier

"The presence/at the U.N. General Assembly was a failure in terms of its goal, which was to lead that international organization to certain positions favorable to Moscow's politics", stated Diário de S.Paulo last week. Similar conclusions were expressed by other São Paulo newspapers, including influential O Estado de S.Paulo and leading afternoon daily A Gazeta. Departing for the Soviet Union, Khrushchev "takes with him the defeat he suffered at the U.N., and his last statements to the press, show the brand of failure", said Diário. "When trying to threaten once more the Western world with his atomic rockets -- 'which we make like sausages' -- he made a fool of himself, inasmuch as...the democratic peoples...are not intimidated by Moscow's pressures." Both O Estado and Diário compared Khrushchev's language to Hitler's aggressive phraseology.

7. Communist China (Unclassified)

Correio Paulistano, Diário de S.Paulo and O Estado de S.Paulo, commenting on the specific question of Communist China's admission to the U.N., agreed that the Soviet Union's position regarding that particular point was not completely unsuccessful. All pointed out the fact that votes in favor of the rejection of Communist China's admission to the U.N. are getting smaller each year. Said Correio's Meira Mattos: "The narrow difference of 8 votes...seems to show that in coming years Communist China may get to be a member of the United Nations... Year by year, the number of nations who favor this grow; they would prefer to see Peking's representative sitting at U.N's Assemblies and meetings, hoping that this will be healthier for world peace."

8. The Election of Janio Quadros (Unclassified)

A number of leading local dailies hailed Janio Quadros' election to the presidency of Brazil as a final triumph of democratic ideals over Communism and so-called "nationalism", both espoused by certain supporters of Marshall Lott's candidacy. Writing for Diário de S.Paulo, Abelardo da Cunha said: "Luís Carlos Prestes (Brazil's Communist leader) brings bad luck. Every time he takes part in a political campaign, it is to destroy his candidate. Thank God! That goes to show that Brazilians, by nature, do not accept Bolshevism." Interestingly, Diário de S.Paulo and all other Chateaubriand chain papers had definitely supported Marshall Lott.

Adalgisa Nery, leftist Ultima Hora's columnist, called Quadros "Washington's protégé," and said that "the people were not duly warned against the dangers of an election planned and carried out under the auspices...of the Department of State." For Dorian Jorge Freire, of the same newspaper, "very soon Petrobrás (State oil monopoly) will be a subsidiary of Standard Oil." Later in the week he added: "The man (Quadros) has not yet taken oath and Petrobrás' derricks are already shaking."

O Estado de S.Paulo deplored the ignorance concerning Brazil's situation shown by many foreign publications in their reports and comments on the recent



113,397. Milton Campos follows with 82,270; Fernando Ferrari, a poor third, has 25,608. Incomplete returns in the gubernatorial contest give the PSD-PTN candidate, Mauro Borges Teixeira, 139,907; his opponent, José Ludovico de Almeida, 114,442. Rezende Monteiro leads his UDN opponent José Fleury, 119,639 to 112,028 respectively, in the race for the vice-governorship.

In his native state of Mato Grosso, Janio Quadros continues to hold a significant lead with 57,281 to Lott's 42,315. Adhemar, far in the rear, has 6,628. The vice-presidential contest continues to be very close between the two leading protagonists; Goulart has 42,411; Milton Campos 42,220, and Ferrari 11,991. Senator Fernando Corrêa da Costa continues to hold a slight lead in the triangular gubernatorial contest with 62,426, to Filinto Muller's (PSD) 56,408, and Wilson Fadul's (PTB) 21,423. José Garcia Neto, the UDN nominee, leads in the vice-gubernatorial contest with 67,487; his opponent Cicero Faria has 55,465.

COMMENT: In the gubernatorial contest, Mauro Borges Teixeira, as expected, would appear to be the winner in Goiás; Fernando Corrêa da Costa, while he has maintained a consistent lead since the first returns became available from Mato Grosso, now has a smaller plurality than reported earlier (see despatch 151).

Labor

5. Developments for Peace on Local Labor Front (Confidential)

President Kubitschek's decree increasing minimum wages 60%, and an offer by São Paulo metal, machine, and electrical appliance employers to increase existing wages approximately 30% appears to have taken the steam out of a proposed strike which could have affected some 350,000 city of São Paulo metalworkers, textile workers, shoeworkers, paperworkers, and printers.

The minimum wage decree increased existing city of São Paulo minimum wages from $5,900 to $9,440 cruzeiros (from $33.00 to $53.00 U.S. dollars at the present free market rate of exchange). The employer offer though rejected by the union was put forth during preliminary negotiations and indicates in the opinion of veteran São Paulo trade leaders, a disposition to increase the "ante" to 35% or 40% which should go a long ways towards assuring labor peace in São Paulo. The São Paulo local union of metalworkers, which is under considerable Communist influence, is Brazil's largest local union and bargains for some 120,000 metalworkers. This militant local took a very active role in two major strikes in 1953 and 1957. However, in 1958 and 1959 it peacefully negotiated sizeable increases for its members which headed off strikes of major proportions.

Since the elections on October 3, local Communist Party and fellow travelling trade union leaders, together with some non-Communist, have been beating the drums for a proposed general strike as a protest over what they considered an administration promise to increase minimum wages prior to the elections. The President's decree signed on October 15 increasing the minimum headed off this threat.

0181

one contender, it could be the beginning of a serious weakening of his own presently strong position in the state. On the other hand, if he welds together the contending forces, his prestige could reach an all-time high. Thus far the various pro-Administration political parties have not been able to unite except in support of Carvalho Pinto and Janio Quadros.

3. Adhemar Manipulates City Bus Lines (Official Use Only)

While President Kubitschek authorized a loan of 37.5 million cruzeiros this past week to assist financially the Companhia Municipal de Transportes Coletivos (CMTC), the municipal bus line which serves São Paulo, Mayor Adhemar de Barros (who has been accused of flagrant irregularities in the past in connection with the company's affairs, see São Paulo despatches 71, August 23; 4, July 5; 13, July 12, 1960), was said to have ceded 54 CMTC routes to private companies. The CMTC directorate, at the Mayor's instigation, was also reshuffled during the past week, in what was generally regarded as an irregular manner. Notable changes in the composition of the directorate included the Mayor's military aide, Captain Joaquim Leite de Almeida, former commercial director, who was appointed superintendent; Adelavio Sette de Azevedo, director of O Dia, a São Paulo daily newspaper (reportedly owned by Adhemar, but which he subsequently denied when queried about its false announcement of Lott's withdrawal from the presidential campaign on the eve of the election), appointed commercial director, and the representative of the private companies who have secured CMTC lines, Mario Fiorese, who was made administrative director.

COMMENT: (Confidential) Mayor Adhemar de Barros apparently feels that he has only a limited time in which to capitalize on his mayoralty prerogatives and intends to exploit them to the fullest. The concession of the 54 CMTC lines, said to be among the most profitable, to private hands was reported to have been made to close political friends of the Mayor; people who have yet to form a company to operate the routes which they obtained, and who do not possess a single bus. Significantly, the CMTC routes were said to have been awarded to the new owners in a private apartment owned by an individual close to the Mayor and the CMTC directorate. It is noteworthy, however, that the new directorate felt constrained to run advertisements in the São Paulo press defending the legality of its actions. It stated that its only purpose was to provide more and better public transportation, and that no concession of additional routes would be made. The new directorate also denied, during a special session, that any irregularity had occurred in the choice of the members of the new directorate.

4. Goiás and Mato Grosso Elections Returns (Official Use Only)

Additional, but still incomplete election returns from the states of Goiás and Mato Grosso still leave the presidential race in Goiás and the vice-presidential contest in Mato Grosso in doubt. The position of the other candidates remains unchanged from that shown in São Paulo despatches 151, October 12, and 148, October 11, 1960, with the exception of the vice-gubernatorial contest in Goiás, where Monteiro has now taken the lead.

In Goiás the latest election results indicate that Janio Quadros has 110,479 votes; Teixeira Lott 109,879, and Adhemar de Barros 20,194. In the vice-presidential race João Goulart has a comfortable lead over his opponents with



nucleous of a new party, or as focal points to support the Quadros government with the members retaining present party affiliations.

COMMENT: (Confidential) The formation of a new party, which would have to reconcile many competing interests and divergent viewpoints, is much easier said than done. It could not hope to succeed without Janio's support. The opinion was expressed in São Paulo this week that Janio had not participated in his colleagues' discussion of a new party. It would appear, judging from the way in which Janio has operated in the past, that he would be more inclined to go along with a constitutional or legislative reform designed to reduce the number of parties.

It is noteworthy that Fernando Ferrari was recalled from São Paulo's Congonhas airport while awaiting to emplane, for an hour's conversation with Janio. This is especially interesting in view of Janio's recent statement that "João Goulart has his duties and I have mine". Janio doubtless intended to imply that he would not permit vice-presidential participation in the new government. It may be that Ferrari is Janio's "chosen instrument" to capture the support of the working class from which the PTB and its president, Goulart, have long derived their strength.

2. Governor's Position on São Paulo Mayoralty Race (Official Use Only)

Various sources close to governor Carvalho Pinto stated this past week that he will press for a "unity" mayoralty candidate endorsed by all the parties supporting the state administration. The governor, reportedly, would settle for any of several mayoralty aspirants, namely, Plinio de Arruda Sampaio, coordinator of his Plan of Action, Emilio Carlos, PTN national party president, or Faria Lima, Secretary of Public Works. In case the parties failed to agree on a "unity" candidate, it was said that the governor would make his own choice, either from one of the three mentioned above, or by suggesting an alternative. In the latter event, however, it was reported that the governor would find it necessary to reform his cabinet accordingly, rewarding those who remained loyal and dismissing the representatives of parties who would not accept his mandate. The governor was said to feel that the mayoralty candidates and parties should realize the necessity of maintaining the unity of his government and of president-elect Janio Quadros, who publicly declared this week in the capital city that Carvalho Pinto was "the undisputed leader" (politically) of the state of São Paulo.

From one source this week came the rumor that Quintanilha Ribeiro's name would be widely acceptable as the unity candidate. Ribeiro served as chief of the Civil Household during Janio Quadros' term as governor of São Paulo, and it has been rumored in the capital city that he has been selected to serve in a similar capacity under the president-elect (see São Paulo despatch 148, October 11, 1960).

COMMENT: (Confidential) It would seem that Carvalho Pinto may encounter his first major test of political strength over the São Paulo mayoralty. If he should fail to bring the competing factions together and should vigorously support

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AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

156
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 18, 1960
DATE

REF :

	ACTION	DEPT.
55 For Dept. Use Only	ARA-4	INFO AMA-2 IMA-7 REP-1
	REC'D 11/25	OTHER CIA-10 USIA-10 OSO-4 Army-4 Navy-4 AIA-6 AAB-6 NSA-2

SUBJECT: São Paulo Weekly Summary No. 68, Week Ending October 15, 1960

Index:

Political
1. Janistas Converge on São Paulo
2. Governor's Position on São Paulo Mayoralty Race
3. Adhemar Manipulates City Bus Lines
4. Goiás and Mato Grosso Elections Returns

Labor
5. Developments for Peace on Local Labor Front

Psychological
6. Khrushchev at the U.N.
7. Communist China
8. The Election of Janio Quadros
9. Janio's Press Conference

Miscellaneous
10. List of Substantive Despatches

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 28 1960

732.00/10-1860 HBS

Political

1. Janistas Converge on São Paulo (Official Use Only)

As president-elect Janio Quadros returned to the capital city this past week from the São Paulo beach of Bertioga, where he has been resting since the election, to give his first press conference (see São Paulo telegram 91, October 13, 1960, also despatch in preparation), a number of his leading supporters converged on the São Paulo capital. Peracchi Barcellos (dissident PSD leader from Rio Grande do Sul), Irineu Bornhausen (UDN politician from Santa Catarina), Ney Braga (governor-elect of Paraná), Carlos Lacerda (governor-elect of Guanabara), and Castilho Cabral and José Aparecido de Oliveira (president and secretary-general respectively of the Movimento Popular Janio Quadros (MPJQ), and other pro-Quadros leaders, came to attend the marriage of Janio's 17 year old daughter Dirce Mariz Quadros to journalist Alaor José Gomes, but also engaged in political discussions. Various proposals to "unify" the forces supporting Janio Quadros, were reported. Carlos Lacerda suggested a "fusion" of the various parties which had supported Janio. He also suggested a "fraternal alliance" of São Paulo and Guanabara, because the latter "consumes a great many paulista products." Other proposals to unify the diverse elements responsible for Janio's victory were made, ranging from the formation of a new political party which all pro-Quadros groups would join, to utilizing the 5,000 committees of the MPJQ, either as the

see last page/lfw
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Page No. 1 of 4
Enc. No. 1
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PRESIDENTIAL ELECTIONS, 1960
VOTE IN SOME ADHEMERISTA MUNICIPAL STRONGHOLDS IN SÃO PAULO

Table IV

DATE: October 18, 1960

	Mogi das Cruzes	Sarocaba	São Jose dos Campos	Campos do Jordão
Quadros	8,721	13,053	7,252	1,309
Barros	7,115	10,638	6,782	1,678
Lott	3,285	5,346	2,492	487
Campos	7,773	15,661	7,223	1,015
Goulart	7,415	17,490	6,381	1,693
Ferrari	2,914	7,605	2,182	594

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PRESIDENTIAL ELECTIONS, 1960
VOTE IN SOME SÃO PAULO MUNICIPALITIES WITH HEAVY WORKER CONCENTRATION

Table III

DATE: October 18, 1960

	Santos	São Caetano	Santo André	Magidas Cruzes
Quadros	49,545	12,629	26,409	8,721
Barros	16,217	5,632	12,988	7,115
Lott	14,757	3,681	10,270	3,285
Campos	44,329	10,691	22,517	7,773
Goulart	25,062	7,530	18,653	7,415
Ferrari	9,241	2,843	5,962	2,914

Pgs. 1 of 3
Encl. No. 1
Desp. No. 157
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Pgs. 1 of 2
Encl. No. 2
Desp. No. 197
From São Paulo

CONFIDENTIAL (Classification)

PRESIDENTIAL ELECTIONS, 1960
VOTE IN SOME WORKER NEIGHBORHOODS IN SÃO PAULO CAPITAL

DATE: October 18, 1960

Table II

	Bras	Belenzinho	Lapa	Tatuape	Parj	Mooco
1. Quadros	15,440	15,190	18,125	23,156	8,526	18,220
2. Barros	8,629	6,498	8,119	11,012	4,627	9,016
3. Lott	5,051	3,979	4,298	5,332	2,056	4,872
1. Campos	13,432	13,336	15,071	19,598	7,521	15,585
2. Goulart	9,958	7,893	9,607	12,773	4,729	10,355
3. Ferrari	4,542	3,382	4,562	5,105	2,249	4,817

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0175

Page 1 of
Encl. No. 1
Desp. No. 157
From São Paulo

CONFIDENTIAL
(Classification)

Table I

PRESIDENTIAL ELECTIONS, 1960
VOTE IN STATE OF SÃO PAULO

DATE: October 18, 1960

	CAPITAL		INTERIOR		TOTAL	
	Votes	%	Votes	%	Votes	%
Quadros	618,766	53.8	968,827	51.3	1,588,593	52.2
Barros	300,726	26.2	554,324	29.3	855,050	28.1
Lott	176,642	15.4	265,113	14.0	441,755	14.5
Blank	16,642	1.4	36,947	2.0	53,589	1.8
Null	36,074	3.1	65,608	3.5	101,682	3.3
Campos	535,027	46.6	779,880	41.2	1,314,907	43.3
Goulart	355,839	31.0	584,799	30.9	940,638	30.9
Ferrari	150,206	13.1	304,595	16.1	454,801	15.0
Blank	76,495	6.7	177,459	9.4	253,954	8.3
Null	31,283	2.7	45,086	2.4	76,369	2.5
Total Vote	1,148,850		1,891,819		3,040,669	
Abstentions	122,473	9.6	249,469	11.7	371,942	10.9

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4110

enjoying the support of Janio Quadros and Carvalho Pinto). The other parties were fully analyzed in the despatch of September 6 (see São Paulo despatch 90, September 6, 1960) and the views set forth at that time are still valid.

The big unknown is what Janio Quadros will do. He, and also Carvalho Pinto, can launch various maneuvers toward any one or all of the political parties which could drastically modify their respective strength and their respective alignments. If one were to hazard a guess based upon past experience in the state of São Paulo, one might surmise that Janio will dispense political favors generously to the UDN and to other parties and politicos who supported him but will also dispense favors and largesse to those of the opposition who are willing to be bought over to his side -- all of this without any significant attempt to re-structure or strengthen the political party system. Such an attempt might be successfully launched by other pro-Janista leaders (UDN Senator Father Calasans, for example, the other day privately informed the reporting officer that he had support in many quarters for legislation he sponsors which would require such a high minimum membership for political parties as to thereby destroy the minor parties; the legislation would also introduce a system of regional government as well as a system of unit voting by district rather than by proportional representation).

William P. Cochran, Jr.
Consul General

0173

The near future test of strength for Carvalho Pinto will come in the São Paulo mayoralty contest. Because many UDN leaders have expressed their approval of PTN national president Emilio Carlos as a candidate for São Paulo mayor (the latest to do so was Father Calasans, UDN Senator, who refused to deny it in private conversation when the reporting officer suggested that the UDN had committed itself to Carlos in exchange for the latter's support for Campos for vice-president), it is possible that there could be a battle within pro-administration ranks if Governor Carvalho Pinto decides to support some other candidate. If there were a battle within pro-administration ranks and the opposition forces -- namely the PSD, PTB and PSP -- could unite around a single candidate, then Carvalho Pinto's political power and strength could be jeopardized.

While it is reported that the governor would accept Emilio Carlos as the unity candidate, it seems hard to believe that the PDC and others would go along or that even the governor would be particularly happy with such a choice. Emilio Carlos has a reputation as a demagogue and a political reprobate, with nothing to suggest that he would give a good, honest administration to the city of São Paulo, or would be other than interested in preparing himself for the gubernatorial contest of 1962. If, however, Carvalho Pinto should be able to force all or most of the pro-administration forces to unite behind a single reputable candidate of the governor's choice who emerged victorious, then the governor's political standing and reputation would be even further enhanced.

As it stands now Carvalho Pinto probably has greater political strength and popularity than Janio Quadros, at least in São Paulo. Governors-elect from other states, such as Ney Braga of Paraná and Carlos Lacerda of Guanabara, speak enthusiastically of alliances and cooperation with the government of Carvalho Pinto. A Paulista in the presidency should bring greater benefits from the national administration to São Paulo than the state has enjoyed in the recent past. All of these factors can help contribute to a rosy and successful future for the São Paulo governor providing he doesn't founder in one of the several pitfalls that have been outlined above.

The Political Parties.

The future of a number of the political parties in São Paulo has already been assessed in some measure in this despatch. The PSD has been growing progressively weaker in the state and the 1960 election results could contribute to the party's collapse in the state. The PTB likewise emerges weak and disorganized, facing a potential battle for control of, and potential further inroads on, its labor support from Janista quarters. The PDC appears to have lost its attempt toward a place on the national scene via Ferrari and is certainly weaker now by far than it was after the 1958 elections. The UDN leaders in São Paulo put on a good show to keep the national party organization in line in support of Janio and also put on a good show in the state in support of the party's vice-presidential candidate. The UDN's position in São Paulo is stronger. The PSP should continue its deterioration unless perchance somebody like Senator Lino de Mattos were to move in and take command (at the same time



Even though a part of the credit must go to Campos' personal popularity and a part to Janio Quadros' endorsement, the heavy vote obtained by the UDN candidate in São Paulo must inevitably leave the party in a somewhat stronger position at the moment in the state. This can be reinforced by manifestations of appreciation from the national administration under Janio Quadros. It then becomes a question of how well the UDN fares in forthcoming political battles in the state of São Paulo. If the UDN can manage to be on the winning side or derive benefits in the forthcoming campaign for São Paulo mayor and in the forthcoming election of officers of the State Assembly, both in the early months of the coming year, then the party may continue to prosper.

However, it has always seemed to the reporting officer that the UDN in the state of São Paulo is too strongly identified as the party of wealth and privilege, that it will need some drastic change of face or alignment with other forces to destroy this stigma and have hopes for a position of continuing strength and dominance in this state.

Carvalho and Janio.

Janio Quadros in recent post-election statements has repeated his pre-election assertion that Carvalho Pinto is the political boss in the state of São Paulo. Many feel that Janio Quadros will support Carvalho Pinto's political control in this state, that he will ultimately support Carvalho Pinto as his successor for the presidency. It may be that Janio Quadros will find it to his own advantage to follow such a course of action, at least in the years immediately ahead.

It may also be that other forces will intervene to weaken the ties that bind the governor and the president-elect. There is always the possibility that the constitution may be amended or other measures taken to permit Quadros to continue in office beyond 1965. Carvalho Pinto undoubtedly has presidential ambitions for 1965. This could bring a clash. Also, there is the fact that Janio prefers not to take sides in a political battle where the contending forces support him and there is no immediate significant advantage to himself. This could bring about a situation in which Janio might continue to grant favors and benefits to allies and supporters within the state even though they are competing against each other for political power.

There also remains some doubt as to how well Carvalho Pinto's prestige will hold up and how well his talents for political manipulation will prove if put to a severe test. Thus far the governor's record is very good both politically and administratively. However, many who are avowedly supporting governor Carvalho Pinto, privately criticize his administration and his political manipulations. Some suggest that his Plan of Action (four year state program) may be all right but that it remains to be seen whether he can transform such a plan into concrete end results. Politically there are strong competing forces and factions within the state which have never held together very well except for their support of Janio Quadros and Carvalho Pinto.



its relationships with Ferrari to benefit the growth and prestige of the party nationally.

The Goulart Vote.

The vote for Goulart in São Paulo is perhaps a testimonial to the influence of federal beneficence and patronage. In 1955 Goulart won less than 20% of the total vote for vice-president in the state. This year he was able to capture better than 30% of the total vote in the state. On the other hand it is difficult to credit this in any way to Goulart's strength amongst the working classes. In fact an examination of the vote in worker populated municipalities or capital city neighborhoods heavily populated by the working classes (see Tables II and III) shows that Goulart sometimes fared not as well in such areas as he did in the state as a whole. One is inclined to credit the increased vote for Goulart to the purchased support of numerous labor leaders and of political leaders of whatever faction. But such bought support did not always bring a favorable result -- witness the vote in Bauru where Milton Campos emerged far ahead of Goulart (15,043 to 8,003) even though Bauru is the home political stamping ground of ex-mayor and PTN state deputy Avalone Junior who was one of the most active and vigorous J-J campaign agents of Goulart. In general it would seem that the vote results demonstrated that Goulart is not popular in São Paulo either among the populace as a whole or among the working classes.

Goulart's campaign in São Paulo, and particularly his support of the J-J movement, brought what might be called an armed truce in the local PTB ranks. Ivette Vargas re-established herself in the party regional command under cover of an attack against this J-J movement which was organized by Goulart's licutenants. Ivette Vargás is recently credited with offering praise post-election for Janio Quadros in the Federal Legislature. Goulart is credited with saying that he got no support from the PTB in São Paulo. These are added indicators of what this post had previously reported, that Goulart may be expected to move via his agents post-election to overthrow Ivette Vargas in the local PTB. This, on top of past factional fights in the local PTB, on top of a likely denial by Quadros of federal benefits and patronage to vice-president elect Goulart, on top of a progressively weakening of the PTB locally, should leave the PTB in a rather impotent condition in São Paulo. The only hope for the PTB in São Paulo would seem to lie in the possibility that Janio Quadros or those supporting him might take over and re-organize and strengthen the party.

The Campos Vote.

Milton Campos was the top vote-getter in São Paulo in 1955 amongst the vict-presidential candidates. This year, despite a late start, he did even better than in 1955. Apparently Campos has a great appeal amongst the working classes; witness, for example, the tremendous vote he got in the coffee port of Santos (see Table III attached). He was also supported by the wealthier and better elements in the state. He likewise won the endorsement of the PTN, including its national president Emilio Carlos and some of its members.



detail. While Goulart's support may not have made too much difference in the total result as far as Lott was concerned, his non-support did help contribute to the general disorganization of the Lott campaign effort in the state.

The general failure of the ultra-nationalists and Communists to mobilize support for Lott can be seen by taking a look at the vote in areas heavily populated by the poorer working classes. It would seem reasonable to expect that their influence would bring a greater proportion of the vote to Lott in such areas. Yet an examination of the vote in worker neighborhoods of the capital city and municipalities with heavy worker population reveals that Lott did little better in such areas, and in some cases did worse, than in the state as a whole (see Tables II and III attached). Another interesting sidelight was Goulart's considerable vote-getting strength in areas where Adhemar de Barros is strong (see Table IV attached).

The Ferrari Vote.

Some months before election day, Fernando Ferrari was the fair-haired boy in São Paulo. He had endorsements from local politicians and office holders in various parts of the state. According to some observers he enjoyed a greater popularity than Janio Quadros in certain parts of the state. Then came the outpouring of federal largesse and benefits from candidate Goulart. There came too the candidacy of Milton Campos, supported by a very active and effective campaign, plus the open and specific endorsement of Janio Quadros. Add to this the fact that Ferrari had little campaign resources and virtually no campaign publicity. While the shift from front runner to a poor third was so rapid and so marked that it was difficult to measure accurately until almost the end of the campaign (especially since there was much suspect publicity against Ferrari), the surprise is that Ferrari did as well as he did.

The Ferrari vote does prove the weakness of the PDC as a political party. While the PDC may claim that Ferrari's vote in the face of so many obstacles was a testimonial to the party's strength, one can reasonably conclude that Ferrari had a great deal of personal appeal in his own right and that the PDC, therefore, contributed little. It is understood that most of the local politicians of the PDC did not work for the party candidate. It is understood further that Ferrari lost in all except two of the municipalities which PDC state deputies claim as their particular political strongholds.

Ferrari was expected to confer with the PDC leadership while in São Paulo last week with a view to coordinating their policy lines. It now seems unlikely that any such coordination took place. Ferrari at the local airport about to take off for Rio was called for a lengthy personal conference with president-elect Janio Quadros. From various statements by Quadros and Goulart it is reasonable to suspect that Quadros may look to Ferrari to move in on the labor forces from which the PTB draws its strength, either directly through the PTB or through some other vehicle such as Ferrari's Labor Renovation Movement. Ferrari's poor showing in São Paulo, the ineffective support for him from the PDC, plus other recent incidents such as that mentioned above, suggest considerable ground for skepticism that the PDC will be able to significantly exploit

0169

It is always difficult to count out a resilient and popular political campaigner such as Adhemar de Barros. If Carvalho Pinto and the forces supporting him should slip or become divided, Adhemar de Barros could well step in and make a fresh attempt to regain political power. For the moment, however, it appears that Adhemar is more interested in adding to his personal wealth before retiring from the political arena, or at least before retiring to a more modest political arena. This post has frequently reported in recent times various forms of municipal graft and payoff in the capital city, including the shameless selling out of profitable individual lines of the city's transport system. The mayor's failings as mayor are reflected in his weak vote-getting position in the capital city. The graft from city operations, plus a very likely payoff for campaigning for the presidency should leave Adhemar even wealthier than ever financially although doubtless a very disappointed and embittered man politically.

The Lott Vote.

The showing of Texeira Lott in São Paulo was so bad that the blame should be shared by many. First of all there was little real evidence that the federal government, by patronage or otherwise, was mobilizing campaign support or votes for Lott. The PSD, except for a few state leaders, was not campaigning for the ex-war minister. In fact most of the local PSD politicians were either doing nothing or else supporting Quadros, many of them in return for favors from the state government. The PTB leadership in the state, under regional president Ivette Vargas, had temporarily established its control in the state by offering a challenge to national party president Goulart, who was charged with sponsoring the J-J (Quadros-Goulart) movement in the state. The party national command gave the party local command no support. The PTB command was in turn at odds with both the PSD and with local dissident factions of the PTB. So, the PTB gave Lott little effective support. Lott himself should take a good deal of the credit for his poor showing in São Paulo. His inept attacks upon the state of São Paulo and upon the record of the São Paulo government were added to his general ineffectiveness as a campaigner and a campaign orator.

Perhaps most noteworthy is the conclusion that Lott's poor performance was a resounding defeat for the Communists and ultra-nationalists. It has been the experience in the recent past that Communism and ultra-nationalism are not a winning political combination in São Paulo. However, the low vote for Lott could be interpreted as their most resounding defeat. Where political parties and others faltered, the nationalist front under regional head Rogé Ferreira moved in to give vigorous support along with the Communists. If one gives some small measure of credit to the PSD, to the PTB, to anti-Adhemarismo and anti-Janismo, to the token support of Juscelino Kubitschek, and to Lott himself, it would seem that there is very little left over of Lott's 15% of the total vote for which the ultra-nationalists and Communists can claim credit.

It would be remiss, too, to overlook vice-president Goulart. Goulart undoubtedly betrayed his running-mate in São Paulo. With the able support of Kubitschek, Goulart poured various favors and patronage into the state for local politicians who were supporting the J-J movement. The move was denounced by responsible members of his own party, as this post has reported in great factual

0168

Governor Carvalho Pinto and his entire state administration, a well-organized and well-financed campaign re-enforced by numerous effective campaigners, the ineptness of the pro-Lott campaign.

Adhemar's Vote.

Well before the presidential campaign became very active this post had variously estimated that Adhemar de Barros would deliver 500,000 to 600,000 votes to any candidate opposed to Janio Quadros. This estimate was based on the proposition that, due to the long years of political battle between Janio Quadros and Adhemar de Barros, a loyal Adhemarista in São Paulo would not vote for Janio. The few hundred thousand additional votes that Adhemar de Barros won on October 3 can be credited in some small measure to the vigorousness of his campaign but in even larger measure to the ineptness of the Lott campaign. The failure of the PSD and the PTB in support of Lott and Lott's own bungling campaign tactics (including affronts against Paulista pride), undoubtedly forced many who did not care for Quadros to vote for Adhemar. As this post reported in the last month or so of the campaign, there was a deterioration of Lott's position which redounded to Adhemar's benefit.

Over the past several months this post has presented various bits of evidence and various reasons in support of the thesis that Adhemar's only motive for running was a deal between Adhemaristas and Janistas which would take votes away from Lott. The October 3 vote results in São Paulo would seem to bear this out. Past election statistics for 1955 and 1958, as cited above, support this thesis. It seems reasonable to estimate that Janio would have picked up at most another 5% of the total vote if Adhemar had not been a candidate (The reporting officer doubts that Janio would even have benefited that much). That Adhemar spent as much money as he doubtless did on his campaign merely to establish his political strength with a view to the São Paulo gubernatorial contest of 1962 seems doubtful.

To some, the showing that Adhemar de Barros made may seem impressive. To the reporting officer it would appear that Adhemar's political strength continues to wane in the state of São Paulo. It is interesting to note that Adhemar got a smaller proportion of the total vote within the capital city, where he is mayor and in command of the total city machine, than he got in the rest of the state of São Paulo (see Table I). It must be recalled too that the PSP, as reported in various past despatches from this post, has been steadily losing strength both in the state and in the capital city, i.e. witness the small number of city councilmen elected in the capital city last year and the necessity last year to give the city council presidency to a member of the UDN to obtain a supporting coalition for mayor Adhemar. It must be recalled likewise that the patronage and benefits obtained from the federal government under President Kubitschek will not be continued under President Quadros. Finally, there is a good chance that governor Carvalho Pinto and the forces supporting him will take over control of the capital city in the mayoralty election in March 1961.

0167

Approximately a month before Brazil's presidential election of October 3, this post submitted a comprehensive despatch which reviewed the campaign in São Paulo and analyzed the possible future implications thereof (see São Paulo despatch 90, September 6, 1960). In subsequent weekly despatches this post traced certain shifts anticipated as of a month before the election and attempted to interpret these shifts. On the eve of the election, reflecting these shifting patterns, this post predicted that in São Paulo Janio Quadros would win 50 to 55% of the vote, Lott would win less than 20% of the vote, and Adhemar de Barros would capture second place in the state; that Ferrari had faded badly and that Milton Campos would win over Goulart in São Paulo, possibly by a substantial margin. These predictions turned out to be reasonably accurate (see Table I attached) and the various anticipations and interpretations offered in connection therewith still stand.

Vote Participation.

Most impressive was the low degree of vote abstention in the state of São Paulo. While this post anticipated a vote participation of 85% of the registered voters, there was an actual turnout of 89% on election day. This high vote participation in the state has occurred over several years, dating back to the São Paulo gubernatorial election of 1958 when almost 95% of the registered voters participated in a state-wide election which included contests for state and federal deputy and federal senator as well as for governor and vice-governor. The vote participation record in São Paulo has not always been this good. While various possible explanations can be offered for the recent heavy turnout, it seems most likely that the heavy system of penalties provided in the election laws a few years back (fines, can't hold public office, can't get exit visa to travel outside of Brazil, etc.) has had a considerable influence. While other parts of Brazil, operating under the same election laws, still encounter a very substantial absenteeism, it seems likely that the peoples in other parts of Brazil are less aware of and less affected by such penalties than would be the case in an advanced industrialized state such as São Paulo. Along with the fact that São Paulo is a more advanced state, one must acknowledge that there is also a greater measure of political interest and sophistication.

The Quadros Vote.

Considering the extent of Adhemarismo (pro-Adhemar de Barros) and anti-Janismo (anti-Janio Quadros) prevalent in the state of São Paulo, the high proportion of the total vote garnered by Janio Quadros comes close to representing a sweeping victory for the ex-São Paulo governor. In 1955, Adhemar de Barros, although the only Paulista candidate, was able to capture less than 45% of the total vote for president in the state of São Paulo. In 1958 Carvalho Pinto, with the all-out support of the state administration and escaping much of the taint of anti-Janismo, won a smaller percentage of the total state vote as candidate for governor than did Janio Quadros in this year's presidential election. The substantial vote for Quadros in São Paulo can be credited to a variety of factors -- Janio's own demagogic appeal, the Paulista desire to win the presidency, the very important all-out support of tremendously popular



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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

157
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 18, 1960
DATE

REF : São Paulo Despatch 90, September 6, 1960; São Paulo Despatch 150, October 12, 1960; Telegram No. 85, October 7, 1960; Telegram No. 83, October 5, 1960.

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ACTION ARA 4
REC'D 10/25

INFO DEPT. RMR-2 INR-7 REP-1
OTHER CIA 70 USIA-10 LAB-6 Navy-3 NSA-2

SUBJECT: Presidential Election Post-Mortem in São Paulo

Summary

Considering past experiences and the political forces at work in the state, the considerable vote for Janio Quadros in São Paulo can be called a sweeping victory. Lott's low vote can be blamed on many factors, but it particularly reflects the weakness of the ultranationalists and Communists who gave Lott all-out support. The vote results re-enforce suspicions that Adhemar de Barros' candidacy was a deal with Janistas to take votes away from Lott. Barring the unforeseen, Adhemar should continue to decline as a political force. He may even retire from the political scene. Goulart's considerable vote is a testimonial to the influence of Federal largesse and benefits. Allowing for this considerable influence, one can conclude that Goulart actually did not do too well and enjoys little popularity in São Paulo, even among the working classes. Campos' good showing in the state should benefit the UDN. Ferrari's poor showing should contribute to the deteriorating position of the PDC. Unless given "artificial respiration" by Janio or Carvalho Pinto or their supporters, both the PSD and the PTB, as well as the PSP, should find the future political going very difficult in São Paulo. Governor Carvalho Pinto, on the other hand, is in an especially strong position as a result of the presidential elections, but he may need to face and surmount various political pitfalls and obstacles in the years immediately ahead.

Table of Contents

	Page
Vote Participation	2
The Quadros Vote	2
Adhemar's Vote	3
The Lott Vote	4
The Ferrari Vote	5
The Goulart Vote	6
The Campos Vote	7
Carvalho and Janio	8
The Political Parties	8

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II LABOR

1. Stevedore Strike Threat (UNCLASSIFIED)

Laerte Carneiro da Silva, President of the Santos Stevedore Union, has declared that unless the demands of the National Federation of Stevedores are met by October 17, all stevedoring work in Brazil will be halted. Specifically, the stevedores are seeking a 30% wage increase, an additional 5% for social security plus a 5% increase in holiday pay. The stevedore leader also stated that the stevedores would also strike unless the Brazilian Coal Company in Rio de Janeiro desisted from its "estiva livre", or using non-union stevedores for the company's loading and unloading operations.

Comment: (OFFICIAL USE ONLY)

Local shipping companies regard the strike threat as a bluff.

2. Dock Company Charges Increase (UNCLASSIFIED)

In view of the recent labor contract negotiated between the Santos Dock Company and the Sindicato dos Empregados na Administraçao dos Serviços Portuarios de Santos, the Sindicato dos Operarios nos Serviços Portuarios de Santos and the Sindicato dos Condutores de Veiculos Rodoviarios de Santos (see Weekly Comment of October 7, 1960), on October 18 the Dock Company's charges will be increased by 15%, except for internal warehouse charges and charges for unloading petroleum products.

III ECONOMIC

1. Typhus Case Reported in São Vicente (UNCLASSIFIED)

A 40-year-old woman was stricken this week with typhus in the Areia Branca section of São Vicente. Public health authorities have moved to vaccinate more than 200 children in the immediate neighborhood, but it is feared that other cases may develop.

Comment: (UNCLASSIFIED)

For many years in the 19th century Santos held the unenviable reputation of being one of the most unhealthful cities in South America. During the last 50 years much work has been done to make Santos and São Vicente one of the more healthful areas in Brazil.

IV CONSULAR - Negative.

V ADMINISTRATIVE - Negative.

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FORM DS-582
8-1-50

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OPERATIONS MEMORANDUM

TO: American Consulate General, Sao Paulo Date: October 14, 1960

FROM: American Consulate, SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Santos Mayoralty Race Resumes (UNCLASSIFIED)

The only local activity of any significance during an uneventful week in Santos was the resumption of the mayoralty race. In March Santos will elect a successor to Mayor Silvio Fernandes Lopes. The Mayor's own choice is Luiz La Scala Jr., his Director of Public Works and political protege. Another strong contender is Athié Jorge Coury, presently State Deputy from Santos who counts on the support of the PDC, PTN, UDN, PST and PRT and also claims the blessing of Governor Carvalho Pinto, i.e., President-elect Janio Quadros. Another strong Janista candidate is Santos State Deputy Gustavo Martini, also backed by the PRT. The chances of Federal Deputy Antonio Feliciano (PSD) have been damaged by Marshal Lott's defeat.

Although Mayor Fernandes Lopes is a powerful factor in the local PSP, Federal Deputy Rubens Ferreira Martins and City Councilman Jose Afialo Filho, who consider themselves PSP regulars, are maneuvering to gain their party's nomination, and may force La Scala to run as an independent or as a dissident.

A number of other hopefuls clutter up the scene, including Santos ViceMayor Jaime Peres and Dr. Joaquim Coutinho Marques, PTB City Councilman.

Comment: (UNCLASSIFIED)

It will not be before the end of November that party lines are plainly drawn. At the moment Athié Jorge Coury and Luiz La Scala Jr. seem to be ahead.

2. Ambassador Rubottom Passes Through Santos (UNCLASSIFIED)

On October 11 newly-appointed Ambassador to Argentina Roy R. Rubottom passed through Santos en route to Buenos Aires aboard the S/S Argentina. His presence in Santos received good press coverage both locally and in São Paulo.

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55	ARA-4	RM/R-2 REP-1 INR-7 E-3 ICA-11
	REC'D 10/24	INFO OTHER CIA-10 USIA-10 Army-4 Navy-3 NSA-2 LAB-6 COM-10 FR-3 HEW-5

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated October 14, 1960.

William P. Cochran, Jr.
Consul General

File

Enclosure:

Santos Weekly Report
dated October 14, 1960

cc: Amembassy, Rio

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Emilia Disp. #199
San José 10-14-60

Buenos síntomas por toda América

La elección del señor Janio Quadros como Presidente del Brasil para el próximo quinquenio, es un [illegible] augurio para la gran República. [illegible] un hombre que ha [illegible] y su fidelidad a [illegible] políticos de gran responsabilidad [illegible], como los de Alcalde de la ciudad de San Paulo, y Gobernador del Estado [illegible] mismo nombre.

El señor Quadros tiene un gran prestigio en su tierra, como administrador eficiente y capaz, y como hombre de sensibilidad social.

Se presentó, además, a la Presidencia, como Candidato de [illegible]. Y ha sido el tercer candidato de [illegible] que gana elecciones en América Latina en lo que va de este año.

Los señores Chiari en Panamá, y Velazco Ibarra en Ecuador, también conquistaron la presidencia de sus respectivos países, como candidatos de partidos opositores.

El que estos tres hombres sean dignos de admiración, no quiere decir, al mucho menos, que hasta ser candidato de oposición para [illegible] país (ejem- [illegible] por todos partidos [illegible] general. Que los [illegible] representativos [illegible] Que en vez [illegible] que ser candidato de oposición sea una invitación al destierro o a [illegible]

Ha sido una lucha larga la de América. Y todavía no está terminada. Todavía quedan residuos de los viejos sistemas dictatoriales o simplemente oligárquicos, negadores de la libertad. Y aún que América haya podido liquidarlos, ya está enfrentada la libertad a una nueva amenaza: la de quienes la sofocan en nombre de movimientos revolucionarios, de cambios económicos radicales, de avances sociales necesarios. Tanto los unos como los otros, han hablado y hablan siempre de que la de ellos es la verdadera libertad, y tachan a la otra, a la que los extranjeros podríamos llamar la nuestra, o bien de ser "anarquía", o bien de ser "engañifa burguesa".

Lo cierto es que las amenazas a la libertad provienen de ambos lados: de la derecha y de la izquierda. Y lo cierto también —para dicha de todos— es que frente a esas dos amenazas, el concepto de la libertad, el concepto de la democracia representativa (en antítesis con la democracia dirigida o la democracia de policía), toma terreno cada día en más [illegible]

[illegible]

[illegible]

[illegible]

[illegible] elecciones es la de nuestros días una gran batalla. No es éste el momento para cómodos [illegible]

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Buenos síntomas por toda América

La elección del señor Janio Quadros como Presidente del Brasil para el próximo quinquenio, es un magnífico augurio para la gran República. Se trata de un hombre que ha demostrado su honestidad y su fidelidad a los principios, en cargos políticos de gran responsabilidad e importancia, como los de Alcalde de la ciudad de Sao Paulo, y Gobernador del Estado del mismo nombre.

El señor Quadros tiene un gran prestigio en su tierra, como administrador eficiente y capaz, y como hombre de sensibilidad social.

Se presentó, además, a la Presidencia, como Candidato de oposición. Y ha sido el tercer candidato de oposición que gana elecciones en América Latina en lo que va de este año.

Los señores Chiari en Panamá, y Velazco Ibarra en Ecuador, también conquistaron la presidencia de sus respectivos países, como candidatos de partidos opositores.

El que estos tres sucesos sean dignos de celebrarse, no quiere decir, ni mucho menos, que baste ser candidato de oposición para merecer la Presidencia de un país (ejemplos de que no basta, los hay por todas partes, cerca y lejos).

Lo que quiere decir, es que, cada día más, en América hay libertad electoral. Que los principios de la democracia representativa se comienzan a afianzar. Que se van alejando los días en que ser candidato de oposición era una invitación al destierro o a

Ha sido una lucha larga la de América. Y todavía no está terminada. Todavía quedan residuos de los viejos sistemas dictatoriales o simplemente oligárquicos, negadores de la libertad. Y sin que América haya podido liquidarlos, ya está enfrentada la libertad a una nueva amenaza: la de quienes la sofocan en nombre de movimientos revolucionarios, de cambios económicos radicales, de avances sociales necesarios. Tanto los unos como los otros, han hablado y hablan siempre de que la de ellos es la verdadera libertad, y tachan a la otra, a la que los costarricenses podríamos llamar la nuestra, o bien de ser "anarquía", o bien de ser "engañifa burguesa".

Lo cierto es que las amenazas a la libertad provienen de ambos lados: de la derecha y de la izquierda. Y lo cierto también —para dicha de todos— es que frente a esas dos amenazas, el concepto de la libertad, el concepto de la democracia representativa (en antítesis con la democracia dirigida o la democracia de bolcón), toma terreno cada día en más países.

La lucha contra el hambre puede realizarse en un ambiente de libertad y de respeto a la dignidad del hombre y a las opiniones del prójimo. Eso es lo que los Latinoamericanos tenemos que demostrarle al mundo. La obligación de los Gobiernos recién elegidos, es la de alistarse para esa gran batalla. No es éste el momento para cómodos

0159

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OCT 17 1960

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20 For Dept. Use Only	ACTION	DEPT.	ARA-4 RM/R-2 INR-7
	REC'D 10-20-60	INFO OTHER	CIA-10 USIA-10 NSA-2 NAVY-3

SUBJECT: Reaction to Brazilian Election

La República, mouthpiece of ex-President José FIGUERES' National Liberation Party, published the enclosed editorial on October 14,1960.

The paper is enthusiastic about the election of Janio QUADROS and praises him as a man of great prestige and ability proven by his honest and faithful service as Alcalde of Sao Paulo and as governor of the State of Sao Paulo.

La República notes that Quadros is third opposition candidate to be elected to a national presidency this year and names Chiari of Panama and Velasco Ibana of Ecuador as the others who have won elections, proving that democracy and free elections are spreading in America. It has been a long battle, but it is not yet ended for the old dictatorial systems still survive. Threats to liberty persist from both sides - the right and the left. Despite these two threats, the concepts of liberty and representative democracy continue to spread over more countries. As Latin Americans they must show the world that the fight against hunger can be carried on in an atmosphere of liberty and respect for human dignity. The newly elected governments in Brazil Panama and Ecuador must enlist themselves in this battle.

COMMENT: The Liberation Party has recently affected closer control over the editorial expressions of its paper with the dismissal of Commie-liner Fransisco GAMBOA, its former editor. The approval and praise of Quadros can be taken as the reflection of the opinion of the Liberationists. The opportunity taken to point out the victories of three foreign opposition parties is not only to prove the increasing development of democracy, but possibly too, to encourage the rank and file of the party that a new day for them may be dawning - in 18 months.

732.00/10-1460 HBS

FOR THE CHARGE D'AFFAIRES, a.i.

H. Franklin Irwin Jr.

Enclosure:
Editorial published in
La República, 10/14/60.

H. Franklin Irwin, Jr.
Second Secretary of Embassy

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 25 1960

HFIrwin:mjg
REPORTER

UNCLASSIFIED

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0158

W I T H D R A W A L N O T I C E

RG: 059

ENTRY: CDF60-63

TAB #: 6

1 / 18 / C /
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BOX: 1575

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 732.00/10-1360 HBS

Document Date: 13/10/60

Document Ser.#:

DESP 319 FR RIO DE JANEIRO TO STATE

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01575 00006



A despatch more completely analyzing the election returns in São Paulo is in preparation.

William P. Cochran, Jr.
Consul General

$ This despatch can be declassified to "unclassified" with the omission of this next-to-last paragraph.

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JRL

0156

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PRIORITY

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(Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

150
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 12, 1960
DATE

REF :

25 For Dept. Use Only

ACTION: Ara-4
REC'D: 10-19

INFO
DEPT: Rafs-1 RmR-2 INR-7 Fo-4
OTHER: Cia-10 USIA-10 Lab-6 Navy-3 NSA-2 army-4

SUBJECT: Final Vote Returns, São Paulo

The following are the final vote returns for the state of São Paulo, as determined by the Regional Electoral Tribunal and published by the local newspapers, together with a percentage distribution of the vote.

	Number	Per Cent	Per Cent (Excluding null & blank ballots)
Total Registered Voters	3,412,611		
Abstentions	- 371,942	10.9	
Total Vote	3,040,669	100.0	
Votes for President			
Janio Quadros	1,588,593	52.2	55.1
Adhemar de Barros	855,050	28.1	29.6
Teixeira Lott	441,755	14.5	15.3
Null or blank	155,271	5.1	
Votes for Vice-President			
Milton Campos	1,314,907	43.3	48.5
João Goulart	940,638	30.9	34.7
Fernando Ferrari	454,801	15.0	16.8
Null or blank	330,323	10.8	

The foregoing figures correspond closely to prior estimates from this post. Vote participation was estimated at 85% as against an actual participation of 89.1%. Final estimates for the presidency from this post gave 50 to 55% to Quadros, less than 20% to Lott, the rest to Barros. The Consulate General's final estimates of the voting in the state for the vice-presidency indicated Ferrari fading to the benefit of Campos whose victory was predicted over Goulart, "perhaps by a really marginal"

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 24 1960

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RJBurton:lfw
REPORTER

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ACTION ASSIGNED TO:	ACTION TAKEN
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION
	DIRECTIONS TO RM/R

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6
148
São Paulo

Contributors:

Pyle, Mason/Faria, Burton

Distribution:

INS/RAR, Embassy Rio 3; Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife, Salvador, Santos.

CONFIDENTIAL

0154

CONFIDENTIAL

5
148
São Paulo

6. Cuba (Unclassified)

Turning to Cuba Diário said, "News from Cuba concerning present difficulties in supplying food to its population do not exactly surprise observers of economic policies adopted by Havana's government. Disorganization of internal production and decreased exportation were expected since the Cuban administration started confiscating highly productive organizations, repudiating the market that was actually absorbing its sugar production and paying almost double the international quotation... That means that a situation of social restlessness has definitely settled on Cuba, threatening Fidel Castro's position, as well as that of his friends."

Theophilo de Andrade from the same newspaper said, "It is regrettable that countries like Brazil or Argentina, which have been insulted by Raúl Roa, Cuba's Foreign Relations Minister, have not accepted the El Salvador proposal to summon a congress of Central-American legislatures to consider breaking off relations with Cuba. If we do not want Russian imperialism in our hemisphere, we must, right now, establish around the island the same sanitary cordon we have stretched out around Trujillo." "Cuba must be put in quarantine," the commentator concluded.

An O Estado editorial concerned itself with Cuba reduction of Informaciones -- only remaining semi-free paper -- to an unworkable 16 pages per issue. "A typical solution of a dictator!", said O Estado. "Informaciones' fate is, therefore, sealed."

7. Dominican Sugar Purchase (Unclassified)

An O Estado editorial, and the only one noted on the subject, criticized the United States' decision to buy more sugar from the Dominican Republic, and supported Venezuela's complaint against the U.S.: "It is our opinion that any American policy that may hurt Venezuela's feelings might jeopardize the results obtained in the historical conference of San José and Bogotá."

Miscellaneous
8. List of Substantive Despatches

137 Summary
138 Gatt Negotiated Import Duty Reduction on Drying Reamers Considered Insufficient
139 McAllistsr Corp. delays Trade Contract: Delay Notice
140 São Paulo Cost of Living Index August 196)
142 Trade Contract Survey, McAllister Corp.
143 Bi-Weekly Economic Review, Sept. 23 - Oct. 6
144 Preliminary Work Authorized on Urubupungá Electric Plant Project
145 Santos Weekly Report
146 Santos Weekly Report
148 São Paulo Weekly Summary No. 67

William P. Cochran, Jr.
Consul General

CONFIDENTIAL

0153

COMMENT: Even greater population increases may be expected in the years ahead in São Paulo due to (a) increasing availability of electric power with its attendant development of industry (b) Governor Carvalho Pinto's Plan of Action which is providing better transportation, as well as other facilities for industrial and population growth, and (c) the transfer of the capital to Brasilia which should tend to advance São Paulo as the first city in the country, not only financially and economically, but in other respects. The IBGE is expected to announce the final results of the census in about 20 days.

Psychological

5. Khrushchev and Hammarskjoeld (Unclassified)

Leading local dailies bitterly criticized Khrushchev's attitudes in and out of the United Nations, at the same time praising, whole-heartedly, Secretary-General Dag Hammarskjoeld's answer to his attacks. Nehru's speech was equally applauded by many newspapers. Nehru, said O Estado de S.Paulo, "was the voice of reason and also that of diplomacy". The newspaper emphatically declared: "The applause given to Nehru's speech; Hammarskjoeld's statement announcing his decision not to resign from his post; the Assembly's attitude toward one of the meanest Quislings -- Kadar -- showed eloquently that the world is fed up with Soviet provocations." O Estado commented later "The entire world..the non-committed world' is immovably with UN's secretary-general, whose prestige and actions in the Congo were unjustly and vulgarly attacked by Nikita Khrushchev, who expected to cause the collapse of the present organization of the United Nations, in order to subsequently control and degrade it, changing it into a pliant tool for his intentions of world domination." The newspaper went on to compare Hammarskjoeld's "tranquil and manly dignity" to "Khrushchev's indiscipline."

Diário de S.Paulo's Barreto Leite Filho expressed similar views: "Since one of Khrushchev's clear purposes in making his trip (to New York) was to win the support of as many Afro-Asian countries as possible..." his attacks on UN's Secretary-General "were the least adequate actions to that effect, for Mr. Hammarskjoeld identifies himself with the United Nations..." The commentator added later in the same editorial: "The integrity of UN's Secretary-General, evident in the oratorical duels reported by the news telegrams, established a revealing contrast with the malicious shrewdness, violence and bad manners of the First Secretary of the Russian Communist Party." But Barreto Leite Filho believes that "not even the most inexperienced of the African delegates" will find it difficult to see which one is "sincere and well meaning", who actually wants to help the recently emancipated colonies.

In his column on international affairs for Correio Paulistano, Meira Mattos asserted that "Khrushchev was disappointed, because his influence on the so-called neutral nations turned out to be much less than he thought. The Afro-Asian nations, from whom he expected substantial support, did not agree with him when he censured Hammarskjoeld and proposed that the UN move to another country. With that he intended to place the international organization at the service of Moscow's political interests."

0152

votes, and Fernando Ferrari with 449,164. Vote abstention in the capital city appears to be a fraction less than 10%; in the interior of the state it is said to be slightly more. Blank and voided ballots probably amount to about five per cent of the total cast. It is expected that official returns will be promulgated by the Regional Election Tribunal (TRE) within a week.

Partial returns from the state of Goiás show Lott with a slight lead over Janio Quadros, 43,898 to 42,180 respectively; Adhemar de Barros a poor third as against 27,827 for Milton Campos and 9,237 for Ferrari. In the gubernatorial contest partial returns show that Mauro Borges Teixeira, the PSD-PTN candidate, leads with 55,848 votes; his opponent José Ludovico de Almeida has 49,246. José Fleury, the UDN candidate, has a slight lead over Resende Monteiro in the fragmentary returns available on vice-gubernatorial race, having 31,759 to Monteiro's 30,193.

Janio Quadros leads the presidential candidates in Mato Grosso on the basis of the incomplete returns so far available, having 24,615 votes to 19,842 for Lott. Adhemar is a poor third with 1,810 votes. In the vice-presidential race Milton Campos is ahead in the returns to date with 19,489, followed by Goulart with 17,203, and Ferrari with 2,327. In the triangular gubernatorial contest the UDN candidate, Fernando Corrêa da Costa has 49,348 votes, the PSD candidate, Filinto Muller, 38,296, and the PTB nominee, Wilson Fadul, 13,243, according to the partial returns so far available. The UDN candidate, José Garcia Neto, leads in the race for the vice-governorship with 50,605 votes to Cicero Faria's 37,119.

COMMENT: (Confidential) The almost complete election returns in the state of São Paulo conform to this post's pre-election forecast (see São Paulo telegram 79 to Department, 31 to Embassy Rio, dated September 30, 1960). The partial results so far announced in Goiás and Mato Grosso, while still fragmentary, also conform to this post's earlier predictions (see São Paulo despatches 101, September 16, 1960 and 115, September 22, 1960). Janio, as reported, gathered strength in Goiás during the latter days of the presidential campaign and is closely following Lott; as anticipated the gubernatorial contest between Borges Teixeira and Ludovico de Almeida is proving to be close. In Mato Grosso Milton Campos has a slight lead as expected over Goulart.

4. Census Indications in São Paulo (Official Use Only)

Census authorities of the federal Instituto Brasileiro de Geografia e Estatistica (IBGE), estimated this past week that the capital city would have a population of about 4.8 million, if the proportion of increase within the city was the same as for the interior. At the same time the census authorities, working with the São Paulo Department of Statistics, stated that the population of the state had been generally under-estimated by 30 to 40%. Preliminary data indicates that 60% of the population live in urban areas; 40% in rural areas. Indicative of the rapid growth is the report that the population of three towns, namely Lins, São José dos Campos, and Aracatuba have each increased by 60% within the past three years.

0151

nomination should he fail to be nominated at the forthcoming PSP municipal convention. The PSB is reported to have under consideration the nomination of federal deputy Rui Novais, a former mayor of Campinas, as its nominee in the mayoralty contest.

COMMENT: (Confidential) The strength of Adhemar in the capital city in the presidential election has sharply pointed out the necessity for the parties supporting the state administration to agree on a "unity" candidate. One can reasonably expect, therefore, a series of "deals", in which both the governor and Janio may participate, to reduce the number of candidates. The state administration would like to secure political control of the capital city; the more so because of reported interest shown by Adhemar in running for governor of São Paulo in 1962.

2. Janio Quadros' Cabinet (Official Use Only)

Although Janio Quadros (who has been resting this week with governor Carvalho Pinto on the Paulista beach of Bertioga) informed one of his chief lieutenants, Quintanilha Ribeiro, that he had not given any thought to the formation of his cabinet beyond the fact that he would choose the best people in the country without regard to other considerations than competency, politicos in São Paulo continued to speculate on the individuals who might be chosen. Quintanilha Ribeiro has been widely rumored in São Paulo to have been selected to head the Civil Household of the new president; Fernando Ferrari the Ministry of Labor; Brigadier Faria Lima the Ministry of Transportation and Public Works, or Aeronautics; Milton Campos, the Ministry of Agriculture, or Justice; Helio Muniz, the Bank of Brazil; Afonso Arinso de Melo Franco, the Ministry of Foreign Affairs; Marshal Odilio Denys, Ministry of War; Alcimar Baleeiro from Bahia, Paulista Secretary of Finance, Vicente de Azevedo, or Paulista financier José Mario Witaker, the Ministry of Finance; Gilberto Freire, the Ministry of Education; Almirante Silvio Heck, the Ministry of Marine; Bernardes Filho, the Economic Ministry; and General Bizarria Mamede, to head the Military Household.

COMMENT: (Confidential) Politicos everywhere are wont to speculate on the composition of a new president's cabinet. São Paulo politicians have a special interest in this case, however, inasmuch as several paulistas may be included in the new cabinet. In connection with the speculation concerning Milton Campos, Father Nicolas Boér, foreign affairs editorial writer of O Estado de São Paulo, told the Deputy Principal Officer of this post that Janio Quadros had said that Campos, if he was defeated in his bid for the vice-presidency, would be appointed Minister of Justice. Father Boér added, rather significantly, that he (Janio Quadros) does not always keep his promises.

3. Partial Election Results (Official Use Only)

Unofficial, but nearly complete election returns, in the State of São Paulo indicate that Janio Quadros received 1,570,164 votes for the presidency; Adhemar de Barros 839,973, and Teixeira Lott 443,080. Milton Campos leads the vice-presidential race, with 1,293,922 votes, followed by João Goulart with 929,143

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo
148
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.
October 11, 1960
DATE

REF :

26 For Dept. Use Only	ACTION	DEPT.
	ARA-4	RM/R-2 INR-7 IO-4
	REC'D 10-18-60	INFO OTHER CIA-10 USIA-10 NSA-2 NAVY-3

SUBJECT: São Paulo Weekly Summary No. 67, Week Ending October 8, 1960

Index:

Political
1. São Paulo Mayoralty Race
2. Janio Quadros' Cabinet
3. Partial Election Results
4. Census Indications in São Paulo

Psychological
5. Khrushchev and Hammarskjoeld
6. Cuba
7. Dominican Sugar Purchase

Miscellaneous
8. List of Substantive Despatches

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 17 1960

732.00/10-1160 HBS
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Political
1. São Paulo Mayoralty Race (Official Use Only)

Despite the fact that it was a quiet week politically in São Paulo, behind the scene maneuvers continued among the various mayoralty candidates. A "shaking down" in the number of candidates seemed to be awaiting an expression from Governor Carvalho Pinto as to his choice of a "unity" candidate around which the janistas and carvalhistas could rally. The Governor is known to favor Plinio de Arruda Sampaio, [redacted] coordinator of his Plan of Action, but his candidacy has not been openly advocated. PDC secretary-general, Franco Montoro, whose party has already registered him as a candidate, declared that he would withdraw should a suitable candidate be found among the parties supporting the governor. UDN state deputy Camillo Ashcar is attempting to garner support within his party for his candidacy. Ashcar is attempting to capitalize on the fact that the last two times that he ran for the State Assembly he secured more votes than anyone else in his party. It was rumored this week in the State Legislature that Emilio Carlos would withdraw his candidacy if Janio Quadros would appoint Lauze Carlos (brother of Emilio and the present Secretary of Health in São Paulo), to head the Ministry of Health. Politicians in São Paulo pointed out this week that Adhemar de Barros' PSP could be a formidable opponent; that Adhemar secured over 27% of the vote in the capital city for president. Meanwhile, PSP deputy Mario Beni would appear to be favored by the Mayor over vice-mayor Cantidio Sampaio. The latter has indicated that he will attempt to secure the PST

see last page/lfw
REPORTER

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0149

Saopaulo
Desp 146

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IV CONSULAR

1. Consul General Visits Santos (UNCLASSIFIED)

On September 30 Consul General William P. Cochran visited Santos in order to meet with Mario Daltro Dantas, Chief Inspector of the Santos customs, for the purpose of discussing the customs duties levied against the automobile imported into Brazil by an American citizen.

Comment: (UNCLASSIFIED)

The American citizen in question in good faith had recently imported a used Lincoln automobile through Santos only to have the Santos customshouse arbitrarily assess on it an extremely high dutiable value. Efforts by this Consulate to have the value of the automobile adjusted downward having failed, and the American having appealed to the Consulate General for assistance, the Consul General decided personally to approach the Chief Inspector to talk over the matter.

The Chief Inspector told the Consul General and the reporting officer that the case would be submitted to a board of customs assessors for reconsideration.

V ADMINISTRATIVE

1. Local Employee to Receive Meritorious Service Award (UNCLASSIFIED)

The Consulate is pleased to have been informed by the Department that Alfredo da Silva, Jr., its senior (32 years service) local employee, has been designated to receive a Meritorious Service Award on October 31, 1960.

Comment: (UNCLASSIFIED)

This same local employee is presently suffering from a nervous breakdown induced by overwork.

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0148

Sao Paulo
Resp 146

Goulart's influence with the unions has sadly declined and (3) Adhemar de Barros is still a powerful factor in Santos politics.

2. Local Politician Comments on Barros Candidacy (OFFICIAL USE ONLY)

The reporting officer is reliably informed that Antonio Feliciano, Federal Deputy from Santos and ex-Mayor of the city, on October 4 declared before a group of friends in a public restaurant here that Adhemar de Barros received a bribe from Janio Quadros of Cr$500.000.000,00 to stay in the Presidential race and draw votes away from Marshal Lott. Feliciano is a member of the PSD and was a strong supporter of Marshal Lott.

II LABOR

1. Dock workers Score Gains (UNCLASSIFIED)

The Sindicato dos Empregados na Administracao dos Servicos Portuarios de Santos have signed a new collective labor contract with the Santos Dock Company which grants, among other things, a 30% increase in the base pay for work performed on the oil piers by the dockworkers and a 25% increase in their base pay for work performed in the rain. At the same time the Ministry of Transport and Public Works agreed to allow the Santos Dock Company to raise its tariffs in order to cover the increased costs arising from the labor contract with its employees. The agreement will come into force when it appears in the Diario Oficial.

Comment: (UNCLASSIFIED)

The timing of these concessions to the dock workers coincided with their availability to vote for the administration's candidates in the national election.

III ECONOMIC

1. Building Boom in Santos (UNCLASSIFIED)

The reporting officer has counted 26 large new apartment houses now under construction directly facing the Santos water-front drive alone. Many others are abuilding in other districts back from the beach and in other residential areas of the city.

Comment: (UNCLASSIFIED)

Long-time residents say that more apartments are presently being built in Santos than at any other time in memory.

/IV CONSULAR

0147

FORM DS-582
8-1-50

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Encl#1 Disp#146
Sao Paulo 10/10/60
O.o

OPERATIONS MEMORANDUM

TO: American Consulate General, Sao Paulo Date: October 7, 1960

FROM: American Consulate, SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

1 POLITICAL

1. Quadros and Campos Win in Santos (UNCLASSIFIED)

Final returns from the October 3 national elections show the following results for the 118th Electoral Zone, which embraces 244 precincts in Santos, 2 in Bertioga, 22 in Cubatao and 5 others in nearby areas: 52,779 votes for Janio Quadros; 17,484 votes for Adhemar de Barros; and 16,490 for Marshal Lott. For the Vice Presidency, Milton Campos received 46,823 votes; Joao Goulart 27,958; and Fernando Ferrari 9,882.

In the city of Santos alone Janio ran off with 61.5% of the vote, Adhemar received 20.2% and Marshal Lott 18.3%. Milton Campos won 56.3% of the vote, Joao Goulart 31.9% and Fernando Ferrari 11.8%. In Sao Vicente Janio polled 8,856 votes to Adhemar's 4,123 and Lott's 3,014. Milton Campos beat Joao Goulart there by 6,666 to 6,227 votes, while Ferrari drew only 2,615 votes.

Thus Janio was the easy winner in both Santos and Sao Vicente, i.e., this consular district, while Milton Campos also carried the district by 50,995 votes over Jango Goulart's 31,289. In the consular district itself 99,948 votes (including blank and invalid ballots) were actually cast by the 110,000 registered voters in the two cities: a high proportion.

Comment: (UNCLASSIFIED)

The vote produced two local surprises. First, Adhemar de Barros ran second in both Santos and Sao Vicente, beating out Marshal Lott. Second, Milton Campos crushed Jango Goulart in Santos and managed to run ahead of him in Sao Vicente. The reporting officer missed his predictions on both the above results, thinking that Barros would run a poor third and that Goulart would narrowly defeat Campos here.

Three factors emerge from the voting in this consular district: (1) Janio is clearly the people's choice (2) /Goulart's

VPRandolphIII/vpr

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FOREIGN SERVICE DESPATCH

FROM : Amconsul, São Paulo — 146 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — October 10, 1960 DATE

REF :

	ACTION *	DEPT.
20 For Dept. Use Only	ARA-4	RM/R-2 REP-1 INR-7 ICA-11 PER-2 E-3 SCA-3
	REC'D 10-18-60	INFO OTHER CIA-10 COM-10 HAB-6 HHFA-2 USIA-10 OSD-4 NSA-2 ARMY-4 NAVY-3 AIR-6

SUBJECT: Santos Weekly Report

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated October 7, 1960.

Attention is called to Item I-2 concerning a Cr$500.000.000,00 bribe to Adhemar de Barros to stay in the presidential race. This adds to the various bits of evidence and information previously cited by this post in support of the thesis that there was a deal between the Janistas and the Adhemaristas with a view to Adhemar taking votes away from Lott.

William P. Cochran, Jr.
Consul General

Enclosure:
Santos Weekly Report
dated October 7, 1960.

cc: Amembassy, Rio

732.00/10-1060 HBS
FILED
Oct 31 12 44 PM '60

REPORTER: Burton:lfw

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0145

CONFIDENTIAL
(Classification)

IV.A (continued)

in creating the belief that there occurred in the Pernambuco capital a debacle of the nationalist and democratic forces . . ."

B. Pernambuco Governor Cid Sampaio: "I receive with joy and tranquility the result of the election in the state and the nation. I am particularly proud ~~fo~~ of the victory in the city of Recife that I interpret as approval of the political and administrative action of my Government . . . . With new political and administrative conditions resulting from the victory of Janio Quadros, I shall double my efforts in the battle for the economic and social recuperation of Pernambuco."

C. Ceara' Governor Parsifal Barroso (PTB): " In Ceara' this sentiment (desire of the Brazilian people for a political change of climate) was also present, as reflected by the general trend that the voting revealed . . the vote was influenced strongly by the reaction manifested by the clergy against the Lott candidacy, especially after the visit of Carlos Prestes to Ceara' . . Nothing has led us to believe that the . . program of my Government will suffer . . with the ascension of the opposition candidate to the Palace of Alvorada . . ."

Ernest S. Guaderrama
American Consul

DEPARTMENT: Please pass two (2) copies to the American Embassy, Rio de Janeiro.

1 cc - Consul General, AmEmbassy, Rio de Janeiro

CONFIDENTIAL

0144

C. Paraiba: The UDN adopted PSD dissident Pedro Gondim, former acting Governor, was given a strong mandate for a complete term as Governor of Paraiba as he rode down the number two man of the Carneiro clan (Janduhy) by 144,343 votes to 119,289. Once again the losing candidate was strongly supported by the incumbent state administration. Andre "Zabilo" Gadelha, also a UDN candidate, will be the next vice governor.

D. Pernambuco: Although he was not a candidate, Governor Cid Sampaio of Pernambuco scored the outstanding political victory in the Northeast. Not only did he achieve a state plurality for his candidate Janio, whom he supported practically single-handedly, but he also obtained a decisive Janio victory in the leftist controlled state capital, Recife. Considering the array of pro-Lott organizational weight (PSD,PTB, PSB, and PCB) and talent (Mayor Miguel Arraes, Deputy Etelvino Lins, Vice Governor Pelopidas da Silveira, Deputy Aderbal Jurema, Agriculture Minister Barros de Carvalho, etc.) thrown against the naturally suspect candidate from São Paulo and the Governor, the victory was all the more impressive. For the first time in recent years, the communist backed candidate did not win in Recife and in Pernambuco.

Comment: It remains to be seen if this defeat for the communists will shatter the local axiom that in order to win in Pernambuco the candidate has to have the support of the radical elements. It should be noted that Sampaio did not campaign against the communists, despite their personal attacks against him as a deserter of the "cause." He maintained his campaigning and Janio's campaign on a relatively statesmanlike nationalistic level.

With the reported slippage of Bahia's Juracy Magalhaes' prestige because of his neutralist election strategy, Cid Sampaio now becomes the strongest UDN figure in the Northeast. His influence, directly and indirectly, was felt in the gubernatorial campaigns in Alagoas and Paraiba. His efforts in Ceara' and Rio Grande do Norte on behalf of Janio increased his political stature. According to one of his aides, Cid Sampaio was instrumental in bringing Janio back into the presidential contest after the famed December withdrawal and obtaining Milton Campos' agreement to try again for the vice presidency (via telephone to Europe). Therefore it would appear that not only regionally but also nationally Cid Sampaio will be one of the key political figures.

IV. Random Comments

A. Recife Mayor Miguel Arraes: "The majority voted against the errors of the Federal Government and above all against the high cost of living . . . I receive the result with a tranquil conscience because I fulfilled my debt as a nationalist . . . . Recife did not constitute any exception in the Brazilian political panorama despite the publicity directed by certain political sectors interested

0143

As the comparisons demonstrate, the Lott margin in Ceara'was smaller than anticipated; likewise, in Paraiba he lost by a far greater margin than forecast. However, the most significant voting surprise occurred in Pernambuco. Janio Quadros, with the invaluable help of Governor Cid Sampaio, not only won in the state but he also won a decisive (68,985 to 57,126) and unexpected victory in Recife, "the communist capital of the Northeast."

In the vice presidential tabulations, Pernambuco pulled another surprise by giving Milton Campos of the UDN 42.4% of the votes cast to 41.8% for Jango Goulart. Except for Ceara, Goulart won with less than a majority in the other northeastern states. In Ceara'he cornered 52% of the votes. The independent Fernando Ferrari captured between 11% (Ceara'and Paraiba) to 20% (Alagoas) of the votes to block Milton Campos' hopes of victory in the area.

III. The Winners' Circle

A. Alagoas: The closest gubernatorial race was waged in Alagoas. According to the latest press reports, Major Luis Cavalcanti (UDN) held only an 802 vote margin (36,847 to 36,045) over Abraão Moura (PSP), who is sponsored by the present state administration. The other two candidates have definitely been eliminated. The late returns from the hinterlands, where Governor Muniz Falcão's relatives and political machine are more influential, are favoring a strong finish by Abraão. Cavalcanti, the reform candidate, promises a peaceful interlude in a state that has been plagued with bloody political feuds. Abraão Moura is portrayed as just another chapter in the state's turbulent history.
(Note: 10/10/60 - Final tabulation: Cavalcanti-38,681 to Moura's 36,878)
In Maceió, the new mayor will be none other than Sandoval Caju, flashily dressed extroverted radio personality, the solid choice of the masses and, possibly, the communists.

B. Rio Grande do Norte: The bitterest of the campaigns took place in Rio Grande do Norte as Aluisio Alves, UDN man supported by the PSB-PTB, won over Djalma Marinho despite (or because of) Governor Dinarte Mariz's and his UDN state regime's support of the latter candidate. Federal Deputy Alves, a journalist and lawyer, is a prominent figure in the national UDN organization but was slighted by his friend Janio Quadros late in the campaign. In an embittered victory speech, Alves pledged no clemency for his political opponents. His vice governor will be Walfredo Gurgel of the PSD, a Catholic priest.

Djalma Maranhão, a popular leftist with communist friends and tendencies, returns to City Hall in Natal as mayor for the second, non-consecutive, time. His running mate for vice mayor, Luis Gonzaga, was also elected.

0142

AIR PRIORITY
PRIORITY

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FOREIGN SERVICE DESPATCH

14
DESP. NO.

FROM : Amconsul, RECIFE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 9, 1960
DATE

REF :

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55 For Dept. Use Only	ACTION	DEPT.
	ARA 4	RM/R-2 INR-7
	REC'D 10/25	OTHER CIA-10 USIA-10 OSD-4 army-4 Navy-3 air-6 NSA-2 Rio de Janeiro-2

SUBJECT: THE ELECTIONS IN THE NORTHEAST

I. Introduction

With the settling of the dust and the appearance of "final" tabulations, it is now the hour of comparing results with predictions, attempting to draw conclusions from significant voting trends, and looking at some of the new office-holders.

II. The Vote

The voting for the presidential candidates ran fairly close to Embassy (Despatch 268 of September 26) and Consulate calculations.

		actual	predicted (Consulate)
Ceara'	Lott	50%	56%
	Janio	43%	38%
	Adhemar	7%	7%
Rio Grande do Norte	Lott	47%	46%
	Janio	46%	45%
	Adhemar	7%	9%
Paraiba	Janio	56%	46%
	Lott	39%	44%
	Adhemar	5%	10%
Alagoas	Janio	48%	45%
	Lott	29%	35%
	Adhemar	23%	20%
Pernambuco	Janio	51%	47%
	Lott	41%	46%
	Adhemar	8%	7%

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 2 0 1960

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5:02 p.m.

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NAVY

RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 495, October 8, 2 p.m.

Re EMBTEL 480.

With unofficial vote count approaching ten million Quadros leads Lott by 1,600,000.

Goulart with 3,585,000 leads Campos with 3,451,000 by narrow but growing margin.

Minas , Pinto maintains fairly substantial lead over Neves. Lacerda with 208,000 has gained slightly over Magalhaes with 196,000 in still uncertain Guanabara race.

CABOT

MRJ/2

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

151
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 12, 1960
DATE

REF : São Paulo Despatch 115, September 22, 1960

	ACTION	DEPT.
For Dept. Use Only	AmA-4	Rep-1 RMR-2 INR-7 IO-4
	REC'D 10-19	INFO OTHER CIA-10 USIA-10 Lab-6 Navy-3 NSA-2 Army-4

SUBJECT: Latest Election Returns in Goiás and Mato Grosso

Latest elections returns available today from Goiás and Mato Grosso still leave several of the election contests in doubt. In Goiás the lead in the presidential race has continued to alternate between Lott and Quadros; in Mato Grosso, however, Janio has a commanding lead and appears clearly the winner. Also João Goulart has a comfortable margin in Goiás for the vice-presidency, according to the returns so far available, but he and Milton Campos are competing on even terms in Mato Grosso. In the gubernatorial contests Mauro Borges Teixeira appears to be the winner in Goiás; Senator Fernando Corrêa da Costa the winner in Mato Grosso.

In Goiás the latest election results indicate that Janio Quadros now has a slight advantage over Lott, 97,064 to Lott's 95,246. The lead in the presidential race has continued to alternate between the two since the first returns became available. Adhemar de Barros continues to be a poor third with 18,072 votes. João Goulart has a rather significant lead as expected in the vice-presidential contest with 98,064 votes to Milton Campos' 71,862. Ferrari is far behind with 23,142. In the gubernatorial race Mauro Borges Teixeira, the PSD candidate, now has 121,550 votes to his credit. Conflicting reports give his opponent, José Ludovico de Almeida, 115,492 and 102,492 votes.

Janio Quadros is clearly out in front in Mato Grosso, his native state, with 55,179 to Lott's 41,003. Adhemar, in last place, has 3,912. In the vice-presidential contest Goulart and Milton Campos are competing on nearly even terms; Goulart has 40,236, Milton Campos 40,012, and Ferrari 11,536. The UDN gubernatorial candidate, Senator Fernando Corrêa da Costa, has 49,461 votes; Filinto Muller (PSD) 38,338, and the PTB nominee, Wilson Fadul, 13,311.

A comprehensive report on the election results in Goiás and Mato Grosso will be submitted by this post when final or more complete election results are known.

William P. Cochran, Jr.
Consul General

LMFyle:lfw
REPORTER

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
OCT 31 1960

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Action ARA

Info SS G SP C H P USIA MOP OCB INR CIA NSA OSD ARMY NAVY AIR RMR

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Control: 3970
Rec'd: October 7, 1960 10:16 p.m.

OCT 8 AM 6 05

ACTION:
INFO:
RM/R FILE

FROM: Sao Paulo

TO: Secretary of State

NO: 85, October 7

PRIORITY

SENT DEPARTMENT 85; REPEATED INFORMATION RIO 35.

Approximately 10 percent vote abstention in Sao Paulo capital slightly more in rest of state with total returns in capital and approximately 95 percent returns in rest of state. Unofficially tallied state of Sao Paulo vote shows 55 percent for Quadros, 29 percent for Barros and 16 percent for Lott. 49 percent for Campos, 35 percent for Goulart and 17 percent for Ferrari. Quadros now has over million vote margin over Lott in Sao Paulo. Campos now has almost 350,000 margin over Goulart in Sao Paulo. Returns available for various contests in Matogrosso and Goias too limited thus far to be useful.

COCHRAN

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0138

experience in international cooperation with the US. If Quadros' statements in the first part of the campaign are taken at face value, there may be a tendency for Brazil's demands on the US to become more vigorous, and for US requests to be granted on a tougher quid pro quo basis. Under his leadership, Brazil might even move to a neutral position in world affairs.

Unconfirmed reports have circulated to the effect that the Army may intervene to prevent Quadros from assuming power. Although most of the Army leaders favor Lott, Embassy Rio believes the military would intervene only if Quadros should give sufficient evidence of emotional instability to create general fear for the welfare of the country.

The incumbent Vice President, Jango GOULART, holds a slight lead for reelection over Milton CAMPOS. This lead could be overcome as the vote tabulation is completed. Campos is preferable from our point of view. Goulart has had no hesitation in working with and making deals with the Communists.

ARA:EST:AWHemba:dhh 10/7/60

AWH

0137

RM/R

FILE

DEPARTMENT OF STATE
ASSISTANT SECRETARY

CONFIDENTIAL

TO : The Secretary

Date: October 7, 1960

THROUGH: S/S

FROM : ARA - Mr. Mann

SUBJECT: Brazilian Presidential Election

Janio QUADROS, former Governor of São Paulo, appears to have won the Brazilian presidential election of October 3 with a large plurality of the vote. Teixeira LOTT, former Minister of War, the Administration's candidate, ran second. Adehmar de BARROS, the Mayor of São Paulo, finished third. Quadros will take office January 31, 1961 for a period of five years.

The election turned on domestic issues although international issues were also debated in the campaign. Quadros is a brilliant demagogic campaigner, and there was considerable sentiment that "it is time for a change". Lott proved to be an ineffective campaigner. He was not vigorously supported by President Kubitschek.

As Governor of São Paulo, by far the richest and most populous state, Quadros was a conservative and effective leader. Business, including US business, fared well. Largely because of his record as Governor the bulk of the São Paulo business community supported Quadros for the presidency. During the recent campaign, Quadros' close associates privately assured Embassy Rio de Janeiro that the US should ignore irresponsible statements of Quadros, that these were made for campaign purposes only, and that once elected Quadros would be a responsible leader and cooperate with the US. Quadros may wish to cooperate with the US to obtain financial support, if for no other reason. It is certain that his administration will need our aid.

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During the last six weeks of the campaign Quadros became more conservative and responsible than in his earlier and more radical statements. In one interview just before the election he described the OAS as the "only instrument of political action in the continent" and as the "only place for the settlement of intra-hemispheric disputes". He said he would open Brazil's ports to the world, commercially and culturally, but without losing sight of Brazil's obligations to America; he said he neither understands nor tolerates "malign extra-continental interventions". He praised Operation Pan America.

Quadros, however, has tried to make clear that he is neither pro-Communist nor anti-Communist, approaching the issue more on the basis of immediate political convenience. In 1959 Quadros visited, among other countries, Russia, the UAR and Yugoslavia. He praised Nasser and Tito. During the recent campaign he visited Cuba and praised Castro. He promised to renew diplomatic relations with the USSR and to recognize Communist China if elected. Quadros is unpredictable and has sometimes been considered emotionally unstable. He identifies his career with that of Lincoln but shows little evidence of democratic principles. He has had no

experience

ARA:EST:AW:HEMBA 10/7/60

0136

During the final crucial weeks of the campaign, Quadros adopted a much more constructive and moderate tack, more in keeping with his actions as governor and with the views of his moderate advisers. Both in his "Program of Government" proclaimed on September 18 in a mass rally at Recife and in an address delivered to an elite audience at Rio on September 24, Quadros delineated his domestic and international position in an essentially non-demagogic and unequivocal manner. In addition to endorsing Operation Pan American and the Bogota Conference, Quadros hailed the OAS as the "only place for the settlement of intra-hemispheric disputes" and said that he neither understands nor tolerates "malignant extra-continental interventions."

Although he is demagogic and occasionally unpredictable, Quadros' record in office has been good and his presidential platform constructive. Although ambitious, he has a keen sense of public service and can be expected diligently to defend the interests of his country, which he, like most Brazilians, believes is rapidly becoming a world power. Thought to be basically pro-U.S., he will probably follow a more independent policy and bargain with the U.S. realistically, in the context of the present world power situation. His accession to the presidency will end the 30-year reign of Getulio Vargas and his political heirs, and thus will represent a minor revolution in the Brazilian political scene. He will probably make sweeping changes in personnel and in the administrative structure of Brazilian government but is not expected to tamper with the country's basic institutional framework.

0135

Either on the issue of ultranationalism or in his attitude toward the United States, Quadros should not be expected to jeopardize his political career by going against strong public sentiment. But he has made statements to the effect that he opposes nationalistic excesses and is basically friendly toward this country, which he visited in 1956. He has claimed political tenets deriving from Washington, Jefferson, and Lincoln (the latter a personal hero) but most recently has disclaimed political labels, describing himself as "neither a liberal nor a Marxist" but "eclectic", to the end that Brazil might benefit from current "mutations in the world..." Although early in his career Quadros sought and accepted communist electoral support, he is believed to be anticommunist and, in 1957 he apparently became convinced that communist backing was a liability.

From an objective point of view, Quadros' campaign for the presidency was a political masterpiece. Any assessment of his actions and statements during various stages of the campaign must take into account certain conditioning factors and developments. In the first place, Quadros began his quest for the presidency under the twin handicaps of the lack of support from any major party (later offset by winning the nomination of the major opposition party, the UDN, away from one of that party's leading figures) and the label of entreguista (one who sells his country's substance to foreign interests) hung upon him by the communists and ultranationalists, who felt that he was too friendly to the United States, particularly U.S. business interests. Believing that he could not rid himself of this label by merely denying it, Quadros set out to "prove" by deeds as well as words that he was a true Brazilian patriot and as good a nationalist as his opponent. The Embassy forecast that he would make statements which would not be pleasing to U.S. ears. Throughout the campaign, Quadros advisers told the Embassy that these statements did not necessarily reflect his true views and were designed to counter the false picture of Quadros as the willing tool of the United States by which his opponents were attempting to mislead the voters. Quadros was and still is anathema to the communists and ultranationalists, who were among the first to support the Lott candidacy and at times appeared to set the tone for the Lott campaign.

The sudden and spectacular upturn in President Kubitschek's popularity which took place in early 1960 threatened to carry Marshal Lott to victory and robbed Quadros of his most effective weapon, exploitation of widespread dissatisfaction through slashing attacks on the shortcomings of the administration. Forced to revamp his entire strategy, Quadros found it necessary to make a dramatic gesture. The result was his March trip to Cuba and his ensuing statements favorable to the Castro regime.

During

0134

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DEPARTMENT OF STATE
THE DIRECTOR OF INTELLIGENCE AND RESEARCH

MEMORANDUM

OCT 7 1960

TO : The Under Secretary

VIA : S/S

FROM : INR - Hugh S. Cumming, Jr.

SUBJECT: Intelligence Note: Janio Quadros, Brazilian President-Elect

With three-fourths of the vote in Brazil's presidential race counted, Janio Quadros has a 1.5 million vote margin over Administration candidate Marshal Lott, clearly indicating ultimate victory for Quadros. Janio Quadros, a controversial 43-year-old lawyer whose meteoric political rise has startled and fascinated Brazil, is a master politician and without doubt the ablest populist in Brazil. In winning the six elections he has contested, he has depended primarily on his popular appeal and only secondarily on the endorsement of organized political parties. Although during most of his career his support came mainly from the lower-middle and working classes, he now enjoys backing from elements in all sectors of Brazilian society and is particularly strong among business groups.

From a lower-middle-class family, Quadros was elected to the Sao Paulo Municipal Council in 1947. "Honesty and hard work" (his motto) and an appeal to the masses for help in fighting entrenched privilege, corruption in government, and vested interests subsequently won for him election to the Sao Paulo State Legislature (1951), Mayor of the City of Sao Paulo (1953), and Governor of the State of Sao Paulo (1954). Inheriting a corrupt and bankrupt administration, Quadros during five years as Governor restored fiscal solvency, brought a degree of honesty and effective administration to the state government, and launched a sound program of economic development. Business (U.S. as well as Brazilian) flourished during his administration.

Quadros possesses definite administrative ability and an intelligence which borders on genius. He works unspairingly, demanding equal efforts from subordinates whom he usually selects carefully for ability. Quadros' emotionalism and frequently alleged instability and unpredictability have caused some political friends and foes alike to question his sanity. In many of his seemingly most erratic political acts, however, Quadros could be better described as "crazy like a fox" for they have eventually resulted in political advantage.

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RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 480, October 6, 7 p.m.

Re Embassy telegram 473.

With approximately 2/3 vote unofficially counted Quadros leads Lott by 1-million 2-hundred thousand and should finish race with over one million majority.

Basis strong showing Sao Paulo and Minas Gerais, Campos with 2,680,000 now trails Goulart with 2,755,000 by narrow margin. Outcome still uncertain though Goulart should finish strong in North and Northeast where returns still fragmentary.

Further returns Minas give Pinto increasing lead over Neves. Guanabara race between Lacerda with 71,000 and Sergio Magalhaes with 66,000 still extremely close. Inconclusive returns other Gubernatorial Contests indicate opposition slates may win in all but Para.

CABOT

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Rec'd: OCTOBER 5, 1960

RECD OCT 6 9:26 PM

Action ARA

Info SS G C H P USIA INR CIA NSA OSD ARMY NAVY AIR RMR

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 473, OCTOBER 5, 7 PM

REFERENCE EMBASSY DESPATCH 268.

UNOFFICIAL EARLY RETURNS PRESIDENTIAL ELECTION INDICATE POSSIBILITY QUADROS VICTORY LANDSLIDE PROPORTIONS. WITH ONE-THIRD VOTE COUNTED (4,635,000) QUADROS 2,207,000 LEADING LOTT 1,448,000 BY 759 THOUSAND. HEAVY QUADROS MAJORITY DUE PARTLY FACT HIS STRONGHOLDS (SAO PAULO, PARANA) REPRESENT HIGH PERCENTAGE EARLY VOTE COUNT. HOWEVER, QUADROS ALSO WINNING HEAVILY RIO GRANDE DO SUL WHERE VOTE COUNT ALMOST COMPLETE. THOUGH LATER RETURNS FROM STATES EXPECTED FAVOR LOTT MIGHT ALTER ABOVE PICTURE, FRAGMENTARY RETURNS THESE AREAS (E.G. MINAS, PARA, RIO STATE) SHOW QUADROS RUNNING MORE STRONGLY THAN EXPECTED. SURPRISE FACTOR PRESIDENTIAL PICTURE IS STRONG SHOWING ADHEMAR DE BARROS (971,000) WHO COULD POLL CLOSE TO 2.5 MILLION IF PRESENT TREND CONTINUES.

JANGO GOULART (1,660,000) PRESENTLY AHEAD OF CAMPOS (1,419,000) AND FERRARI (1,136,000). SHOULD MAINTAIN OR WIDEN THIS MARGIN AS RESULTS OTHER AREAS BECOME KNOWN. STRONG FERRARI SHOWING (AND SLIM GOULART MARGIN) TO DATE PARTLY DUE TO LARGE MARGIN FERRARI VICTORY IN RIO GRANDE DO SUL. THUS, HE MAY FADE SOMEWHAT AS RESULTS MINAS AND NORTHERN STATES REVEALED. CAMPOS COULD IMPROVE PRESENT POSITION BASIS EXPECTED VOTES MINAS AND SAO PAULO.

RETURNS ELEVEN GUBERNATORIAL RACES STILL FRAGMENTARY. ONLY POTENTIAL VARIATIONS SO FAR FROM EXPECTED PATTERN ARE EARLY LEAD MAGALHAES PINTO (128,000) OVER TANCREDO NEVES (102,000) IN MINAS AND VERY NARROW LACERDA LEAD OVER SERGIO MAGALHAES (22,000 TO 20,000) IN GUANABARA. ALSO NEY BRAGA AHEAD IN PARANA WITH SUBSTANTIAL PORTION VOTE ALREADY COUNTED.

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The abstention rate for the capital (Salvador) has been estimated at 25% to 30%. The figures for the interior are expected to show a slightly lower rate of abstention.

James M. Flanagan
James M. Flanagan
American Consul

cc: Amembassy, Rio de Janeiro.
Counselor of Embassy for Consular Affairs, Rio.

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OCT 5 1960

FOREIGN SERVICE DESPATCH

FROM : Amconsul SALVADOR, Brazil

-21-
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TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 5, 1960
DATE

REF :

25- For Dept. Use Only | ACTION: Cia-4 | REC'D: 10-12 | INFO | DEPT: RMR-2 INR-7 IO-4 | OTHER: Cia-10 USIA-10 Navy-3 NSA-2 Lab-6 USUN-3 Army-4

SUBJECT: Early Returns on the 1960 Presidential Election for Bahia.

The election on October 3 proceeded calmly in both Bahia and Sergipe. There were no reported incidents. One rumor of disorder in Conquista (Vitoria da) was explicity denied by General Freitas, Commander of the VI Military Region. As a precautionary measure troops were requested by some 15 municipalities (out of a total of some 160-odd) and these were returned to their barracks by October 4. Soldiers were also despatched to all of the munucipalities on Sergipe by General Freitas and there also, according to reports reaching Salvador, all was orderly and tranquil.

Early returns show Lott leading in the capital as predicted and holding a slight lead in the interior. The figures are given below:

Candidate	In Capital	Interior	Total
Lott	26,267	38,612	64,879
Janio	18,798	32,118	50,910
Ademar	8,127	9,396	17,523
Goulart	22,782	30,933	53,715
Campos	15,248	24,454	39,702
Ferrari	13,886	10,193	24,079

These figures reflect the counting as of noon today. They are scarcely sufficient to indicate a trend, but already Ademar is showing an unsuspected strength which, if it continues to show in subsequent returns, could prove costly to Janio. Ferrari appears to be trailing, but is expected to gain strength as the interior municipalities complete their count.

The first reporting from the interior earlier today showed Lott leading in Feira de Santana, Ilhéus, Itabuna and Nazaré. Janio was ahead in Jequié, Casanova (completed count: Janio 2,306 and Lott 109), Ituaçu, Itaberaba, Campo Formoso, Livramento (completed count: Lott 848 and Janio 1,247).

JMFlanagan:ym
REPORTER

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8:10 p.m.

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NSA

RMR

FROM: Sao Paulo

TO: Secretary of State

NO: 83, October 5

PRIORITY

SENT DEPARTMENT 83; REPEATED INFORMATION RIO DE JANEIRO 34

With approximately one-third of vote in capital and one-half in interior counted, vote in State of Sao Paulo as between three presidential candidates shows fifty-five percent Janio Quadros, sixteen percent Lott, twenty-nine percent Adhemar de Berros.

For vice president forty-nine percent for Milton Campos, thirty-four percent for Joao Goulart and seventeen percent for Ferrari. Vote participation in State is eighty-five to ninety percent of registered voters with not many void or blank presidential ballots.

COCHRAN

LSA

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0128

Journal do Commercio
September 22, 1960

O Programa de Metas

O «II Programa de Metas» econômicas do candidato situacionista foi dado a conhecer também durante a entrevista de ontem à tarde, quando foi pormenorizadamente explicado pelo próprio Marechal, que dividiu seus planos em diversos itens: Agricultura, Minas e Energia, Transportes e Comunicações, Indústria.

Foi apresentado nos seguintes têrmos:

RITMO DE DESENVOLVIMENTO

«O novo Programa de Metas, centro dinâmico do II Plano de Desenvolvimento, que me proponho realizar, abrange os principais setores da economia nacional.

«Dá êle idéia, desde logo, do ritmo de crescimento econômico que se decidiu promover no próximo qüinqüênio Para isso foram fixados objetivos a serem alcançados no fim do período governamental, perfeitamente compatíveis com a capacidade de realização do país. Na parte pertinente ao poder público consideraram-se os recursos específicos de tributação e outros previstos.

«Para a elaboração dos projetos que consubstanciarão as metas e a formulação da política correspondente, serão levados em conta o conhecimento das tendências de crescimento dos diferentes setores e as necessidades das diversas regiões geoeconômicas do país, em particular daquelas que vêm carecendo de impulso mais enérgico.

«O Programa de Metas é um documento que está sujeito a constante e metódica atualização.

«Além das metas, outros objetivos, não quantificados por diferentes motivos, serão parte integrante do II Plano de Desenvolvimento. A análise cuidadosa de tais objetivos permitirá a obtenção de indicadores mensuráveis de crescimento econômico a serem incluídos no quadro sumário das metas.

«O presente trabalho de planejamento permitirá ainda, com o auxílio da análise estrutural e dos métodos de programação moderna, a elaboração de outros indicadores mais precisos para conhecimento dos problemas ligados à política de desenvolvimento nacional

«Passemos a anunciar os têrmos do novo Programa de Metas, que me proponho a executar no período 1961-65:

AGRICULTURA

O programa objetiva, em essência, a elevação da produtividade e a correção dos desequilíbrios estruturais da produção agrícola, transformando, assim, as atividades agrárias em fator positivo e ponderável na aceleração do processo de desenvolvimento da economia nacional.

O programa compreende as seguintes medidas principais:

a) Reaparelhamento dos órgãos governamentais responsáveis pela política agrícola e coordenação das suas atividades.

b) Uso racional dos recursos de água e solo e correção das deficiências do solo em nutrientes minerais, aumento do consumo de fertilizantes nitrogenados e potássicos para .... 100.000 toneladas e dos fosfatos para 300.000 toneladas, em 1965.

c) Ampliação e aperfeiçoamento dos serviços de seleção, multiplicação e distribuição de sementes.

d) Mecanização progressiva das atividades agrícolas.

e) Aumento da frota de tratores para 120.000 unidades em 1965.

f) Ampliação da capacidade de abate dos matadouros industriais e reaparelhamento da frota pesqueira nacional.

g) Construção de armazéns e silos com 1.100.000 toneladas de capacidade estática.

h) Construção de armazéns frigoríficos para pescado e produtos perecíveis diversos, com 40.000 toneladas de capacidade estática.

MINAS E ENERGIA

«Reorganização e reaparelhamento dos órgãos de elaboração e fiscalização da política governamental no campo das minas e da energia, e especialmente da eletricidade, a fim de alcançar os seguintes objetivos:

a) *Mineração* — Intensificação sistemática das pesquisas geológicas e mineralógicas na amplitude requerida pelo aumento da produção mineral que os programas dos demais setores estão exigindo, especialmente no que diz respeito aos minérios metalúrgicos e aos energéticos; elevação da capacidade de produção e transporte de minério de ferro para 22 milhões de toneladas por ano em 1965, sendo 15 milhões para a exportação e 7 milhões para o mercado interno.

b) *Petróleo* — Aumento da produção para 150.000 barris por dia em 1965, meta que será ampliada à medida que novas reservas forem sendo encontradas e as pesquisas intensificadas. Quanto à refinação, a capacidade atual, de 198.000 barris por dia, está sendo aumentada para .... 308.000 barris. A meta consiste na ampliação para 400.000 barris-dia em 1965.

c) *Carvão* — Ampliação da capacidade de produção, beneficiamento, transporte e consumo para 4 milhões de toneladas em 1965.

d) *Eletricidade* — Aumento da capacidade geradora do país para .... 5.000.000 Kw, em fins de 1960; para 8.500.000 Kw em 1965; ampliação correspondente dos sistemas de transmissão e distribuição de energia. Lançar as bases para alcançar a meta de 13.000.000 Kw em 1970.

e) *Energia nuclear* — Instalação de uma usina núcleo-elétrica de 200.000 Kw, integrante da meta de eletricidade. Produção em escala industrial de materiais nucleares (materiais férteis, rádio-isótopos etc).

TRANSPORTES E COMUNICAÇÕES

a) A maior produtividade e eficiência dos serviços nacionais de transportes — objetivo básico do programa — será conseguida mediante a coordenação dos diferentes meios de transportes, bem como do seu reaparelhamento.

Para, isto, serão postas em execução as seguintes providências:

1 — Transporte ferroviário — Suspensão do tráfego em trechos que não se justifiquem econômicamente. Substituição dos trilhos nesses mesmos trechos — que somam cêrca de 7.000 quilômetros de extensão — por rodovias pavimentadas. Dieselização da rêde ferroviária brasileira, elevando-se a tração a diesel e elétrica a 95% do total, ficando a tração a vapor restrita a serviços de importância secundária.

Conclusão do Tronco Principal Sul (ligação Rio-São Paulo-Pôrto Alegre em bitola larga) e das ligações de Brasília com São Paulo e Rio de Janeiro.

2 — Transporte rodoviário — Construção de 17.000 quilômetros de novas estradas de primeira classe, aumentando-se a rêde rodoviária federal de 38.000 quilômetros, em 1960, para 56.000 quilômetros em 1965. Pavimentação de 11.000 quilmetros de estradas nos trechos onde a densidade de tráfego o justifique, elevando-se a rêde federal pavimentada de 8.200 quilômetros, em fins de 1960, para 19.200 quilômetros em 1965.

3 — Transporte marítimo e fluvial — Renovação progressiva da frota de cabotagem marítima e interior, pela incorporação de novas unidades padronizadas construídas no país, num total de 150.000 DWT aproximadamente. Ampliação da frota mercante nacional de longo curso, de sorte que a mesma possa alcançar, em 1965, uma participação da ordem de 50% do total de fretes marítimos relativos ao nosso comércio exterior. Para isto, incorporar mais 30.000 DWT representados por novas unidades de carga produzidas no país. Promover, da mesma sorte, a autosuficiência no transporte de produtos petrolíferos e no transporte especializado de granéis sólidos.

4 — Transporte aeroviário — Conclusão das obras de infraestrutura e do equipamento de proteção de vôo dos principais aeroportos do país.

b) Quanto ao capítulo das comunicações: Padronização dos equipamentos, criando melhores possibilidades para a indústria nacional.

INDÚSTRIA

O objetivo central no setor industrial é a consolidação das novas indústrias e a integração do parque manufatureiro. A ação programada abrangerá principalmente os seguintes setores:

a) **Siderurgia — Duplicação da capacidade de produção do parque** siderúrgico nacional, de modo a alcançar 4,5 milhões de toneladas de aço lingotes, em 1965. Lançamento das bases para a ulterior ampliação da capacidade para 7 milhões de toneladas em 1970.

b) Alumínio — Ampliação da capacidade de produção atual pouco menos de 20.000 toneladas anuais — para 60.000 toneladas em 1965.

c) Cobre, chumbo e zinco — Elevação da capacidade de produção para, respectivamente, 6.000, 30 000 e 35.000 toneladas-ano em 1965.

d) Petroquímica — Incentivo especial ser dado a todos os ramos da indústria petroquímica, principalmente no que concerne à borracha sintética e fixação do nitrogênio.

e) Borracha sintética — Conclusão do programa em curso e execução de novos projetos, de modo que se consiga, em 1965, uma produção de borracha sintética da ordem de .... 70.000 toneladas, sem prejuízo, é claro, do fomento à produção de borracha natural.

f) Fertilizantes — Duplicação da capacidade de produção de fertilizantes nitrogenados (atualmente cêrca de 25.000 toneladas em têrmos de N); elevação da capacidade de produção de fertilizantes fosfatados para 300.000 toneladas (o que implica em triplicar a capacidade atual, estimada em 100.000 toneladas em têrmos de P205); incentivo às pesquisas para obtenção de potássio no território nacional.

g) Álcalis — Ampliação da capacidade de produção de barrilha de 72.000 para um mínimo de 115.000 toneladas-ano. A capacidade de produção de soda cáustica deverá ser elevada, em 1965, para 160.000 toneladas-ano, no mínimo, o que representará acréscimo de 73.000 toneladas sôbre a capacidade estimada para o fim do ano de 1960.

h) Celulose e papel — Aumento da capacidade de produção de celulose para papel, objetivando elevá-la para 420.000 toneladas-ano em 1965, o que representará acréscimo de aproximadamente 160.000 toneladas sôbre a capacidade estimada para fins de 1960; expansão da capacidade de produção de papel de jornal para 200.000 toneladas-ano em 1965, triplicando, dêsse modo, a capacidade atual.

i) Materiais de construção — Aumento de 50% da capacidade de produção da indústria de cimento, ampliando-a de 4,9 milhões para 7,5 milhões de toneladas-ano em 1965.

j) Equipamentos de transportes e comunicações — Consolidação da indústria automobilística, assegurando as condições para a sua operação normal e para ampliação paulatina de sua capacidade efetiva de produção, de modo a encontrar-se, em 1965, apta a entregar ao mercado 350.000 veículos por ano, integralmente nacionalizados; implantação da indústria de tratores na base dos programas estabelecidos pelo atual govêrno, contemplando a capacidade mínima de 30.000 unidades por ano, inteiramente nacionalizados, em 1965; consolidação da indústria de construção naval, já em fase adiantada de implantação, visando à nacionalização rápida das unidades e a capacidade efetiva de 165.000 DWT, em 1965; fomento da indústria de materiais e equipamentos de comunicações, a fim de atender à necessidade de reaparelhamento e expansão do sistema nacional de comunicações.

k) Indústria mecânica e de material elétrico pesado — Criação das condições indispensáveis à consolidação do parque da indústria mecânica e de material elétrico pesado já existente no País, a fim de capacitá-lo a suprir percentagem cada vez maior das máquinas e equipamentos necessários à nossa expansão econômica: dentre as várias medidas previstas para a consecução dêste objetivo, incluem-se: o financiamento das vendas o financiamento das instalações produtivas, a formação de técnicos e cientistas, o fomento à pesquisa tecnológica e a proteção adequada do produto nacional em face da concorrência estrangeira.

l) Indústria de bens de consumo — De um modo geral, estas indústrias não carecem de incentivo especial para o seu desenvolvimento; de qualquer forma serão programadas medidas para propiciar as condições necessárias à correção de distorções ou deficiências que venham a se evidenciar.

m) Indústria cinematográfica nacional — Torna-se-á necessário um esquema especial para o seu desenvolvimento e aperfeiçoamento técnico e artístico. Nêste ramo, deverá ser elevada a produção de filmes de longa metragem (atualmente da ordem de 30 títulos por ano), para cêrca de 100 títulos no final do qüinqüênio, de padrão técnico e artístico satisfatório.

EXIGÊNCIAS BÁSICAS

Êste II Programa de Metas, de que ora dou conhecimento ao povo brasileiro, espelha, em primeira aproximação, o conjunto de exigências básicas da economia nacional, resultantes das dimensões e do dinamismo que ela já alcançou sob a firme direção do ilustre Presidente Juscelino Kubitschek.

Na verdade, se hoje podemos nos propor a resolver novos problemas tão importantes e decisivos para a emancipação nacional é justamente porque o atual Presidente da República soube formular com propriedade e resolver com coragem e audácia aquelas questões com que se defrontou o seu Govêrno, através de uma política de desenvolvimento econômico que teremos a honra de continuar.

É fora de dúvida que, juntamente com tais empreendimentos, executará o meu Govêrno um Plano Nacional de Educação, além de outros planos interessando aos diferentes setôres da Administração Pública, os quais constituirão um conjunto integrado de esforços, visando todos, a grandeza e o bem-estar do povo brasileiro.



uma rêde escolar nacional, constituída de estabelecimentos de ensino primário e normal, de ensino secundário e profissional, de ensino artístico, de ensino superior e de ensino especial, a que nos referimos nos próximos cinco anos, suprimir ou tornar mínimo o desajustamento que existe entre o progresso global do país e o seu atraso educacional.

«A União deverá mobilizar todos os recursos financeiros e técnicos, de que possa dispor para as tarefas educacionais, em cooperação com as administrações estaduais e municipais, e com a participação da iniciativa privada, notadamente das instituições religiosas e outras de fins não lucrativos, a fim de tornar a rêde escolar nacional tão ampla na base que abranja tôdas as crianças em idade escolar, tão acessível e diversificada nas etapas médias e superiores que assegure a cada jovem brasileiro uma real oportunidade de cultivar o seu talento e contribuir, na medida de sua capacidade, para o progresso do país.

«O Plano Nacional de Educação abrange providências legislativas e administrativas, nas três esferas governamentais (a federal, a estadual e a municipal), e vai envolver não só os empreendimentos de caráter permanente, como também procedimentos de emergência, seja de duração curta ou prolongada.

TÊRMOS DO PLANO

«São têrmos precípuos dêsse Plano Nacional de Educação, traduzindo-se em esforços que deverão ser logo concluídos ou postos em execução no decurso do próximo quinquênio, os seguintes:

I — Quanto à legislação e administração:

a) efetivar a revisão geral da legislação federal de ensino, modernizando-a, tornando-a adequada às novas condições do nosso desenvolvimento econômico e às outras exigências culturais do nosso povo;

b) dar nova organização ao Ministério da Educação e Cultura, tornando-o apto a uma efetiva superintência de tôda a obra de educação nacional, em articulação, mediante os necessários convênios, com as secretarias estaduais de educação, e em têrmos que assegurem, por um lado, uma ampla descentralização administrativa e, por outro, no que diz respeito às tarefas fiscalizadoras, a substituição da interferência burocrática pela cooperação de caráter técnico.

II — Quanto ao ensino primário:

a) estabelecer uma rêde de escolas primárias em condições de assegurar, a todos os núcleos de cem crianças que possam reunir-se em qualquer local do país, um curso primário de quatro séries;

b) organizar, em todo o país, uma rêde de estabelecimentos de ensino primário e complementar que possam proporcionar, às crianças de 7 a 14 anos dos centros urbanos de mais de 5.000 habitantes, um curso primário de seis séries anuais, estabelecendo-se equivalência entre as duas séries complementares e as duas primeiras séries ginasiais;

pesquisas que contem com equipes mais altamente qualificadas, cursos de pós-graduação para aperfeiçoamento do pessoal docente de todo o país, e para a formação de especialistas nos campos da ciência e

c) criar, para jovens, que tenham completos estudos de ciclo (1º e 2º ciclos), certificação técnica que mi[nistre] de uma ou de duas [séries] para a formação, em [regime] sivo, de quadros especializados [em] determinadas atividades industriais e outras de sentido técnico;

d) elaborar e pôr em execução um programa de pesquisas científicas e tecnológicas que constituam tarefa obrigatória e habitual de todos os nossos estabelecimentos de ensino superior.

V — Quanto à assistência educacional:

a) promover o elaboração, a publicação e a mais ampla difusão de:

1) cartilhas de alfabetização, livros de estudo e de leitura para o curso elementar do modo que se torne o livro primário efetivamente acessível a todos os alunos;

2) guias do ensino primário, por matéria, em edições que assegurem a cada professor brasileiro a posse de uma coleção completa;

3) manuais, por matéria, para o ensino de nível médio para serem vendidos a preço de custo aos respectivos professôres;

4) livros didáticos, por matéria, para serem vendidos a preço de custo ou distribuídos gratuitamente aos alunos comprovadamente necessitados;

5) livros de estudo, por especialidade, para o nível superior, tendo em vista editar em português e tornar acessível aos estudantes brasileiros as obras básicas da herança cultural, científica e tecnológica da humanidade;

b) estabelecer um sistema de bôlsas de estudos, que assegure:

1) a cada município brasileiro, que não disponha de estabelecimento oficial de ensino médio, anualmente, um determinado número de bôlsas de estudos para os melhores alunos que concluam o curso primário e careçam de recursos para prosseguir os estudos;

2) bôlsas de manutenção, no valor do salário mínimo regional, para serem atribuídas, anualmente, em número cada vez mais amplo, através de concurso público, aos jovens carentes de recursos, que alcancem aprovação nos exames vestibulares dos cursos superiores, de modo que se reduza ao mínimo o número dos que se privam de estudos superiores por falta de recursos ou sòmente podem realiza-los com grande parte do tempo aplicada em empregos;

3) ao pessoal docente de nossas faculdades e aos especialistas nos vários campos do saber avultado número de bôlsas de estudos no estrangeiro e de bôlsas de posgraduação no país.

VIGOROSO IMPULSO

«São estas as linhas por assim dizer estruturais do Plano Nacional de Educação, a cuja permanente execução pretende dar vigoroso impulso.

«Não é uma estrutura completa, pois nele devem ainda integrar-se tôdas as demais indispensáveis modalidades de escolas, como as destinadas ao ensino artístico e ao ensino especial, sem falar nas rêdes escolares de aprendizagem industrial, comercial e agrícola, setor educacional que já alcançou, no nosso país, tão promissor desenvolvimento.

«A rêde escolar nacional terá de tornar-se completa no menor tempo possível, completa não só quanto à sua capacidade de atender às exigências educativas de tôda a população do país em idade escolar, como quanto à sua aptidão para ministrar, em todos os níveis e cursos, ensino de elevada qualidade cultural e técnica, ao lado da esmerada formação física, moral e cívica, sem a qual ficaria sempre defeituosa tôda a qualquer obra educativa».

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Enclosure 1
Despatch 295
Rio de Janeiro

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September 22, 1960

Plano nacional de educação

Abrangendo providências legislativas e administrativas, tanto federais como estaduais e municipais, o Marechal Henrique Teixeira Lott apresentou ontem, no decorrer da entrevista que concedeu na sede do Comitê Interpartidário, o seu «Plano Nacional de Educação», «para ser executado com a mesma amplitude e energia com que estamos processando a industrialização do País», conforme explicou na ocasião.

O objetivo fundamental do Plano é a criação de uma rêde escolar nacional, aconstituída de estabelecimentos de ensino primário e normal, de ensino secundário e profissional, de ensino artístico, de ensino superior e de ensino especial. e que nos permita, nos próximos cinco anos, suprimir ou tornar mínimo o desajustamento que existe entre o progresso global do País e seu atraso educacional».

O PLANO

Foi a seguinte, na íntegra, a exposição feita pelo Marechal Teixeira Lott:

«E' tão amplo o desnível entre o desenvolvimento econômico já alcançado pelo país e o atraso das nossas instituições educacionais que não podemos adiar mais a realização de um programa de recuperação e expansão da rêde escolar nacional, sem correr o risco de um colapso no processo de desenvolvimento que estamos experimentando.

«Seis milhões de crianças em idade de frequentar a escola primária estão ausentes dos bancos escolares e condenadas a engrossar, amanhã, a massa de analfabetos adultos que já deve orçar por vinte milhões de pessoas. Mesmo as que frequentam escolas recebem um ensino tão deficiente, que na maioria dos casos abandonam os estudos depois de repetir duas ou tres vêzes a primeira série primária sem qualquer proveito.

«A escola de nível médio está-se expandindo desordenadamente e se encontra em crise. Hoje acolhe mais de um milhão de jovens, mas ministra um ensino, em grande número de casos, inadequado às tarefas práticas que a nossa sociedade, em processo de industrialização, está a exigir dos que se encaminham para as atividades econômicas. Como apenas sete de cada cem jovens que ingressam nesse nível de ensino concluem os cursos, todos os demais malbaratam ou perdem os anos que lhe dedicam, tanto mais quanto se vai conservando o caráter livresco do ensino ministrado.

«No nível superior as carências são igualmente gritantes, pois estamos oferecendo à nossa juventude menos de 30.000 matrículas iniciais. Cêrca de 15.000 jovens disputam anualmente 1.800 vagas iniciais para a carreira médica, e isto significa que dentro de seis anos estaremos formando êste exíguo número de médicos para uma população que deverá ter ultrapassado de muito os setenta milhões de habitantes. Em engenharia, as deficiências são do mesmo grau, pois nossas escolas oferecem apenas 2.300 vagas iniciais, quando o desenvolvimento já alcançado pelo país está a exigir um número crescente de engenheiros.

PLANO DE EDUCAÇÃO

«Em face dessa situação, necessário é que se formule, com a maior urgência, um Plano Nacional de Educação, para ser executado com a mesma amplitude e energia com que estamos processando a industrialização do país, e tendo como objetivo fundamental o estabelecimento de uma rêde escolar nacional, constituída de estabelecimentos de ensino primário e normal, de ensino secundário e profissional, de ensino artístico, de ensino superior e de ensino especial, e que nos permita, nos próximos cinco anos, suprimir ou tornar mínimo o desajustamento que existe entre o progresso global do País e seu atraso educacional.

c) instituir uma Campanha Nacional de Alfabetização, com o objetivo de mobilizar todos os brasileiros, que tiverem o privilégio de estudar, para a tarefa de recuperação cultural e cívica dos jovens e adolescentes que não puderam frequentar escolas primárias na idade apropriada. A Campanha Nacional de Alfabetização não se destina a criar um sistema educacional paralelo e de pior qualidade para as classes populares, mas a atender, por métodos mais flexíveis e de resultados imediatos, às carências com que nos defrontamos. Atuará enquanto não houver, em todo o país, uma rêde escolar primária suficiente, objetivo primordial do Plano Nacional de Educação. Ela terá como propósito fundamental instalar núcleos de educação em cada bairro, sítio, fazenda ou onde quer que se encontrem jovens analfabetos ou insuficientemente instruídos, ministrando cursos diurnos de alfabetização e educação cívica a jovens de 12 a 14 anos e funcionando, à noite, como centro de recuperação cultural e cívico dos jovens de 14 a 20 anos. O fim essencial da Campanha Nacional de Alfabetização é não permitir que um jovem brasileiro, homem ou mulher, complete os 14 anos, idade do trabalho, os 18 anos, idade de votar, ou os 21 anos, idade da plena responsabilidade civil, sem o domínio das técnicas básicas de ler, escrever e contar.

III — Quanto ao ensino médio:

a) tornar ampla a rêde escolar secundária e profissional de caráter público e gratuito para os alunos sem recursos suficientes, estendendo-a às populações do interior e adaptando-a, nos seus currículos diversificados, às condições modernas do país, especialmente a exigências da nossa vida comercial, industrial e agrícola, em vias de tão aceleradas transformações;

b) instituir, nas unidades territoriais em que a rêde de ensino normal não seja suficiente, uma rêde especial de centros de treinamentos magisterial capaz de preparar, em cursos intensivos, o professorado necessário aos cursos primários e complementar, assim como de promover o aperfeiçoamento do professorado existente.

IV — Quanto ao ensino superior:

a) aumentar, na rêde universitária do país, o número de vagas iniciais, de modo que possam vir a receber ensino eficiente de contingentes cada vez maiores de alunos que buscam os cursos superiores, especialmente de engenharia, de medicina e outros, que se tornam mais procurados e disputados nas modernas condições do nosso desenvolvimento econômico e progresso social;

b) manter, nos estabelecimentos de ensino superior e nas instituições de pesquisas que contem com equipes mais altamente qualificadas, cursos de pós-graduação para aperfeiçoamento do pessoal docente de todo o país, e para a formação de especialistas nos campos da física e da química,

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Plano nacional de educação

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O PLANO

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«E' tão amplo o desnível entre o desenvolvimento econômico já alcançado pelo país e o atraso das nossas instituições educacionais que não podemos adiar mais a realização de um programa de recuperação e expansão da rêde escolar nacional, sem correr o risco de um colapso no processo de desenvolvimento que estamos experimentando.

«Seis milhões de crianças em idade [illegible] co anos, suprimir ou tornar mínimo o desajustamento que existe entre o progresso global do país e o seu atraso educacional.

«A União deverá mobilizar todos os recursos financeiros e técnicos, de que possa dispor para as tarefas educacionais, em cooperação com as administrações estaduais e municipais, e com a participação da iniciativa privada, notadamente das instituições religiosas e outras de fins não lucrativos, a fim de tornar a rêde escolar nacional tão ampla na base que abranja tôdas as crianças em idade escolar, tão acessível e diversificada nas etapas médias e superiores que assegure a cada jovem brasileiro uma real oportunidade de cultivar o seu talento e contribuir, na medida da sua capacidade, para o progresso do país.

«O Plano Nacional de Educação abrange providências legislativas e administrativas, nas três esferas governamentais (a federal, a estadual e a municipal), e vai envolver não só os empreendimentos de caráter permanente, como também procedimentos de emergência, seja de duração curta

c) instituir uma Campanha Nacional de Alfabetização, com o objetivo de mobilizar todos os brasileiros, que tiverem o privilégio de estudar, para a tarefa de recuperação cultural e cívica dos jovens e adolescentes que não puderam frequentar escolas primárias na idade apropriada. A Campanha Nacional de Alfabetização não se destina a criar um sistema educacional paralelo e de pior qualidade para as classes populares, mas a atender, por métodos mais flexíveis e de resultados imediatos, às carências com que nos defrontamos, [illegible]

[illegible] rem completos estudos de [illegible] dio (1º e 2º ciclos), [illegible] nação técnica que [illegible] de uma ou de duas [illegible] para a formação, em [illegible] tivo, de quadros especializados para determinadas atividades industriais e outras de sentido técnico;

d) elaborar e pôr em execução um programa de pesquisas científicas e tecnológicas que constituam tarefa obrigatória e habitual de todos os nossos estabelecimentos de ensino superior.

V — Quanto à assistência educacional:

a) promover e elaboração, a publicação e a mais ampla difusão de:

1) cartilhas de alfabetização, livros de estudo e de leitura para o curso elementar de modo que se torne o livro primário efetivamente acessível a todos os alunos;

2) guias do ensino primário, por matéria, em edições que assegurem a cada professor brasileiro a posse de uma coleção completa;

3) manuais, por matéria, para o ensino de nível médio para serem vendidos a preço de custo aos respectivos professôres;

4) livros didáticos, por matéria,

UNCLASSIFIED

0124

Transportation and Communications: Better utilization and efficiency of the national transportation service--basic objective of the program-- will be attained through the coordination and re-equipping of the several means of transport.

Industry: The main objective is the consolidation of new industries and the integration of the manufacturing complex.

For the Ambassador:

George F. Phelan, Jr.
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

Enclosures:

1. Article from Journal do Commercio entitled "Plano nacional de educação" September 22, 1960.
2. Article from Journal do Commercio entitle "II Programa de metas" September 22, 1960.

DISTRIBUTION: All consulates in Brazil, Service Attachés, USIS, Econ(2), Pol II, Brasilia, CF (3), Pol (5)

0123

AIR POUCH
PRIORITY

UNCLASSIFIED
(Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

295
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 5, 1960
DATE

REF :

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For Dept. Use Only	ACTION	DEPT.
	REC'D 10-10	INFO OTHER

DEPT. RNR-2 Rep-1 INR-7 ICA-11 E-5
OTHER Cia-10 USIA-10 Com-10 INT-7
Army-4 Navy-3 M Air-6 NSA-2 OSD-4 agr-8

SUBJECT: MARSHAL LOTT'S "II PROGRAM OF ECONOMIC GOALS."

On September 21, Marshal Lott made known his new program of economic goals, which he called the "dynamic center" of his development plans. Copies of the text, including his educational plan, are enclosed. They compliment his foreign policy statement made on September 21 (See Embassy Despatch 263 of September 26, 1960).

Lott's economic program is divided into four items: Agriculture, Mines and Power, Transportation and Communication, and Industry.

Agriculture: The objective is to increase productivity and correct structural unbalance in agricultural production, to make agriculture a positive and appreciable factor in the development process of the national economy.

Mines and Power: Reorganization and re-equipment of the means of elaboration and fiscalization of governmental policy in the fields of mines and power, especially of electricity, in order to achieve the following objectives: a) Systematic intensification of geological and mineral research to the extent required for the increase of mineral production needed by the other programs, increasing the capacity of production and transportation of iron ore to 22 million tons per year by 1965; b) increase of petroleum production to 150,000 barrels per day by 1965, a goal which will be expanded as new oil reserves are found and research is intensified. Refining capacity of 198,000 barrels per day is being increased to 308,000 barrels. The goal is 400,000 barrels per day by 1965; c) Expanding production, transport and consumption of coal to 4 million tons by 1965; d) increase of electric generating capacity to 8,500,000 KW by 1965; e) installation of a nuclear power plant with a 200,000 KW capacity.

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1960 OCT 10 AM 10 58

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ACTION ASSIGNED TO. NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	ACTION TAKEN DIRECTIONS TO RM/R

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0122

CONFIDENTIAL

7
137
São Paulo

Contributors:

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0121

afterwards expressed by Canada's Diefenbaker, who asked Khrushchev.... to set an example by freeing European countries from the Communist yoke."

Both Khrushchev's and Castro's behaviour at the General Assembly was criticized in many of this week's editorials. In a short editorial printed in its three editions (total circulation: over 200,000), Fôlha de S. Paulo asserted: "It is more than proved now that the Communist leaders are attending the General Assembly with one purpose: to take the most disgraceful attitudes, and so intensify the cold war against the West.... And for that, undoubtedly, they have a good 'claque' headed by Fidel Castro and his aides." For Diário de S. Paulo the Cuban delegates and their "Russian brothers" are champions of inconsequence, bad language, and theater performance of great comedies." In an editorial called "At UN's Footlights", Correio Paulistano's Meira Mattos said that Khrushchev and Castro act as if the XV General Assembly were "a theater staging a variety show." "Displaying exceptional talent for the stage," they are the "stars" of that show, satirizes the political commentator, and adds: "Neither one seriously and honestly desires to make a contribution for international cooperation.... They just want to use UN's stage....for propaganda -- a propaganda that is poison for the destruction of the free world." Meira Mattos does not believe, however, that Khrushchev and Castro have succeeded, as they expected to: "Most representatives, especially those of the neutral countries, seem to be tired of so many theater performances; they prefer less of that and more sincerity."

Miscellaneous
7. List of Substantive Despatches

125 - Sale of Preference Shares to Public by Industries Reunidas Matarazzo and São Paulo Light
126 - Travel Plans of Janio Quadros if Elected President of Brazil
127 - Janio Quadros and Cuba and Foreign Investment
128 - Electric Power Developments in São Paulo
129 - Info on Foreign Funds Receiving Continuing or Revolving Credit from Export-Import Bank
130 - Chemical Fertilizer Manufacturer Plans Expansion of Activities
131 - CERP Publications
132 - Forwarding Publication "Ceramics in Brazil and in the World"
133 - Week of Studies on Maritime Transportation and Naval Construction
134 - Presidential Campaign Highlights
135 São Paulo Budget for 1961; Plan of Action Expenditures Down
136 - Fernando Ferrari's Campaign Expenses

William P. Cochran, Jr.
Consul General

0120

Comment (CONFIDENTIAL): It would seem unlikely that the State Legislative Assembly will consider the bill for some days. For the past several weeks it has been practically impossible to muster a quorum because most of the members of the legislature have been busy campaigning. With the arrival of election day many members of the State Assembly will doubtlessly wish to go on leave to recuperate from the rigors of the campaign. Nevertheless, final approval of proposed agricultural revision is anticipated this year; to become effective in 1961.

Psychological

6. Fidel Castro at the UN (Unclassified)

Fidel Castro's speech at the UN, backing Khrushchev's threats to intensify the cold war if the member nations do not comply with his demands regarding the United Nations Organization, was generally considered by the São Paulo press as a final evidence of the Communist nature of his administration.

Commenting on the subject, influential O Estado de S. Paulo, after labeling the Cuban Prime Minister "the most ardent of his (Khrushchev's) international agents", stated ironically that Castro's speech "did one good thing"; it definitely established the "international position of the Cuban revolutionary government, and closed the circle of a deliberately irresponsible policy which resulted in the inclusion of a Latin-American country among those dependent on the Soviet Union.... By unconditionally applauding all items of Khrushchev's speech, he cleared any possible doubts regarding his position." One of Diário de S. Paulo's political commentators expressed an identical opinion: "Mr. Fidel Castro, one of the stars of the red cast, plays his role as a satellite of the Soviet world by completely identifying himself with the doctrines and even the oratorical techniques of Mr. Khrushchev.... Debates at the United Nations at least had the merit of unquestionably proving to the Democratic world that Fidel Castro and his aides have changed their island into a bridge-head of international Communism in the American Continent." In his column "The Week in the World" for leading afternoon daily A Gazeta, Rastignac similarly commented: "Like Khrushchev, Castro tried to give a personal interpretation of history, particularly with reference to the United States and Cuba; he lied knowing that he was lying, and without contributing in any way to the debates he ended the Sierra Maestra's revolution at the Hotel Theresa. What Castro omitted was

0119

Meanwhile, Maracajá took exception in São Paulo to the action of the Brazilian Foreign Office in limiting to ten days the stay in Brazil, of two Cuban student delegates (Leonardo Morales Rodriguez and Joaquim Mas Martinez, students at the University of Havana) to the Latin American Economic Congress, which was held at Pôrto Alegre from September 18 - 25. Terming the Foreign Offices' action "incomprehensible", "absurd", and a "McCarthy decision" Maracajá stated the UEE would ask the Secretary of Public Safety to prolong their stay to correspond with the 90 day visa granted delegates from Argentina, Chile, and other countries. José Carlos Seixas promised a "violent protest from the student class of Brazil should such a foolish discrimination happen again." Also during the past week a number of professors of the Faculty of Philosophy, Science, and Letters of the University of São Paulo supported the proposal approved at the 13th São Paulo UEE Conference that Jean-Paul Sartre be asked to teach at that faculty. It was reported that Sartre would give his answer in February 1961.

Comment (CONFIDENTIAL): The statements of the leaders of the São Paulo UEE during their first week in office would indicate that the left wing has strengthened its position in the recent election. At the same time the action of the students from Campinas would seem to provide evidence that anti-Communist student groups are beginning to lose their complacent attitude.

5. Agricultural Reform (Official Use Only)

The Secretary of Agriculture, José Bonifácio Coutinho Nogueira, declared this week that Governor Carvalho Pinto's proposed agricultural revision bill would be voted upon by the State Legislative Assembly immediately following the presidential election. The Secretary predicted that the proposed legislation, which has been the subject of debate by many different groups in São Paulo for some time (see São Paulo despatch 39, dated August 3, 1960), would be approved, with only slight modification, before the end of 1960. Coutinho Nogueira noted that the Cardinal Archbishop of São Paulo, Carlos Carmelo Vasconcelos Mota, had declared his support of the pending legislation for agricultural reform. Coutinho Nogueira stated that the opposition to the Governor's proposal, who were attempting to pose as the protectors of the worker in the field, would be defeated because initially the act would only apply to land not being used for productive farm purposes. At the same time, the secretary said, constitutional rights would be preserved; no stratum of society would be placed in jeopardy.

0118

Meanwhile, two students from the Faculty of Law of the University of Minas Gerais, namely Edilcio Barbosa Freire and Carlos Alberto Soares Corrêia, arrived in Goiânia to rally support for a movement initiated in Belo Horizonte protesting against the decision of the 1960 graduating class of the Faculty of Law of the University of Goiás to invite Fidel Castro to sponsor (address) their graduation exercises (see São Paulo despatch 98, dated September 13, 1960). Over 200 law students from several schools, as well as students in other fields, have already joined the protest movement against the visit of Castro, the two Minas Gerais students declared in Goiânia; the various faculties in Belo Horizonte are being canvassed and visits to schools in other states will shortly be made to enlist the support of university students in Brazil for a campaign designed to show that "Brazil does not want Communism", even "disguised as a false nationalism."

Comment (CONFIDENTIAL): The protest anent Ambassador Cabot's visit to Goiás and the invitation extended to Fidel Castro by the law students emanates from the same extreme left wing group of students. Sebastião Balduino de Souza, accompanied by Mário Lúcio de Oliveira Nunes, a member of the graduating committee of the fifth year class of the Law Faculty of the University of Goiás, recently visited Cuba to personally invite Castro to the graduation exercises. The more reserved opposition in the law school have quietly been discussing a proposal to hold a separate graduation exercise for their group under a different sponsor; an endeavor reportedly, which has the support of practically all of their professors.

4. São Paulo Students Dissent (Official Use Only)

A group of students from Campinas disagreed this week with the new directorate elected at the 13th Conference of the São Paulo State Students Union (UEE, see São Paulo despatch 124, dated September 27, 1960). The Campinas group, representing students from several schools in that locale, publicly repudiated the declarations of the recent UEE conference; expressed dissatisfaction with the new directorate, which they said was attempting to pervert the "true objectives" of the UEE; expressed their opposition to attempts of the winning faction, headed by Bensaude Branquinho Maracajá, to form a union of the "Communists" and Catholic University Youth Group in the capital city. The UEE directorate, while they stated that the dissension came from only a "few discontents", immediately despatched José Carlos Seixas, 1st vice-president, to see if he could establish a modus vivendi.

0117

Comment: The foregoing speculation is based on the strong importance the UDN has attached to winning the vice-presidency, plus Emilio Carlos' evident determination recently to make commitments only as they benefit his candidacy for São Paulo mayor. Counterbalancing this is the strong aversion noted amongst "respectable" elements (including the UDN and Governor Carvalho Pinto) against Emilio Carlos as a candidate for mayor.

2. Presidential Campaign (Confidential)

São Paulo was flooded with television oratory, political newspaper advertising and closing rallies of the three presidential candidates, in the last week of the presidential campaign. From Lott sources the acid attack against Quadros continued. From a reasonably reliable source comes an explanation for leftist Ultima Hora's recent participation in this attack -- a 65 million cruzeiro loan to it from the Federal Savings Bank. Pro-Quadros forces have responded with a goodly measure of reciprocal abuse against Lott and with a companion display of virtuous indignation. On the vice-presidential front, the closing days of battle between the PDC and the UDN in behalf of their respective candidates (Ferrari and Campos) gave added fuel to a bitterness between the two which can carry over into the impending São Paulo mayoralty contest. São Paulo Governor Carvalho Pinto's last television message was rather extreme in unctuous self-righteousness both as to his campaign conduct and as to the unmitigated blessings of a Quadros-Carvalho Pinto style government. (For further details, see São Paulo despatch 134, dated October 4, 1960.)

3. Goiás Student Manifesto Vs: U.S. Ambassador (Official Use Only)

The Goiás State Students Union (UEE) on September 15 published a manifesto protesting the recent visit of Ambassador John M. Cabot to Goiás. The manifesto signed by Sebastião Balduino de Souza ~~xxxx~~ and Reginaldo Arédio Ferreira, UEE president and secretary-general respectively, stated that interference by the "north American" in the schools of Brazil through the Point IV program, was highly prejudicial to the development of Brazilian culture. The students likewise condemned the government of Goiás for being so preoccupied with the "foreign ambassador" that it failed to honor the Brazilian Minister who was visiting Goiás to found the federal University of Goiás. In conclusion the UEE manifesto stated that "we are alert against agreement, even secret, between the government of Goiás and the Ambassador of the United States."

0116

AIR POUCH — PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amcongen São Paulo — 137 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — October 4, 1960 DATE

REF :

20 For Dept. Use Only	ACTION	DEPT.
	REC'D 10-11-60	INFO RAR-2 INR-7 P-3 ICA-11 CU-5 OTHER CIA-10 USIA-10 OSD-4 NSA-2 ARMY-4 NAVY-3 AIR-6

SUBJECT: São Paulo Weekly Summary No. 66, Week Ending October 1, 1960

DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS OCT 13 1960

Index

Political
1. Possible UDN-PDC Mayoralty Deal
2. Presidential Campaign
3. Goiás Student Manifesto Vs: U.S. Ambassador
4. São Paulo Students Dissent
5. Agricultural Reform

Psychological
6. Fidel Castro at the UN

Miscellaneous
7. List of Substantive Despatches

Political

1. Possible UDN-PDC Mayoralty Deal (Confidential)

It is possible that the UDN and PDC may have made a deal whereby the PTN support for Milton Campos for vice president was given in exchange for expected UDN support of PTN national president Emilio Carlos' candidacy for São Paulo mayor. Previously reported maneuvers supported by Governor Carvalho Pinto to give the PDC the mayoralty in 1961 and the UDN the governorship in 1962, with Emilio Carlos bought off with a senatorship, had not made progress when total attention was shifted to the presidential campaign. It appeared that Emilio Carlos was adamant in his determination to run for mayor of São Paulo. Regional PTN president Chaves Amarante now privately advises that he will take personal command of the Emilio Carlos campaign. Chaves Amarante has organized hundreds of pro-Quadros committees which can be converted to the Emilio Carlos campaign for mayor. Also there is the renewed bad blood between the PDC and the UDN over competing vice-presidential candidates (Campos and Ferrari). Finally there was the recent observation to this post's deputy principal officer by a local UDN leader (who would ordinarily find Emilio Carlos unacceptable) that Emilio would probably be São Paulo's next mayor.

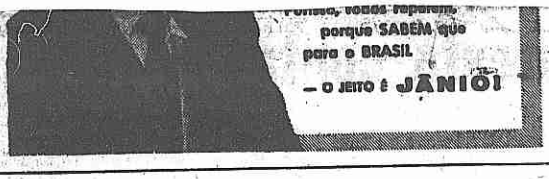
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see last page/fmw — REPORTER

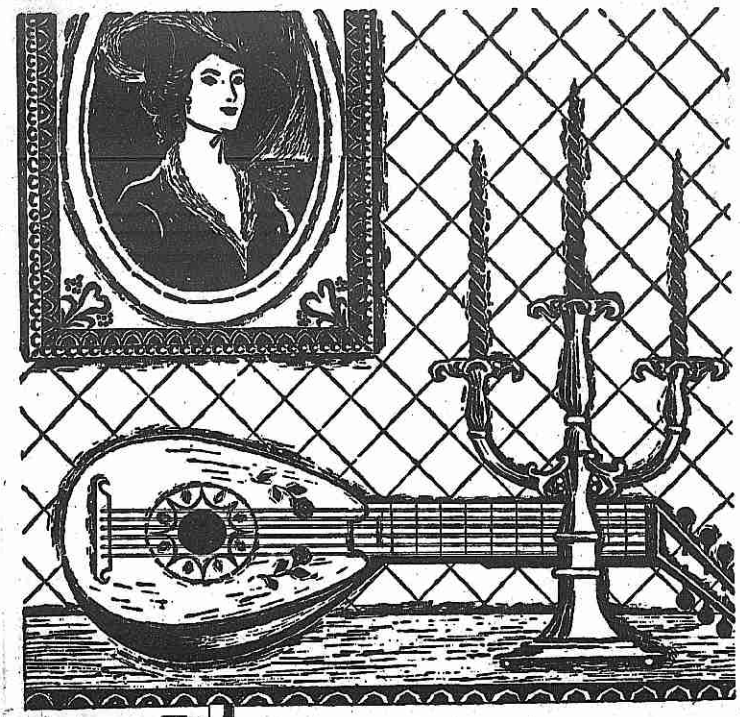
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goberto Sales, Braulio de Barros (PR-dissidencia), Ivete Vargas, Ildebrando Tamura; generais Stoll Nogueira e Riedcardo Maia; coronéis Menescal Conde e Pedro Rodrigues da Silva; capitão Armando Guttenfreud; deputados estaduais Luciano Nogueira Filho e Juvenal Rodrigues de Morais; e sra. Renato Costa





o requinte de ontem para uma elite de hoje...

CIGARROS *LUIZ XV*

0114

ord las Tarde 10-13 p

FOLHA DE SÃO PAULO, Sept. 30, 196

Ferrari presta contas ao povo

ARA

O deputado Fernando Ferrari tem a honra de submeter ao povo brasileiro o balancete financeiro da "Campanha das Mãos Limpas". Desse modo, Ferrari cumpre o compromisso que assumiu com o povo brasileiro, e vem provar documentadamente que a sua campanha foi a mais pobre de todas, livre do poderio destruidor de grupos economicos, nacionais e estrangeiros. Ferrari gastou menos do que normalmente gastam para se eleger certos deputados sem raizes populares. E' a primeira vez na historia politica do Brasil que um candidato diz ao povo a origem dos dinheiros de sua campanha, bem como a aplicação dada dos mesmos.

Mais honroso, ainda, para a "Campanha das Mãos Limpas" é o parecer assinado por três ilustres professores de economia e tecnicos contabeis, atestando a lisura da origem daqueles dinheiros. Assinam esse documento os professores: Ferdinand Eisbenrd, Vice-Presidente da Confederação Nacional das Profissões Liberais e Ex-Presidente do Conselho Federal de Contabilidade; Reinaldo de Souza Gonçalves, Doutor em Ciencias Economicas e Contabeis, Catedratico da Faculdade de Ciencias Politicas e Economicas, e Ex-Presidente da Academia Brasileira de Ciencias Economicas e Administrativas; Elisio Belchior, Professor da Faculdade de Ciencias Politicas e Economicas e Membro do Conselho Regional de Economistas Profissionais.

BALANCETE FINANCEIRO DO MOVIMENTO TRABALHISTA RENOVADOR
PRÓ FERNANDO FERRARI
Periodo de Maio de 1959 a 24/9/1960

RECEITA

		Cr$	Cr$
BAZAR:	Donativos	110.420,00	
	Discos	6.160,00	
	Flamulas, fanfarras, emblemas e lapis	542.421,70	
	Colaborações	67.550,00	726.551,70
BONUS:	Comité Nacional	4.319.280,00	
	Co. Nac. Feminino	230.760,00	
	Co. Re. Guanabara	869.490,00	
	Co. Re. S. Paulo	4.419.320,00	
	Co. Re. R.G. Sul	1.304.050,00	
	Co. Re. Pernambuco	260.000,00	
	Co. Re. Est. Rio	40.000,00	
	Co. Re. Ceará	5.000,00	
	Co. Re. Caxambu	160,00	11.436.850,00
Juros e descontos			1.244,70
LIVROS:	Direito Autoral	191.540,80	
	Venda livros		
	MENS. RENOVADORA	580.000,00	771.540,80
	TOTAL		12.936.187,20

DESPESA

	Cr$
ALUGUEIS	421.933,50
ASSISTENCIA SOCIAL	51.111,20
CONDUÇÃO E TRANSPORTES	339.691,20
DESPESAS DE ESCRITORIO	263.233,80
DIVERSOS	244.979,80
HOSPEDAGEM E ALIMENTAÇÃO	430 982,20
PASSAGENS AEREAS E TERRESTRES	1.112.261,10
PROMOÇÃO	892.776,00
PUBLICIDADE	4.984.010,60
REPRESENTAÇÃO	127.420,00
SERVIÇOS PRESTADOS	751.896,00
TELEFONE	182.858,00
TELEGRAMAS E CARTAS	229.188,40
NUMERARIO EM TRANSITO	3.351.500,00
SALDO EM CAIXA	123.988,50
TOTAL	12.936.187,20

MANOEL BALLIAN — Tesoureiro-Geral

Parecer: "Conclusão — A vista da cedula escritural em coerencia e da sua comprovação documental, bem como, das normas aceitas em Contabilidade para a sua elaboração, julgam os revisores que o Balancete Financeiro é documento habil e satisfatorio na prestação de contas do Movimento Trabalhista Renovador-Pró Fernando Ferrari, no periodo a que se refere (de maio de 1959 a 24-9-60).

DE ONDE VEM O DINHEIRO?

O País assiste, estarrecido, à maior orgia publicitaria de todos os tempos, numa campanha eleitoral. Bilhões de cruzeiros foram gastos em programas de radio e televisão; na compra de espaços em centenas de jornais; na confecção de milhões de cartazes, faixas, volantes e panfs.

De onde vem o dinheiro?

E' obvio que nenhum capitalista — e menos ainda grupos economicos, nacionais ou estrangeiros — irão jogar milhões de cruzeiros de suas fortunas pessoais na eleição de um candidato, se não tivesse a certeza de recebê-los de volta, acrescidos de elevadissimos juros?

De onde vem o dinheiro?

Medite bem, brasileiro: você acredita que qualquer dos nossos capitalistas — os mesmos que todos os anos lhe nega miseros aumentos salariais — tiraria alguns milhões de seus cofres para eleger um candidato, por patriotismo ou pelo prazer da disputa eleitoral?

De onde vem o dinheiro?

Nos ultimos dois meses, as cupulas do PTB e da UDN — que pareciam antagonicas — uniram-se na mais violenta, virulenta e calunioso campanha contra a candidatura do deputado Fernando Ferrari. Quase sempre eles ficaram sem resposta. Não por que nada tivessemos a responder-lhes, mas exclusivamente por que não dispunhamos dos mesmos recursos financeiros que a eles foram proporcionados.

De onde vem o dinheiro?

Só na Guanabara, nos ultimos quinze dias, os novos aliados cupulas udenistas-a cupula petebeista (não trabalhistas) alugaram 70 programas de televisão e outros tantos de radio — aqueles ao preço de 10 mil cruzeiros por minuto, e estes por cifras tambem elevadas — não para defender os seus candidatos à Vice-Presidencia da Republica, mas exclusivamente para atacar e caluniar o nome do deputado Fernando Ferrari.

De onde vem o dinheiro?

De certo modo, essa preocupação constitui motivo de justo orgulho para nós do Movimento Trabalhista Renovador, pois indica a força e a penetração do nosso candidato, e sobretudo mostra que dois Partidos poderosos — reunindo mais de 100 deputados federais — foram mobilizados para combater uma unica voz — a voz do deputado Fernando Ferrari.

De onde vem o dinheiro?

O Movimento Trabalhista Renovador — que tanta vitoriosa a "Campanha das Mãos Limpas" — participa dos mesmos temores do povo brasileiro, que no recesso dos lares já se pergunta:

De onde vem o dinheiro?

Estamos a quatro dias de 3 de outubro. Continuamos sem dinheiro para responder àqueles que acusaram, caluniaram e agrediram Ferrari. Pagamos, apenas, em 16 meses de campanha, um programa de televisão (25 minutos) e um programa de radio (30 minutos). Mas neste momento cumprimos o compromisso solene assumido com o povo brasileiro: publicamos o balancete da "Campanha das Mãos Limpas" e ao seu lado, o parecer de três ilustres professores catedraticos de economia e renomados peritos contabeis, atestando a lisura da origem dos poucos recursos com que contamos para a "Campanha das "Mãos Limpas". E' a primeira vez na historia da Republica brasileira que um candidato apresenta as contas de sua campanha. Gastamos menos do que normalmente gasta para se eleger qualquer deputado que não tem raizes populares. Medite um pouco, leitor, a logo você se lembrará se menos de um nono de deputado ou vereador que gastou tal quantia ou o dobro em sua eleição municipal. Como explicar a orgia publicitaria dos demais candidatos?

De onde vem o dinheiro?

Não acusamos a ninguem de coisa alguma. Como povo que somos temos o direito de pedir-lhes contas de tanto dinheiro gasto em 500 programas de televisão e mais de mil de radio, em todo o Brasil.

De onde vem o dinheiro?

Sim, acusadores e caluniadores de Ferrari — udutos, brizolas, godinhos, jangos, calazans, agripinos e tantos outros:

De onde vem o dinheiro?



AIR POUCH
PRIORITY

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732.00/10-460

FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo, Brazil — 136 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — October 12, 1960

REF :

DEPARTMENT OF STATE
DATE BUREAU OF INTER-AMERICAN AFFAIRS
OCT 20 1960

55 For Dept. Use Only	ACTION	DEPT.
	REC'D 10/12	INFO RMIR-2 INR-7 REP-1 OTHER (m) CIA-10 USIA-10 Navy-3 NSA-2 LAF-6

SUBJECT: Fernando Ferrari's Campaign Expenses

Transmitted herewith are copies of a local newspaper advertisement of September 30 setting forth an accounting of the campaign expenses of the Labor Renovation Movement pro-Fernando Ferrari from May 1959 through September 24,1960. According to this accounting the movement received and spent almost 13 million cruzeiros on behalf of Ferrari's candidacy for the vice-presidency. The largest sum, over 4.4 million cruzeiros, was contributed to the State of São Paulo committee.

This rather unusual accounting of campaign expenses is transmitted as of possible interest, particularly to the Department's Bureau of Intelligence & Research.

William P. Cochran, Jr.
Consul General

732.00/10-460 HBS

FILED
Oct 26 10 04 AM '60

Enclosure: Two copies newspaper clipping (m)

cc: Embassy, Rio de Janeiro

RJBurton:vsgs
REPORTER

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0112

carry over to the impending campaign for mayor of São Paulo. Also some would regard the current vice-presidential contest as a test of political party strength in the state of São Paulo. Actually one might better conclude that the current vice-presidential contest demonstrates the greater force and significance of factors other than the political party in a test of political strength--personal popularity, financial support, fear of backing a loser, ability to offer "special" inducements, etc.

6. Crusader Carvalho Pinto (Official Use Only)

On September 28, over a nationwide network, São Paulo governor Carvalho Pinto communicated in lofty language the "voice" of his "conscience" to Brazil. Boasting of his strict adherence to standards of austerity and justice, of his respect for law and public liberties, the governor responded to the "call of duty". He recalled Janio's renunciation of last year as a moment of despair and perplexity in which he (Carvalho Pinto) became the "humble instrument" for the restoration and consolidation of Janio's candidacy. The governor hailed the renovation movement which, established in São Paulo, was now about to bring its blessings to the whole nation. In the rest of the week, Carvalho Pinto campaigned openly for Quadros in various municipalities, even expounding the Quadros line that Federal expenditures had enriched the few at the expense of the many, that Janio is the true nationalist whereas Lottistas exploite nationalism, etc.

Comment: (Confidential) To the reporting officer, Carvalho Pinto achieved no great miracle last year in restoring the Quadros candidacy, but rather served as a useful tool in rectifying an unhappy mess of Janio's making, which all, including Janio, were ready and willing to have cleared up. One could speak with equal disparagement of Carvalho Pinto's lofty protests of virtue and high purpose. Nonetheless the governor is merely believing all the nice things that everybody--or at least many--have been saying about him. As previously observed, by local political standards Carvalho Pinto is probably a very virtuous man.

William P. Cochran Jr.

WILLIAM P. COCHRAN, JR.
CONSUL GENERAL

cc: Amembassy Rio de Janeiro

0111

received Nelson Rockefeller. Quadros received Rockefeller, said Pedrosa Horta, because President Kubitschek asked him to do so--and further, said Pedrosa Horta, Nelson Rockefeller's commercial representative in Brazil is none other than Renato Costa Lima, supporter of the Lott-Goulart slate and until recently president of the Brazilian Coffee Institute. UDN leader Abreu Sodre charged over TV, that Lott forces contradicted themselves in trying to show Janio to be a tool of both the trusts and communism. Sodre further charged that Brazil's Minister of Finance, Paes de Almeida, was responsible for the plate glass trust and Minister of Foreign Affairs Horacio Lafer for the paper trust. During the week, a frequently appearing newspaper advertisement entitled "Last Minute Lies" warned against stories that Janio had died, had renounced his candidacy, had had his candidacy cancelled, was seriously ill, involved in scandals, etc.

Also during the week, the PSD filed a complaint that Emilio Carlos was fraudulently presenting on TV a recording which was falsely alleged to be excerpts from Lott's speeches, that the voice was that of an impersonator.

Comment: (Confidential) While anti-Quadros attacks thusfar have been quite strong, the Janistas have not been loathe to strike back with an equal measure of personal abuse and an unequalled measure of injured innocence.

5. PDC vs UDN (Official Use Only)

As various local politicians and officials of the PDC in São Paulo continued to move over to the support of UDN vic-presidential candidate Milton Campos, state PDC leaders faithful to the Ferrari candidacy in São Paulo fought back. PDC state deputy Roberto Cardoso Alves charged that UDN efforts pro-Campos had injured Quadros' candidacy. Ferrari, campaigning in São Paulo for several days, told a local reporter that "a large part of Brazilian public opinion rejects the attitude of UDN leaders who do not even maintain a minimum of ethics to put across a candidacy." There were vigorous conflicting exhortations to vote for Ferrari and for Campos from the speaker's platform at the closing pro- Quadros campaign rally in São Paulo.

Comment: (Confidential) Ferrari's campaigning in the past week in São Paulo and the competition between the PDC and the UDN in the last days of the campaign, cast doubt on the thesis that Ferrari is party to a deal to elect Campos and defeat Goulart, which possibility this post has suggested in view of various rumored deals and in view of Ferrari's apparent loss of strength and almost non-existent campaign organization in the state of São Paulo.

There is some speculation that the renewed bad feeling between the PDC and the UDN, generated over the vice-presidential contest, will carry

with demagogy; alliance with powerful economic interests; phoney exploitation of nationalism; duplicity toward communists and the PRP in taking a contradictory position to the two on communism to get votes; misgovernment of São Paulo by increasing taxes, unauthorized spending, the letting of contracts without bids, etc.

A manifesto by a so-called Electoral Front of Public Servants was published during the week and used most of the emotion generating phrases against Quadros--demagogue, sabotage by international trusts, "entreguista" (tool of foreign interests), etc. It charged that Janio, as governor, fired 11,000 employees, bringing misery to their families; turned over contracts to friends without competitive bidding; increased taxes, etc. One political advertizement reminded the reader that he can trust Lott, that Lott will not go back on his word. Another advertisement quoted Father Calasans, popular São Paulo senator, who in 1952 said that he felt more than respect--"a deep veneration"--for Lott.

Leftist newspaper Ultima Hora continued its violently pro-Lott attack. A typical banner headline of a political page during the week announced, "Fights and Desertions Agitate Janistas: UDN in Panic."

Comment: The attacks of the Lott forces in the closing days seemed no different or more violent than those of recent weeks. Father Calasans, in an interview, said that his 1952 sentiments were based on Lott's previous vigorous action against communism; that these sentiments were no longer held because of Lott's unconstitutional behaviory in 1955 in the matter of presidential succession and because of Lott's tolerance of communism and communist support in recent times.

(Confidential) According to a quite reliable source, the recent vigorous position of Ultima Hora is explained by a 65 million cruzeiro loan from the Federal Savings Bank. While it has been suggested that Janio might close Ultima Hora if elected president, it is equally likely that Janio will be more tolerant if the newspaper suddenly discovers his hidden virtues. From time to time one has heard mention of Ultima Hora's financial difficulties.

4. "Lies, Calumny, Insults" (Official Use Only)

Pro-Quadros forces in São Paulo in the closing week of the campaign gave heavy stress to the personal abuse, real and anticipated, being heaped upon their candidate. On TV, PTN president Emilio Carlos warned of a wave of lies and insults. Emilio protested that Janio wanted a clean campaign, but that the opposition preferred personal insult; then Emilio dwelt at length on Lott's signing of the military manifesto which brought Vargas' suicide, the same Lott now posing as defender of Getulio Vargas and of nationalism. Oscar Pedrosa Horta on TV warned against leaflets which tried to prove that Quadros is pro-communist and he protested against an opposition story that Quadros as governor had received

0109

The fireworks and free distribution of campaign materials at the Quadros gathering were more lavish than at the Lott rally. Though a bed-ridden Lott could not attend his own closing campaign rally in São Paulo, running mate Goulart, daughter Edna Lott, local nationalist front leader Rogê Ferreira, various PSD politicians, and other Lott supporters spoke, with heavy emphasis from some on ultra-nationalist themes.

Comment: (Confidential) Banners at the Lott rally were mostly identified with three groups-the Nationalist front, the workers, and the PRP. At the Quadros rally, Janio received his loudest burst of applause when he announced that "Brazil will not be a slave of the United States." When he was permitted to finish his sentence with "but also will not be a satellite of the Soviet Union," there was a lesser measure of applause.

2. Voting Arrangements (Official Use Only)

As reports were received here that federal troops were being sent into sixteen states, including Mato Grosso (in 64 municipalities) and Goias (in 137 municipalities), São Paulo police were preparing to monitor the elections in their state. To guard polling places, there had been especially assigned 806 military police, a special military police contingent, a detachment of firemen, and various others. All of the police in the interior of the state were to be on continuous duty until the voting and vote count ends. The police have also set up radio communication services and have assured that technicians specialized in water, telephone and electrical service will be available for each vote count center. Ballot boxes will be delivered at the close of voting by military police trucks under special police escort.

The president of São Paulo's Regional Electoral Tribunal has announced that ballot counting will start at mid-day on October 4, the day after the voting takes place. In the capital city forty teams will work from noon to 6 p.m. each day and are expected to average 30 ballot boxes each per team per day. At this rate the final count in the capital city will be completed in 3 to 4 days.

Comment: The extreme precautions in defense of the right to vote are reflected in the electoral code provision which says that no one can be arrested or imprisoned from five days prior until 48 hours after the election unless guilty of a "flagrant" offense or already judged and sentenced, thus giving a week of license for petty offenders.

3. Closing Lott Propaganda (Official Use Only)

While presidential candidate Lott's message read to Paulistas at his closing local rally heaped praise and promises on his audience, his widely published closing message to Brazilians repeated past attacks against the opposition. To Paulistas, Lott promised promotion of coffee sales, credit for industrial growth, more hydroelectric power and aid to the local steel and auto industry. To Brazilians, Lott charged Janio

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DESPATCH NO. 134

October 4, 1960
DATE

REF :

10/6/60

For Dept. Use Only

ACTION ARA-4 | INFO DEPT. NMWR-2 REP-1 INR-7 CIA-10 USIA-10 AKMK-4 MMW-3 OSD-4 NSA-2 RMR | OTHER

REC'D 10/14

SUBJECT: Presidential Campaign Highlights, Week Ending October 2, 1960 $

Index:

1. The Campaign Closes
2. Voting Arrangements
3. Closing Lott Propaganda
4. "Lies, Calumny, Insults"
5. PDC vs UDN
6. Crusader Carvalho Pinto

1. Campaign Closes (Official Use Only)

As of October 1, an unaccustomed political quiet descended upon São Paulo pursuant to the electoral code which prohibits political speech-making in the last two days before election day and up to 24 hours after the voting ends. In these last few days before the political noise ended, favored television programs were pushed off the air to give way to a heavy volume of political oratory, mostly pro-Lott and pro-Quadros, with the pro-Quadros speech making in the majority. Political advertizing in newspapers likewise reached a peak in the closing days, with pro-Quadros advertisements displacing those of Adhemar for first place in quantity.

All three presidential candidates held major rallies in São Paulo's capital city in the last two evenings before political silence. The pro-Lott gathering came on the next-to-the-last evening and Adhemar and Janio held their closing campaign rallies in the city of São Paulo on the final evening. The most heavily attended was the Quadros meeting.

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$ This despatch brings to a close the weekly reports from this post, on the presidential campaign. Further despatches will report and analyze the election results, but not on a weekly basis.

1960 OCT 13 AM 10 DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS

RB
REPORTER RJBurton/jlp

CONFIDENTIAL

OCT 17 1960

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Action ARA

Info SS G SP C L H P US IA SCA MOP OCB INR CIA NSA OSD ARMY NAVY AIR NIC RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 462, October 3, 1 p.m.

EMBTEL 427

Voting began early this morning with three presidential and three vice-presidential candidates still in race. Atmosphere quiet and orderly after 48 hour cooling off period required by law when normal campaigning permitted. No disturbances reported any part country.

President in nation-wide radio and television hook-up September 30 gave 15 minute address reviewing his none too happy experience after winning 1955 election, his determination make political democracy one of goals his administration and pride that had achieved that goal culminating in election in which "nobody has to hide his political preferences" etc. Stated more or less incidentally that "As party man I have my candidates" (naming Lott and Goulart) but did not depart from his often stated determination "to preside elections as magistrate." Talk received general approval especially opposition press which suggests this quiet appeal for Lott not likely change minds many voters or settle minds undecided unless in back country where normal communications generally lacking.

CABOT

HB-6

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FROM: SAO PAULO

TO: Secretary of State

P
USIA
INR
CIA
NSA

NO: 79, SEPTEMBER 30, 1 PM

PRIORITY

RMR

SENT DEPARTMENT 79, REPEATED INFORMATION RIO DE JANEIRO 31.

STILL ESTIMATE 50 TO 55 PERCENT VOTE IN SAO PAULO FOR QUADROS FOR PRESIDENT WITH LESS THAN 20 PERCENT FOR LOTT AND WITH ADHAMAR IN SECOND PLACE IN THE STATE. MANY FEEL QUADROS VICTORY MARGIN IN SAO PAULO WILL PROVIDE MARGIN OF VICTORY NATIONALLY. FERRARI FADING IN SAO PAULO. THIS BENEFITS CAMPOS WHO SHOULD WIN OVER GOULART IN STATE, PERHAPS BY GOODLY MARGIN. FERRARI'S WEAKNESS WHERE IT BENEFITS CAMPOS, AND HIS STRENGTH IN AREAS LIKE RIO GRANDE DO SUL, WHERE GOULART WOULD BE STRONG IF FERRARI WITHDREW, PLUS OTHER INOVATIONS, SUGGESTS, SOME BELIEVE, A POSSIBLE DEAL TO HELP DEFEAT GOULART. PRIOR POST PREDICTIONS FOR MATO GROSSO AND GOIAS REMAIN UNCHANGED. VOTE COUNT IN SAO PAULO DOES NOT START UNTIL MID-DAY OF OCTOBER 4 WITH EARLIEST PRELIMINARY RETURNS EXPECTED ON OCTOBER FIFTH.

CABOT

SMD:JVC/20

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of the grounds of the Brazilian Embassy in Ciudad Trujillo. Muranyi's action subsequently was praised by Santos Mayor Fernandes Lopes. During the quarter the Santos consular corps also lost three other members, either by death or retirement.

V ADMINISTRATIVE

On July 1 the Consulate's USIS unit took on the services of a part-time contract messenger to replace a long-time (and inefficient) permanent USIS local employee, whom the Consulate was able to place in a comparable position in the Santos City Hall.

In July the Department increased the post's education allowance for grades 1-8 from $170 per annum to $210 per annum.

On August 10 the Consulate's USIS section and the Santos Binational Center were inspected by USIA Inspector Henry F. ARNOLD; and from September 12-15 the Consulate itself was inspected by Foreign Service Inspectors Lee E. METCALF and John E. HARGROVE.

Virgil P. Randolph III

Virgil P. Randolph, III
American Vice Consul

0103

the great majority to Argentina.

On August 28 a new salvage firm, Grievs, Ltda., was inaugurated in Santos. The firms plans to employ several divers and a modern tug, and expects to import a quantity of modern salvage and repair equipment from the United States.

On September 17 eighteen members of the South America Trade Development Tour, headed by Governor Ernest F. HOLLINGS of South Carolina, visited Santos to inspect the city's port facilities.

On September 27 two chartered Greek ships, the "Maria G. Kolokundis" and the "Theogeniter" arrived in Santos from the Black Sea with approximately 10,000 tons of Russian wheat apiece. The ships are expected to take on Brazilian sugar for the United States.

The cost of living in Santos rose considerably in Santos during the quarter, especially meat prices. Typical increases were: chicken, from Cr$250 to Cr$280 per kilo; fish from Cr$90 to Cr$120 per kilo; shrimp from Cr$300 to Cr$375 per kilo; margerine from Cr$65 to Cr$82 for less than a pound; hamburger from Cr$100 to Cr$150 per kilo; pork lein from Cr$175 to Cr$230; and filet mignon from Cr$165 to Cr$220 per kilo. It is evident that these substantial increases, partly brought on by the weekend invasions of hundreds of thousands of residents of the City of São Paulo, have caused considerable distress and much discontent among especially the poorer classes of the consular district.

On September 28 the new minimum wage for Santos was announced as Cr$9.280,00 per month, as compared with Cr$9.440 for São Paulo City.

IV CONSULAR (BEGIN UNCLASSIFIED)

Consular operations continued normally during the quarter with the usual services being rendered by the Consulate during July-September, in which period the Consulate issued or revalidated 32 non-immigrant visas. In the course of the quarter 73 U. S. vessels entered the port of Santos.

On July 4 the reporting officer and his wife observed the Fourth of July by offering a buffet-dansant for the entire American community of Santos and São Vicente, the civil, ecclesiastical and military authorities of those cities, the Consular Corps and Brazilian friends and their families. The affair, the first of its kind in many years, was attended by upwards of 250 persons, including 60 Americans, and was a great success.

On July 12 Peter MURANYI, the Honorary Consul of the Dominican Republic in Santos, resigned his post out of protest of the invasion

of the Sindicato dos Trabalhadores nas Indústrias Gráficas de Santos, announced after he had been accused of neglecting the union's interests in favor of the communist party line that he would not stand for reelection in October, but would allow a new leader to be chosen in a "democratic" manner.

At the very end of the quarter a shut-down of the large Petrobrás refinery at nearby Cubatão (present daily capacity over 90,000 bbl. a day) seemed possible when the refinery's union, the Sindicato dos Trabalhadores nas Industrias de Destilação e Refinação de Petróleo, demanded a 100% wage increase for those workers employed on 8-hour shifts. The union's president, Ubirajara de Araujo FRANCO, conferred with Petrobras boss General Idalio SARDENBERG in Rio de Janeiro, but with inconclusive results until Petrobrás realized the workers were firm in their demands. On September 28 the government enterprise yielded by granting the 100% wage boost. For many months the Cubatão Petrobrás employees had been dissatisfied with their wages and had been agitating for increases, with their pleas being ignored by the refinery. No doubt the workers considered Petrobrás most vulnerable to wage increase demands backed by the threat of paralyzing the refinery during the period just before the elections.

III ECONOMIC (BEGIN OFFICIAL USE ONLY)

Economic activity in Santos during the quarter was on the whole quiet, with no outstanding developments. In early July the port of Santos was more than usually congested, largely due to delays in ship sailings in order to take advantage of loadings after July 1, after the change in the rate of the coffee dollar was announced.

On July 14 the Russian freighter "Tiksi" arrived in Santos from Leningrad with 10,028 tons of wheat in bulk. "Tiksi" was the first Russian ship to arrive here subsequent to the signing of the commercial agreement between Russia and Brazil last year, and returned to Russia with 132,000 sacks of coffee. On August 5 the Russian freighter "Uselje" entered Santos from Odessa to discharge 6,200 tons of wheat. "Uselje" at the last minute left Santos without loading 67,000 bags of coffee as scheduled and was diverted to Buenos Aires to load hides and quebracho extract. On August 20 the Russian ship "Urjupinsk" arrived here from Kaliningrad with 5,000 tons of wheat. The vessel loaded 66,667 bags of coffee consigned to Prodinterg in Moscow and sailed for Odessa on September 2.

In mid-August the reporting officer was informed that the Companhia Paulista de Expansão Económica in São Paulo was negotiating to import into Brazil from Russia 600 tons of zinc and 200 tons of newsprint, to be exchanged for Brazilian rice. On September 5 the Norwegian vessel "Ringdrude" sailed from Santos for Hamburg with 30,000 boxes of oranges valued at Cr$13.759.200,00 for Russia. During the quarter bananas continued as Santos #2 export. From January through June 6,394,283 bunches were exported through Santos,

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Be that as it may, the local hero of the strike was the Mayor of Santos, who was praised by virtually everyone in Santos for his effective intervention in the dispute, which due to its being directed against a foreign-controlled business had begun to excite nationalistic and xenophobic emotions in general, and anti-U. S. and British feeling in particular. The Mayor was enthusiastically hailed for his good offices on behalf of organized labor in Santos, and is conceded to have profited immensely politically from his role in helping settle the dispute. The reporting officer believes that the operators of the Moinho Paulista showed poor judgement and worse public relations in their handling of the affair. The company from the outset assumed an inflexible, even arrogant pose; with a little conciliation the operators might have prevented the dispute from passing into an emotional issue and saved themselves a resounding defeat.

From August 1 through August 10 the III National Stevedores Congress was held in Santos, attended by 99 delegates from 58 stevedore unions and associations all over Brazil. Labor Minister João Batista RAMOS was present at both start and finish of the Congress, politicking for the Kubitschek administration. The Congress in itself accomplished little or nothing, although reportedly it put the Kubitschek Government on notice that the stevedores would exact a price for their votes for Marshal Lott in October. Incidentally, Mayor Fernandes Lopes cheerfully had the City of Santos appropriate Cr$200.000,00 to help defray the expenses of the Congress, a gesture for which he was profusely thanked by the delegates.

On August 14 the Santos port workers played host to Vice President Goulart and a group of national and local dignitaries, but not including Mayor Fernandes Lopes, who chose to be represented by a subordinate rather than compromise his ostensibly neutral role during the presidential campaign. On this occasion the communist secretary of the port workers union urged Goulart to lend unions more Brazilian Government funds and allow certain concessions to the port workers union.

On September 4 the Sindicato dos Empregados na Administração dos Serviços Portuarios de Santos inaugurated a Cr$5.180.000,00 addition to the union's headquarters, financed through a government loan arranged by the Vice President, who was in attendance at the inaugural ceremonies, together with a clutch of notables from as far away as the State of Rio Grande do Sul. Again, local union representatives took the opportunity to attempt to extract concessions from the Vice President in return for votes. This time, Mayor Fernandes Lopes chose to attend the gathering.

During the second week in September a new union, the Sindicato dos Empregados em Edificios de Santos, was recognized by the Labor Ministry. And at the same time Orlando SPOSITO, communist president

to rally this area to his hopeless candidacy. From his rally, which proved a lackluster affair partially spoiled by rain, he even excused Mayor Fernandes Lopes from attending (thereby recognizing his own weakening hold on the local PSP), on the grounds he did not wish to "prejudice the Mayor's good relations" with Governor Carvalho Pinto.

As of the end of September, the reporting officer is of the opinion that Janio Quadros will carry Santos by an absolute majority, but that João Goulart will defeat Milton Campos here for the Vice Presidency, largely because of the former's carefully-nurtured labor following in Santos.

II LABOR

The quarter commenced with the threat of labor violence hanging heavily over Santos. In June a strike had been declared by the Santos Wheat Industry Workers against the British-controlled Moinho Paulista over the milling company's decision to transfer 31 of its long-time employees to Curitiba, thereby hoping they would resign and save the company from paying heavy severance wages. On June 27 the Santos City Central, under considerable communist pressure, voted to hold a 24-hour general strike on July 1. Although the reporting officer was informed that communists would exploit the strike to commit acts of violence against U. S. and British firms here, the strike passed quietly, although the city was paralyzed for the scheduled 24 hours. The general strike was thus a success, but the milling company remained inflexible in its resolve to transfer its employees, and the millers' strike continued.

As the impasse deepened, Santos Mayor Silvio Fernandes Lopes emerged as an active force in seeking a settlement for the strike, which threatened to produce a second general walkout and possible violence. On July 12 the Mayor came out wholeheartedly in favor of the striking millers against the Moinho Paulista but urged patience until he could confer with the President of Brazil on the matter. This statesmanlike approach was resisted by the communists in the City Central, but approved of by everyone else, and he was authorized by the unions to seek a solution. On July 20 the Mayor, together with a group of local labor leaders (including communists) saw President Juscelino KUBITSCHEK and presented to him the points at issue. The President then appealed directly to the management of the Moinho Paulista to yield on the crucial union demand, and the company reluctantly agreed. A settlement was quickly worked out whereby the strikers obtained everything they had been demanding, and they returned to work on July 22. The reporting officer is given to understand that the operators of the Moinho Paulista, which reportedly is not in good financial condition, obtained the money to meet the strikers' demands from none other than São Paulo Governor Carvalho Pinto.

0099

August, and on the 19th Janio Quadros, accompanied by State Deputies Athié Jorge Coury and Gustavo MARTINI, spoke before a gathering of Santos fishermen, whom he promised a thorough-going reorganization and dynamization of the Brazilian fishing industry if elected. That Janio chose this rather specialized audience is probably explained by his desire to pose as the friend of the humblest classes, as opposed to Lott, Goulart and the PTB, with their contacts among the better disciplined, more highly organized and more prosperous labor unions, and also to project the image of the champion of the little man to give the lie to charges that he represents the interests of big business.

Quadros was followed on August 20 in Santos by Marshal Lott, making his first appearance in Santos during the campaign. Accompanied by a pride of political lions from São Paulo, the Marshal toured the city and at night addressed an audience of 5000 persons. His speech, nationalistic in tone, was directed primarily to organized labor, wherein lies much of his local strength, and was on the whole well received. The presence on his platform of a number of local politicos helped project the Marshal's somewhat indistinct image to the local electorate.

In the meantime, Vice President João Goulart was busily mending his local political fences, visiting Santos on August 14 and on September 4, ostensibly as an honored guest at labor union celebrations but actually in order to campaign among the unions for the Vice Presidency. As expected, Goulart pledged right and left his support of organized labor but also took pains to disavow his participation in the so-called "Jan-Jan" (i.e., Quadros-Goulart) movement. But Goulart never appeared in company with his running mate the Marshal, and the reporting officer has heard reports that privately the Vice President told various labor leaders that he did not care which presidential candidate they voted for so long as they cast their ballots for Jango.

During the week of September 4-11 Santos saw two leftist professors from the ISEB: on September 6 Roland CORBISIER and on September 9 Dalton Boechat came to Santos at the invitation of the communist-influenced Sindicato dos Empregados na Administração Portuaria de Santos. Both savants, in lectures before union members, attacked U. S. "exploitation" of Brazil, expounded a fuzzy species of Marxist dialectics, and urged support for PETROBRAS.

On September 14 both Janio Quadros and his running mate, Senator Milton CAMPOS, invaded Santos for a final campaign push. A less-than-expected 10,000 persons (many from São Paulo City) heard the two candidates, as well as Governor Carvalho Pinto, speak. Although the rally was accounted a success, Quadros' speech was weak and his appearance failed to kindle significant enthusiasm. On September 25 Adhemar de Barros came to Santos in a last-minute effort

0098

reached new heights after his successful intervention in the July Moinho Paulista general strike (see Section II below). In the latter part of July Fernandes Lopes, who is a follower of São Paulo Mayor Ademar de BARROS and his PSP, reached an agreement with São Paulo State Governor Carlos Alberto de CARVALHO PINTO by which the latter increased from Cr$20.000.000,00 to Cr$25.000.000,00 the amount of funds allotted the City of Santos by the State Government. It is reported that Fernandes Lopes, who admires and works well with Carvalho Pinto despite their differing national political loyalties, promised to name at least three individuals who are personae gratae with the Governor to the new municipal secretaryships authorized earlier this year but never filled. Apparently the Mayor of Santos planned to use this patronage in filling the 7 well-paid secretaryships (equivalent to department heads) to reward his friends and punish his enemies: the UDN, PSB and PTN were to receive none of the plums, while the PSP would get two; the PL one; the PTB one; the PST one; the PRT one; and a pro-Janio Quadros member of the PSD one. But such a furore was stirred up by this arrangement that the Mayor at the last minute prudently dropped the whole project, which he may revive after the national elections. Insignificant in itself, the episode points up the working relations between the pro-Quadros Governor Carvalho Pinto and the ambitious Mayor of Santos, who has loyally supported Ademar de Barros and the PSP and carefully refrained from committing himself to either of the two prime contenders for the Presidency. All the same, the Mayor of Santos has attempted to maneuver to protect himself no matter which candidate wins. But the reporting officer has noticed a growing willingness on the part of the Mayor to have himself identified with the programs of the popular Governor of São Paulo, a willingness no doubt at least partially inspired, as the eventuality of the victory of Janio Quadros became more probable, by the Mayor's wish to have an ally in the inner councils of the likely next President of Brazil. Some evidence also exists to indicate that Mayor Fernandes Lopes may succeed José Vicente de FARIA LIMA next spring as Minister of Transport and Public Works in the São Paulo State Cabinet.

In this connection the question of the Santos mayoralty succession next year has claimed much of the attention of local politicians right up to the very last portion of the quarter. As of September 30 the front runners in the race to succeed Fernandes Lopes in March 1961 are: São Paulo State Deputy Athié Jorge COURY, who strongly supports Janio Quadros and who is backed by the PDC, PTN, UDN, PST and PRT; former Mayor Antonio Ezequiel FELICIANO da Silva, who supports Marshal Lott and has PSD backing; Dr. Joaquim COUTINHO MARQUES, a PTB City Councilman who also favors Lott and who has PTB support; and Luiz LA SCALA, Jr., Santos Director of Public Works and protege of Mayor Fernandes Lopes, which latter hopes to rally the city hall-dominating PSP behind La Scala.

National politics began to command more local attention by mid-

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FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil

DESP. NO. 7

SEP 30 1960

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 30, 1960
DATE

REF : Consulate's Despatches Nos. 1 and 2 of July 5 and 7, 1960

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	RM/R-2 REP-1 INR-7 ICA-11 ARMY-4 OSD-4
	REC'D 10-6-60	INFO OTHER CIA-10 USIA-10 AAA-6 COM-10 AGR-8 NSA-2 NAVY-3

SUBJECT: Summary of Events Occurring in the Santos Consular District July 1-September 30, 1960

The following is a summary of the main events occurring in the Santos consular district from July 1 through September 30, 1960, and is based largely upon the "Weekly Comment on Events in Santos" submitted by the reporting officer to the Consulate General in Sao Paulo by Operations Memoranda.

(BEGIN LIMITED OFFICIAL USE)

1 POLITICAL

The impact of the national political campaign was slow to be felt in Santos, and only developed in earnest during the latter part of the quarter. On July 5 PDC Vice Presidential nominee Fernando FERRARI visited Santos, but drew small crowds and less publicity. On July 8 a scheduled visit by Marshal Henrique Teixeira LOTT did not take place. Rather, a patently communist rally was substituted for it, at which were present Luiz Carles PRESTES, Secretary General of the Communist Party of Brazil; Institute Superior de Estudos Brasileiros (ISEB) Professor Dalton BOECHAT; Santos journalist, student leader and communist supporter Luiz Rearigues CORVO; communist labor leaders Waldemar Neves GUERRA, Oswaldo LOURENÇO and Arlindo Alves LUCENA, all of the 2200-member Sindicato dos Empregados na Administraçao dos Serviços Portuarios de Santos; and certain other non-communist dupes. The communists attacked U. S. and British investments in Brazil and urged the Brazilian Government to expropriate these interests in the style of Fidel CASTRO.

Nonetheless, the crowd of less than 2000 was dull and perfunctory and could not compare with the audience of 15000 persons which turned out to hear Prestes on the occasion of his previous visit to Santos. Prestes was later quoted as admitting that Marshal Lott faced an uphill struggle in the State of Sao Paulo, but he still insisted that the communists would deliver 600,000 votes to Lott and Joao GOULART on October 3.

During the month of August Santos Mayor Silvio [illegible] was active in consolidating his local political strength which

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BUREAU OF INTER-AMERICAN AFFAIRS
OCT 10 1960

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UDN (União Democrática Nacional) (Cont.,)

Pedro Paes MENDONÇA
Antonio de JESUS
Benjamin FONTES
João MOREIRA Filho
Temistocles DINIZ
Antônio MACHADO
José PEREIRA Filho
Welney Leal de MELO

PSD (Partido Social Democrático)

Balthasar Francisco dos SANTOS
Pedro BARRETO
Manuel Conde SOBRAL
Sebastião Celso de CARVALHO
Horácio Dantas GOIS
Joaquim Martins FONTES
Manuel Cabral MACHADO

PR (Partido Republicano)

Roosevelt Dantas Cardoso de MENEZES
Alcides Alves da Silva PEREIRA
Nivaldo SANTOS
Pedro SOARES
Antônio Fernandes Viana de ASSIS
José Cardoso de SOUZA

PTB (Partido Trabalhista Brasileiro)

Durval Militão de ARAUJO
Deoclécio Vieira da SILVA
Hildebrando TORRES

PSP (Partido Social Progressista)

Candido Dortas de MENDONÇA

SECRETARY OF THE GOVERNMENT: Dr. Junot SILVEIRA
SECRETARY OF INTERIOR AND JUSTICE: Dr. João Dantas Martins dos REIS
SECRETARY OF FINANCE: Eng. João Machado Rollemberg de MENDONÇA
SECRETARY OF PUBLIC SAFETY: Col. Ruy SANTIAGO

MAYOR OF ARACAJU: José Conrado de Araújo MACEDO (PTB)

James M. Flanagan
James M. Flanagan
American Consul

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FOREIGN SERVICE DESPATCH

FROM : Salvador, Brazil.

-20-
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 28, 1960
DATE

REF :

25 For Dept. Use Only	ACTION REC'D	DEPT.	INFO	OTHER
	ara-4 10-12	RMR-2	INR-7	90-4 CIA-10 USIA-10 Lab-6 Navy-3

SUBJECT: POLITICAL: CURRENT LIST OF OFFICIALS FOR THE STATE OF SERGIPE: IN SERVICE SINCE ELECTIONS OF OCTOBER 3, 1958.

NSA-2

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 27 1960

GOVERNOR: Luis Garcia (UDN)

VICE GOVERNOR: Dionísio de Araújo MACHADO (UDN)

SENATORS: Heribaldo VIEIRA (UDN) elected in 1958 and Lourival FONTES (PTB-UDN) and Jorge MAYNARD (PSD) both elected in 1954.

FEDERAL DEPUTIES:

UDN (União Democrática Nacional) and PST (Partido Social Trabalhista)

Lourival BATISTA
José Passos PORTO
João de Seixas DOREA
Edvaldo Dinis GONÇALVES

Aliança Social Democrática (PSD, PTB and PR)

Francisco LEITE Neto
Arnaldo Rollemberg GARCEZ
Armando Leite ROLLEMBERG

STATE DEPUTIES:

UDN (União Democrática Nacional)

Sebastião FIGUEIREDO
José Onias de CARVALHO
Napoleão DOREA
Rozendo RIBEIRO Filho
Antônio TORRES Junior
Oseas CAVALCANTI Batista
José Almeida FONTES

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"I do not understand them, nor do I tolerate them. I insist, however, that the best, perhaps the only way to exercise the spectres which stalk the continent lies in the immediate implementation of OPA.

"People economically developed, free from misery and fear, ready to realize themselves, are not afraid, and for this very reason are not [likely to be] aggressive."

He added that, on the other hand, Brazil should strengthen its relations, commercial as well as cultural, with European and Asiatic countries, and should pay particular attention to the African world, stating his conviction that Brazil would be the "best qualified mediator for the young African nations." Quadros then closed his speech with a rather lengthy consideration of the current electoral situation in Brazil, stating, inter alia, his confidence that "there would be no attempts against the climate of guarantees and respect for liberties." He said that public opinion would not tolerate such attempts and was vigilant against them.

For the Ambassador:

Robert H. Shields

Robert H. Shields
Second Secretary of Embassy

APPROVED:

Philip Raine

Philip Raine
Counselor of Embassy
for Political Affairs

Enclosure:

Press Clippings of Quadros' Speech of September 25, 1960

DISTRIBUTION: All Consulates in Brazil, Service Attachés, USI[redacted]I, Econ (2), Brasilia, CF (5), Pol (4).

70

0093

collective security, consecrated by the charter of the United Nations. If we advance in building a politico-juridical structure for the continent, there still remains an enormous field to be conquered: that of our economic expansion. It alone will liberate the Latin American peoples from misery, the consequence of the dramatic problem of underdevelopment. In this respect there can be no contemporization. Latin America is in a hurry and it knows its strength."

Quadros then went on to express his full support for Operation Pan America. In this connection he said that Latin American efforts obviously would be to no avail without the cooperation and understanding of the United States. He said that the United States at times was "imperfectly enlightened concerning the imperious necessity . . . of eliminating so many areas of poverty" and criticized the "unilateral conception that private capital should have the basic role in Latin American development." He said that private capital was insufficient for the task. US schemes of aid would remain ineffective, he said, as long as the principles which guide them are not substituted. Hence the "periodic crises which affect the continent." He observed that the recent Bogotá conference, in which "we spoke the frank and cordial language of those who really wish to reach an understanding," had held much promise, but cautioned that enthusiasm should be restrained pending observation of practical results.

Here the candidate said: "An independent and sovereign nation, Brazil does not need the international leadership of any power. It knows where its rights and its interests are. It does not alienate them. It does not surrogate them."

At this point he took up the recent case of Cuba although without mentioning it specifically, saying:

"But Brazil is equally faithful to its traditions, to its obligations, it is a determined and spontaneous champion of the untouchability of the continent. Here, no one shall interfere.

"There is no place in America for the exercise of European and Asiatic guardianships, under any label.

"We always have known, in this community of free nations, how to solve the emerging, one might say inevitable, differences of opinion, without these disagreements justifying malign extracontinental interventions.

0092

that we do not put ourselves of our own will into prisons which everywhere are being torn down." As President of the Republic, he would not "gamble the nation's destiny on /either/ obsolete formulae or dangerous experiments." He explained that the "apparent eclecticism of this position did not result from his own will but from the international situation" and said that this eclecticism had as its primary objective to insure that Brazil might "benefit from the mutations [illegible]on in the world, without needlessly isolating itself on dead-end [illegible]"

Quadros next turned to the subject of the necessity of Brazilian development and went into considerable detail in reiteration of the policies he would adopt toward this end.

Quadros then made the following statement on foreign policy:

"We shall give unaccustomed emphasis to international commerce, opening the ports of Brazil to the world, in a categorical affirmation that we are a free people.

"A free people which, free of fear, guides its own destiny.

"We shall now fulfill the decision of the Prince Regent made on January 28, 1808.

"The nation, however, has duties with respect to America.

"The moment is opportune for it to be known what I propose and what I seek with regard to our relations with the other American peoples.

"Already I have affirmed it, solemnly. I repeat it now once more.

"I consider that there is no other instrument of political action, in the continental sector, but the Organization of American States. There and only there must be solved the chance controversies among sister nations.

"The Inter-American Treaty of Reciprocal Assistance, the charter of the Organization of American States, and the Bogotá Pact of Pacific Solutions form our system of

0091

had added to this situation a consciousness on the part of the masses that everyone is entitled to the benefits of civilization and progress. With the continued development of the industrial revolution, capital continued to enjoy benefits, but not the worker, although it was he who primarily created the new wealth.

After thus indicating his concern for the welfare of labor, Quadros stated that at the same time he was favorable to private initiative, "with the restrictions imposed by national security and social interest." Terming himself "neither a liberal nor a Marxist," he observed that the "political terminology to which many continue to be fastened, in old Europe, no longer has the logical meaning that it once had in the history of ideas." The concepts of "left" and "right," he said, have been modified as a result of the second World War and of the "explosive evolution which takes place in our days." On the one hand, "traditional socialist parties of England and Germany can be observed modifying their programs"; on the other hand, "one observes tremendous social leaps forward in Egypt, India, Cuba and Africa based on no clearly defined set of ideas."

Asserting that "political ideas are being refashioned by current developments and that from these developments new solutions for old problems ought to result," he said that this process was going on even behind the Iron Curtain, where the "impossibility of a monolithic control is evidenced in the Yugoslav rebellion, the Hungarian insurrection, Poland's affirmation of independence, and the friction between China and the Soviet Union," developments which he said had a corollary in the "crises which proliferate in the international party organizations inspired in the example of those countries."

Quadros then stated his opposition to dictatorships, whether in the name of a "class" or in the name of "national interest," and said that he abominated their "terror," "dogmatism" and "cruel inhumanity." As candidate to the Presidency of the Republic he held fast to the "general norms present within the framework of the experiments realized by other peoples . . . under the sign of humanism." He said that as a "young and dynamic people, with a right to aspire to a position of importance in the modern world, Brazil could not fail to sympathize with other peoples in similar positions who fight for their own independence and for social progress."

Stating that he was not alone in having no "strictly orthodox label for his political position," he recalled that the "twentieth century has been an implacable crematorium of political philosophies, and that in order for us to find the right road . . . it is necessary

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO — DESP. NO. 271

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE September 28, 1960

REF : Embassy Despatch 272 (Weeka 39), September 28, 1960

For Dept. Use Only	ACTION REC'D	DEPT. INFO	OTHER
	10-10	RMA-2 CIA-10	INR-7 S/S-3 S/P-3 ICA-10 USIA-10 Navy-3 OSD-4 Lab-6 Com-6 USUN-3

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
OCT 12 1960

SUBJECT: QUADROS DEFINES HIS DOMESTIC AND INTERNATIONAL POLITICAL POSITION

TR-3 FRB-3

Appearing before a largely elite audience at a luncheon given in his honor by the weekly magazine O Cruzeiro, Presidential Candidate Janio Quadros on September 23 defined in sober and unambiguous terms his general political position in both the domestic and international sectors. He stated emphatically his devotion to representative democratic government but said that in other respects his domestic policy would be selectie, within bounds determined by his repudiation of both economic liberalism and Marxism. He reiterated his already-announced intention "to open Brazil's ports to the world," commercially and culturally, but emphasized that this expression of Brazil's independence would not detract from his consciousness of Brazil's obligations to the western hemisphere. In this connection he affirmed the Organization of American States to be the only instrument for the settlement of intra-hemispheric disputes, and said that such disputes could never serve to justify extra-continental interventions. While thus implicitly rebuking Fidel Castro for carrying his issue with the United States to the United Nations, and Khrushchev for his espousal of Castro's cause, Quadros affirmed that Operation Pan America, for which he promised his full support, is perhaps the only deterrent to the development of situations such as that in Cuba.

Quadros began the substantive part of his discourse with a description of his domestic political position. He said that it was no accident that he had been a candidate for federal deputy on the ticket of the Brazilian Labor Party, and that he had taken this step "conscious of its ideological implication." He stated his conviction that economic liberalism had died with the first World War, during which advances in technology and accumulations of capital had required nations to intervene in the economic sector in the interests of bringing order and harmony to conflicting interests. World War II, he said,

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RG: 059

TAB #: 5

ENTRY: CDF60-63

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DESP 126 FR SAO PAULO TO STATE

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RG: 059

ENTRY: CDF60-63

TAB #: 4

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NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01575 00004

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6. The Vice-Presidency (Official Use Only)

Vice-President Goulart was in the state of São Paulo in the past week inaugurating social security buildings and making political contacts in the interior. Local PSP officials, in the absence of any significant contrary political pressures, appear to be climbing aboard the Adhe-Jan (Adhemar de Barros-"Jango" Goulart) movement in goodly number. At the same time supporters of the UDN candidate Milton Campos were also active. At least three pro-Campos campaign caravans were travelling through the state during the week. Such pro-Ferrari activity as may have occurred did not attract public notice but Ferrari is expected in São Paulo for a number of days campaigning in the last week before election.

Comment: (Confidential) The labor officer has been informed that employers are being given postponement of social security payments in exchange for Goulart campaign contributions. There are reports that employees in Goulart-controlled positions are being reappointed for another four years. All this plus other forms of payment (some of which have been previously reported) are being poured into São Paulo in Goulart's behalf. On the other side of the balance is the fact that Milton Campos got 726,029 votes against Goulart's 384,083 in 1955. Also there is Janio Quadros' endorsement of Campos; and it is rumored that Quadros will make a strong statement beneficial to Campos before election day. All of these factors suggest the need for a further appraisal just before election day. An estimate at this moment would be hesitantly in favor of Campos.

William P. Cochran, Jr.
Consul General

cc: Amembassy Rio de Janeiro

0086

On September 19, a banner headline of an inside political page announced "Victory of Lott-Jango in Minas Will Be By Spectacular Majority". The same issue reported the impending Quadros denunciation of pro-Lott manoeuvers to come, as a desperate move in the face of a dangerous erosion of strength (desgaste). A full page banner headline of the following day announced that "Catholic Students Support Lott and Jango" (Catholic University law school in São Paulo). On September 21 an Ultima Hora feature story had Lott condemning the barbarity of the janista police in connection with their recent action against striking taxi drivers (see São Paulo despatch 110, September 20, 1960, item 8) and referred to the "massacre" of cab drivers (note--no one was killed, let alone massacred, and the reference to janista police is stretched since Janio has not been governor for almost two years).

A banner headline of September 22 quoted a Catholic Priest that "Lott is the Only Candidate of Catholics". Another banner headline of the following day announced "Lott Presents Proof of Betrayal: Janio Wants to Destroy Petrobras". The front page of Ultima Hora has now begun to feature a daily anti-Quadros cartoon as well as a column in favor of Goulart for vice-president.

Comment: Ultima Hora has a tremendous circulation among the poorer working classes, perhaps greater than any other local newspaper. The themes it is now playing pro-Lott and contra-Quadros should be particularly impelling with that audience.

5. Plinio Salgado and PRP (Official Use Only)

Earlier in the week, after several days with local party leaders, national PRP president Plinio Salgado announced that his party would deliver a million votes to the Lott-Goulart slate. The PRP leader further asserted that there would be no dissidence within party ranks, then departed for Curitiba. Returning to São Paulo later in the week, Plinio Salgado appeared less confident. It was humanly impossible, said he, to deliver the support of all elements of any party; but this dissidence, he added, was small and would not influence in any way the massive support of the PRP for Lott. Salgado acknowledged that Janio Quadros is very strong in the state of Parana.

Comment: In 1954 the PRP captured 244,431 votes in nationwide elections for federal deputies. In 1958, the PRP captured only 179,589 votes in similar nationwide elections (this must be augmented some to allow for coalition candidates). It would seem that the million vote estimate is a bit of optimism built upon past vote-getting of the very popular Plinio Salgado when himself a candidate for president (714,379 votes in 1955) and upon a past but somewhat faded PRP glory.

0085

Comment: (Confidential) From another reliable source came word this past week that contractors are being required to contribute 10% on state contracts to the Quadros campaign. It is understood that all highway contracts and other state public works are being let to 3 or 4 contractors who have been assured that later contract adjustments would take care of any problems due to being the lowest bidder and having to contribute. Secretary of Public Works Faria Lima handles the contract end and Secretary of Finance Vicente de Azeveido handles contract payments. This 10% story involving the two Secretaries was first heard from Nabantino Ramos, publisher of Folha de São Paulo, who is ordinarily very reliable on his facts. Despite this and other more generally known political support given to Quadros, the São Paulo governor's widespread popularity and prestige appear undiminished and immune, as yet, from serious attack.

As for Kubitschek, his presence in São Paulo could be somewhat helpful to Lott if there were a strong pro-Lott statement, but even this apparently unlikely development should not in itself materially alter the strong position of Quadros in São Paulo.

3. The Local Church Speaks (Official Use Only)

Local Catholic Archbishop Mota issued a statement during the week saying that he had been asked to give a word of counsel on election eve to avoid the impact of political passions and propaganda. The archbishop then declared that the newspapers have made known the programs of the candidates and that there was therefor the wherewithal to judge and choose, and no need to be guided by passion or propaganda. The archbishop further called attention to a manifesto of September 7 from the Confederation of Christian Families, which manifesto did not appear to favor any candidate. It is understood that all three presidential candidates have endorsed the manifesto of the Confederation of Christian Families.

Comment: (Confidential) Some may commend the declaration of the local archbishop as an admirable show of abstinence from secular affairs. On the other hand, judging from past experience, Cardinal Mota appears in general to be far more reticent than his counterpart in Rio on Communism and related issues--much more of a fence-straddler or "silent Joe".

4. Ultima Hora Opens Up (Official Use Only)

In the past week leftist daily Ultima Hora has opened up in support of presidential candidate Teixeira Lott and running-mate João Goulart. Heretofore lukewarm, the newspaper has moved into battle in the "no holds barred" manner of which it is capable.

0084

(tubarões altistas); that the exploiters of the public economy support other candidates; that they don't want Lott because he has the strength to make food supplies appear, to imprison the robbers of the people.

Comment: (Confidential) Janio has used the state mounted police against strikers. Janio, in his early days as governor, did have orders issued that the taxicabs be painted yellow, but revoked this later due to the wrath of taxi drivers. Janio is running an expensive campaign and has wealthy backers. Janio's uncertain and explosive temperament is well known, at least in São Paulo. The propaganda is hitting soft spots. It will probably continue and grow more acid (see also item 4 below).

From various local pro-Quadros sources comes the comment that Janio's strength has recently waned. It is hard to judge at this point whether this may have actually occurred or whether the comment is a down-to-earth readjustment after the bandwagon euphoria recently generated by Quadros sources--or even possibly a Janista manoeuver to keep Lott and his supporters from getting discouraged.

2. Carvalho Pinto and Kubitschek (Official Use Only)

While São Paulo governor Carvalho Pinto has increased his campaigning in behalf of Quadros, Lott supporters in São Paulo are reportedly trying hard to bring President Juscelino Kubitschek to São Paulo. The governor has largely abandoned his recent disguise of "administrative" contacts with local municipalities and is now actively participating in pro-Quadros rallies in interior cities and in capital city neighborhoods. He largely stresses three themes--(1) the wonderful Carvalho Pinto government is but a continuation of what Quadros inaugurated as governor; (2) Lott and others have erred seriously in generating bad feeling among sister states toward São Paulo; and (3) a vote for Janio is a vote, not for an individual, but for a system of government, a moral and administrative renovation of the nation.

Meanwhile there are various reports that PSD leaders in São Paulo--particularly Ulysses Guimarães, federal deputy and head of the state committee pro-Lott-Goulart--are vigorously importuning national party and government leaders for a Kubitschek appearance in São Paulo. The majority leader in the national legislature, Abelardo Jurema, in passing through São Paulo during the past week, expressed confidence that Kubitschek would not fail to come if Paulista PSD leaders wished. By the end of the week, there was no indication that the President would come to São Paulo before election day.

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FOREIGN SERVICE DESPATCH

FROM: Amcongen, São Paulo

122
DESP. No.

September 27, 1960
DATE

TO: THE DEPARTMENT OF STATE, WASHINGTON.

SEP 29 1960

REF:

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20	ARA-4	RMR-2 INR-9
REC'D	10-5-60	INFO OTHER: CIA-10 USIA-10 NSA-2 NAVY-3

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SUBJECT: Presidential Campaign Highlights, Week Ending September 24, 1960

RMR

Index:

1. Acid Pro-Lott Advertizing
2. Carvalho Pinto and Kubitschek
3. The Local Church Speaks
4. Ultima Hora Opens Up
5. Plinio Salgado and PRP
6. The Vice-Presidency

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 7 1960

1. Acid Pro-Lott Advertizing (Official Use Only)

The increasingly acid pro-Lott political advertizing in São Paulo in some measure reflects the increasingly acid tone of the Lott campaign against opposing presidential candidate Janio Quadros. This post last week cited political advertizements stressing Lott as the family man and Quadros as the potential dictator (See São Paulo despatch 108, September 20, 1960, item 2). In the week just past the anti-Quadros advertizing was equally sharp in tone.

One newspaper advertizement of the past week pictured mounted police riding against the people with the caption "Assured Right to Strike--Or Horses' Hoofs". Underneath the picture the advertizement declares that Lott has never ordered the police to attack defenseless strikers with clubs and horses' hoofs. At the end of the week there appeared a newspaper advertizement picturing a taxi driver beside his cab with the caption "Taxi Free...Or Handcuffed with Yellow Paint". The advertizement then assured that a Lott government would not require taxis to be painted yellow, black or white; that Lott would not be capable of arbitrary measures which the people condemn and the tribunals revoke; that Lott is not temperamental, nor a man of outbursts or excesses of fury.

Another newspaper advertizement showed a sword (i.e. Lott) shielding a man (evidently the U. S. Public) against an octopus whose various tentacles were labelled scarcity speculators, thieves, monopolists, etc. The reader was told that Lott is campaigning without funds because he refuses to make deals with the big tycoons

RJB

RJBurton:lfw
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OCT 17 1960

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WITHDRAWAL NOTICE

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ENTRY: CDF60-63

TAB #: 3

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DESP 268 FR RIO DE JANEIRO TO STATE

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W I T H D R A W A L N O T I C E

RG: 059

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TAB #: 2

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DESP 110 FR SAO PAULO TO STATE

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NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01575 00002

0080

there is such a lack of education and so little democratic spirit. Democracy is free debate, mutual respect."

For the Ambassador:

George R. Phelan, Jr.
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

Enclosure:

1. Article from Journal do Commercio dated September 22, 1960

DISTRIBUTION: All Consulates in Brazil, Service Attachés, USIS, Econ (2) Pol II, Brasilia, CF (3), Pol (5).

0079

and unified in its political and economic fields, the Ministry of Foreign Affairs will be able to give to Brazil in the economic, political and cultural fields, through an efficient and intelligent performance, everything the nation expects of it."

Comment: The speech was generally well received but the circumstance of its delivery and reception was given more attention in the big circulation press than the speech itself.

Marshal Lott, as well as the other two presidential candidates, have received invitations to speak to the Catholic University students. Candidate Adhemar de Barros was the first one to do so having spent approximately one hour with the students in an open discussion of his platform and other political topics. Janio Quadros is due to speak September 26.

The students (approximately 700) among whom were some "Janistas". expected to have an open question and answer meeting with Marshal Lott and were unhappy (at least the opposition group) to find that he was going to read a prepared speech. The "Janista" students, all during the two hours which it took Marshal Lott to read his speech, kept interrupting and attempting to compel the Marshal to answer questions shouted at him.

Several times the Marshal stopped his speech and answered questions. Asked about a conversation with Vice President Nixon when the latter visited Brazil, Marshal Lott said that Vice President Nixon had expressed surprise at the hostile demonstrations that he was receiving in Latin America, indicating a feeling of hatred towards the U.S. The Marshal, at the time Minister of War, stated that he explained the hatred as the consequence of the mistake made by the U.S. in not giving any aid to Latin America, centering its efforts in the Marshall Plan.

Another time, asked about the present international struggle between East and West, Marshal Lott said that Brazil needs to develop rapidly, becoming a powerful nation able to impose its opinion in case "a spark of war appears between the U.S. and the U.S.S.R." since, today, "the best and most valid argument in international policy are the guided missiles and atomic bombs."

Through much of the meeting students were often disorderly and insulting and could not be brought to order despite demands of the acting Rector and pleas from the Marshal who at one point said that it was "regrettable that in a Catholic university

0078

as well as to carefully examine the technical aid that we could possibly render them and the possibilities of commercial trade presented."

In connection with foreign private investments Marshal Lott said, among other things, that "the greatest difficulty encountered up to now, to promote adequate economic development, came from the concept of the present US administration that to do this private capital must predominantly be employed. However, it is known that private capital does not go to pioneer activities--in some aspects they are the most important to us--they require assurances of profit remittances, practically always abundantly generous and, not always available for the purposes and in the proportions desired for development plans. Admitting, on a reasonable basis, the participation of private capital in the great struggle against underdevelopment I receive, with strong approval the declaration (President Eisenhower's) to which I have referred, and I maintain the conviction that the future government of that friendly country, which will be inaugurated shortly before the new Brazilian administration, will not hold back its cooperation and its aid to the development of Latin America."

Coming out in support of OPA and in praise of President Kubitschek's work in its behalf, Marshal Lott, inter alia said: "It was said and repeated many times, in all the manifestations relative to OPA, that we, the Latin American countries, in requesting means and technique for development purposes, aimed less at the egotistical satisfaction of our immediate needs, than to contribute objectively and efficiently, through the elimination of social unrest produced by misery and backwardness, to alleviate our continent and the world of the great political tensions of today. This was, always, the basic doctrine of OPA, which helped to establish, indissolubly, the tie that exists, and is today fully recognized, between democracy and development. The initiative of the President of the Republic and the vigorous diplomatic action which developed in its support, are directing Pan Americanism towards new courses. The acceptance of those principles by the government of President Eisenhower, is of great significance."

On the subject of reorganization of the Foreign Office, the administration had the following to say: "My government intends to give the matter (bill sent to Congress by President Kubitschek regarding reorganization and correction of present deficiencies in the Ministry of Foreign Affairs) if not resolved before its inauguration, the requisite urgency so that without delay, endowed with personnel and means, structurally organized in geographic area

0077

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO
263
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 26, 1960
SEP 30th 1960

REF :

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25 For Dept. Use Only | ACTION RECD 10-5 | DEPT. Ara*-4 | IN FOR OTHER O | RMR-2 INR*-7 To-4 ICA-11 Cia*-10 USIA-10 USUN-1 Army-4 Navy-3 Air-6 NSA-2 OSD-4 R/MR

SUBJECT: MARSHAL LOTT'S FOREIGN AFFAIRS PLATFORM

Enclosed is the full text of a speech given by presidential candidate Marshal Lott, at the Catholic University, Rio de Janeiro, on September 21, devoted to foreign affairs.

On the general subject of the foreign policy he would pursue, he said: "If we can today reveal ourselves to the eyes of the world as a country where democracy is truly representative and seething with dynamism, we can also, in the scope of the community of nations, criticize the exclusivity with which the so-called big powers arrogate the right to direct international policy, doing it, almost always, with disregard for the anxiety and the problems that mark the troubled and anguished life of the immense groups of less favored peoples. . . .My government will give to Brazilian foreign policy the priority attention that it demands, decidedly placing Itamaraty at the service of the economic development and the irrepressible national aspirations of progress and of enrichment, convinced that by doing this I will comply with an unequivocal mandate from our people. . . . In the government of the nation, which I hope to preside through the confidence of our people, we will conduct our Brazilian foreign policy with firmness, high principles and independence, seeking to reinforce our position within the United Nations and to reduce the cold war hostilities. Within our policy of solidarity with the West, which is the one indicated by the judgment of our people, we will do everything towards increased technical and economic help to underdeveloped countries, towards the ending of racial discrimination, and towards the solution, through cooperation and understanding of the great problems that decide the fate of humanity. . . . . To the new nations that have been integrated into the international community, Brazil must convey its word of friendship and collaboration and make known its racial experience, its plans for economic development with preservation of independence,

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GRPhelanJr:jw
REPORTER

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DEPARTMENT OF STATE
OFFICE OF INTER-AMERICAN AFFAIRS
OCT 10 1960

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FOREIGN SERVICE DESPATCH

FROM : Amconsul, São Paulo — 121 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE: September 26, 1960

REF :

SCA-3 PER-2

For Dept. Use Only	ACTION	DEPT.	INFO	OTHER
	ARA-4 REC'D 10-7	RM/A-2 REP-1	INR-7 E-7 [redacted]	CIA-10

SUBJECT: Santos Weekly Report

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 14 1960

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated September 23, 1960.

William P. Cochran, Jr.
Consul General

Enclosure:

Santos Weekly Report
dated September 23, 1960.

cc: Amembassy, Rio

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flação de custos e a rigidez das tarifas.

f) as disparidades regionais de Renda que começam a exceder os limites socialmente toleráveis.

g) a corrupção e a falta de coragem que até hoje vem impedindo a remoção dos verdadeiros obstáculos à intensificação do nosso Desenvolvimento Econômico.

* * *

0074

bora reconheça a existência de muitos fatores que emperram o nosso desenvolvimento, não concordo com a opinião de que o Brasil esteja semi-paralizado. Afirmo apenas que a nossa taxa de desenvolvimento está aquém do que se poderia alcançar. Também não me parece oportuno analisar aqui as causas do atraso do Brasil, o que exigiria um longo e profundo estudo da nossa História Econômica. Limitar-me-ei a mencionar os indícios de atrazo e os fatores que dificultam a recuperação do atraso.

Como indícios de atraso basta citar as características comuns a maioria dos países subdesenvolvidos:

a) baixo nível de renda per capita, em consequência das proporções reduzidas do Estoque de Capital Nacional;
b) elevado grau de analfabetismo;
c) condições precárias de higiene e assistência social.

Quanto aos fatores que emperram o nosso desenvolvimento econômico, cumpre destacar:

a) a inflação, pelas ameaças de conflito social que encerra, e pelas distorções que provoca quando se tenta combatê-la por seus sintomas, mediante controles policiais de preços, ao invés de atacá-la pelas suas causas autênticas.
b) o abandono a que se tem relegado os problemas da Educação tornando-nos incapazes de absorver, com a rapidez desejável o progresso tecnológico das economias mais desenvolvidas e, sobretudo, de inovar sôbre essa tecnologia.
c) o desestímulo às exportações provocado pelo confisco cambial. Daí resultou uma crise de divisas nociva à expansão industrial, além de nos tornarmos mais vulneráveis à pressão externa, pois que, ao invés de cobrarmos faturas de exportação, temos que pedir empréstimos mesmo para ocorrer às importações correntes.
d) os desníveis entre Agricultura e Indústria provocados pela inflação e pelos sistemas de controle de preços, assim como a baixa produtividade da agricultura.
e) o desestímulo aos serviços de base como energia, transporte e comunicações, resultante, em parte, de legislação inadequada, em parte, do conflito entre a in

6.3.1. - Acham uns que o parlamentarismo será salutar para o Brasil porque, entre outras vantagens, diminui o poder excessivamente concentrado nas mãos do Presidente nem sempre capaz de aguentar tamanho encargo; acham outros, ao contrário, que o parlamentarismo é um regime instável e inadequado para nós. Qual das duas opiniões se aproxima da de V.Sa. ?

Resposta - Na minha condição de candidato à Presidência da República, vigente a Constituição de 1945, está claro que sou presidencialista.
Sou-o, também, como simples cidadão. O regime casa-se à invariável tradição das repúblicas americanas.
É o que, a meu ver, melhor consulta aos interessados da Nação, livrando-a das crises parlamentares que debilitam a administração, impedem o planejamento, submetem o govêrno ao imperativo das composições de grupo, raramente atentas ao bem estar público.
Presidencialismo é estabilidade.
Nêle refugiou-se a França, recentemente para emergir do caos.

S Í N T E S E

Sendo o Brasil, na opinião dos estudiosos, um país de nível cultural e econômico relativamente baixo, ou como hoje se diz um país sub-desenvolvido, entendemos que um candidato à Presidência da República é mais do que um governante que mantém em funcionamento os aparelhos existentes. Cremos não exagerar comparando-o a um médico acompanhado de sua equipe de cirurgiões, de técnicos de laboratórios, etc.... desde que não estendamos nossa imagem até à anestesia, que não nos parece aconselhável em política.

Com tal idéia como base, entendemos que o candidato à Presidência da República deve começar pelo diagnóstico, pelo conhecimento das causas e dos fatores que atrasam o crescimento do país semi-paralizado. E perguntamos a V.Sa., quais serão, em ordem de importância, na opinião de V.Sa., os dez fatores de atraso e emperramento do nosso amado Brasil ?

Resposta - A pergunta merece alguns reparos. Em primeiro lugar, em

0072

Resposta - Não creio que o problema dos inativos atinja, no Brasil, proporções capazes de prejudicar o nosso desenvolvimento cultural ou econômico. Insurjo-me contra o fato de que algumas vêzes passem à inatividade homens em pleno vigor de sua capacidade de trabalho.
Urge solucionar o problema através de medidas que sem prejudicar os direitos adquiridos, tornem o trabalho mais atrativo do que a aposentadoria ou a reforma.

P O L Í T I C A

6.1.1. - No drama que divide o mundo moderno, quais serão os países que o Brasil deve acompanhar, ajudar, seguir ? Será a União Soviética ou a China Comunista o paradigma do futuro ? Serão os países neutros também chamados da terceira fôrça ? Serão os Estados Unidos, a Alemanha Ocidental ? a Inglaterra, etc ... ?

Resposta - O Brasil não está adstrito a acompanhar, seguir, ajudar a nenhuma Nação do mundo.
Segue o seu próprio destino, sem amizades equívocas e sem ódios suspeitos.
País democrático e cristão, aparenta-se, ideològicamente, aos que professam os seus princípios.
Não se infira, daí, que devamos desdenhar a dolorosa experiência de quaisquer povos. Cumpre, ao contrário, aproveitá-la no que existe de útil.

6.2.1. - Se por democracia humanista entendemos um regime de liberdade cívica e de respeito à pessoa humana, perguntamos a V.Sa., se gostaria de viver num Brasil rico e poderoso fora dessa linha política e com sacrifício das mencionadas dignidades, ou se preferia uma nobreza nacional sem infidelidade ao ideal da democracia humanista ?

Resposta - Prefiro que o meu País viva em regime de liberdades cívicas e de respeito à pessoa humana, sendo, contemporaneamente, rico e poderoso.

0071

5 - Construção de açudes.
6 - Irrigação e adubação para recuperar o solo.
7 - Aproveitamento em culturas de subsistência mediante técnicas modernas, das terras não cultivadas.
8 - Plano de eletrificação.
9 - Incentivo mediante financiamento para a instalação de indústrias.
10- Apôio e amparo à Sudene para que realize os seus objetivos.

FÔRÇAS ARMADAS

5.7.1. - Acha V.Sa., que o Brasil deve continuar a gastar quase metade do seu orçamento num aparelhamento inteiramente ineficaz diante das armas modernas ? Não seria melhor restringir seus efetivos e procurar obter novos quadros modernizados e mais econômicos ?

Resposta - Não sei se as verbas concedidas às Fôrças Armadas, são suficientes, deficientes ou excessivas. Se forem excessivas, eu as reduzirei. Se forem suficientes, eu as manterei. Se forem insuficientes eu as ampliarei. A relevância das tarefas atribuídas às Fôrças Armadas deve subtrair a dotação orçamentária, que consomem, a meros cálculos percentuais. A defesa da Pátria, a preservação da soberania nacional, a manutenção da ordem, não se estimam em índices financeiros. Acredito que as Fôrças Armadas, na medida dos recursos que a Nação lhes fornece, cuidam de se modernizar e se aprimorar para a eficaz realização dos seus objetivos. O assunto escapa à alçada de um simples candidato. Compete ao Presidente.

INATIVOS

5.8.1. - Já se disse que somos um país de inativos, de aposentados, de reformados. Ora, todo o mundo está de acôrdo sôbre a urgente necessidade de desenvolvimento cultural e econômico. Como encara V. Sa. esta contradição ?



A naturalização é pràticamente a última etapa e talvez uma das mais decisivas, no processo de integração, quando o imigrante, livre, espontânea, consciente e expressamente renuncia à sua nacionalidade anterior e adota o Brasil como sua nova Pátria.
Com o sistema atualmente vigente, o que se verifica é que o brasileiro naturalizado, pouco benefício recebe com seu novo "status", além daqueles comuns aos demais estrangeiros com permanência definitiva no Brasil, perdendo, porém, por outro lado, todo e qualquer direito que anteriormente lhe era garantido como cidadão de seu país de orígem.

N O R D E S T E

5.6.1. - Que medidas novas conta V. Sa., incluir em seu programa de govêrno para resolver definitivamente o problema do nordeste e para proteger as populações nordestinas contra catástrofe como a de Orós ?

Resposta - O problema do Nordeste é um escândalo na história contemporânea do país. O abandono a que se relegou a enorme população nordestina, o descaso pelas suas aflições, as malversações dos dinheiros públicos votados para socorrê-la, constituem um verdadeiro genocídio. Leva-se à conta do flagelo das sêcas o que, no fundo, representa uma brutal inépcia para a superação de condições climáticas adversas, mas que, na verdade, são contornáveis, se aplicados os devidos meios. Para a integração do Nordeste aos níveis do progresso atingido pelos estados sulinos, impõem-se certas providências preliminares, tais como:

1 - Moralização administrativa.
2 - Levantamento científico das possibilidades regionais, para que se crie uma verdadeira estrutura econômica.
3 - Construção e asfaltamento de estradas-artérias cortando a região.
4 - Reflorestamento de algumas áreas.

0069

Resposta - Se, na atual conjuntura sócio-político-econômica do nosso país, nem sequer o brasileiro nato poder considerar - se plenamente integrado na nossa comunidade, não podemos esperar que o imigrante estrangeiro, oriundo muitas vê - zes de países de língua, clima, religião, hábitos, ali - mentação, enfim tôda uma cultura tão distinta da nossa , possa ser considerado bem integrado na comunidade brasileira. No entanto, devido ao carater liberal e hospita - leiro de nosso povo e à ausência de preconceitos contra o imigrante, com poucos anos de convivência em nosso país, pode o mesmo, em sua grande maioria, ser considerado tão considerado,digo, integrado na nossa comunidade, como os próprios brasileiros natos.

Temos de reconhecer, porém, a existência de um grande número de restrições, de ordem jurídica e administrativa , que se impõe sejam eliminadas, com real vantagem para nossa política imigratória. Urge proceder a uma consolidação de tôda a extensa e confusa legislação imigratória brasileira e atualizá-la devidamente, dentro de nossas reais exigências, como país imigrantista por excelência que somos.

A rigidez da atual legislação alfandegária, que deveria melhor definir os bens e bagagens dos imigrantes, tratando-os de um modo mais humano e racional, e a nossa mais que ultrapassada legislação referente à revalidação de diplomas e à adaptação de cursos feitos no exterior são, por exemplo, fatores que estão concorrendo para que procurem o Brasil geralmente emigrantes pràticamente indigentes e com um mínimo de preparo intelectual, preferindo, os que possuem um razoável patrinônio material ou intelectual, emigrar para os EE.UU., Canadá, Austrália ou outros países de imigração onde não existam tais restrições.

Concluindo nossas declarações, gostaríamos também de fazer uma referência especial à série absurda de restri - ções impostas por nossa legislação aos brasileiros naturalizados, restrições estas que ultrapassam a meia centena, sendo, em sua grande maioria, odiosas e inteiramente descabidas.

0068

Na imigração estrangeira devemos sempre ter em mente o seu tríplice aspecto: interêsse do imigrante, como pessoa humana, interêsse do país de emigração e interêsse do país de imigração, estando implícito, também, o interêsse da própria comunidade internacional.
A emigração espontânea (desde que o emigrante esteja plenamente consciente das realidades que irá encontrar no país de destino), devidamente controlada pelas autoridades competentes e com a eventual assistência de órgãos não governamentais especializados, deve ser, portanto, facilitada em todos os sentidos, inclusive quanto ao financiamento.
Isto porque, por meio da "imigração dirigida" patrocinada pelos respectivos governos interessados, através de órgãos inter-governamentais, está sendo, atualmente, quase impraticável ao Brasil contar com os imigrantes realmente qualificados de que necessita, como decorrência de diversas razões, tais como: o advento do mercado comum europeu, a crescente e vertiginosa desvalorização do nosso padrão monetário, o baixo nível de nossos salários em comparação com os oferecidos pelos demais países de imigração e até mesmo algumas restrições de nossa legislação imigratória.
Por motivos óbvios, não interessa aos países europeus, tambem empenhados como nós em obter trabalhadores qualificados, abrir mão de seus nacionais assim considerados.
Prova evidente desta nossa afirmação é o fato de que países superpovoados, tradicionalmente considerados como países emigrantistas, como, por exemplo, a Alemanha Ocidental e a Itália, estão últimamente até mesmo se transformando em autênticos países imigrantistas, no que se refere à importação de mão de obra qualificada.
Já, através da emigração espontânea, não havendo interferência direta dos respectivos governos, desde que o emigrante obtenha uma proposta vantajosa de uma emprêsa brasileira, nenhum impedimento terá em deixar seu país de origem, se isto fôr de sua conveniência.

5.5.4. - Acha que o imigrantes e naturalizados estão bem integrados na comunidade brasileira e que as restrições existentes são mínimas e razoáveis ?

0067

cupar certas áreas ainda pouco povoadas de nosso vasto ter
ritório.
O Brasil precisa de operários especializados, técnicos, ar-
tesãos, trabalhadores de tôdas as categorias, que possam
contribuir, com seus conhecimentos e com sua experiência,
para o nosso crescente desenvolvimento industrial.
Precisamos também de mão de obra qualificada para nossa a-
gricultura, a fim de que possamos garantir um melhor abas
tecimento às nossas populações, reduzindo, ao mesmo tem -
po, a importação de produtos alimentícios e conseguindo
maior rendimento do trabalho agrícola pelo emprêgo de téc
nicas modernas.
Além da mão de obra estrangeira, qualificada ou, ao menos,
semi-qualificada, devemos dar especial ênfase aos casos de
recomposição familiar, o que poderá ser conseguido, com re
lativa facilidade, através dos "Programas de Reunião de Fa
mília", que estão em vigor dentro do acôrdo CIMENIC, e com
a indispensável assessoria técnica do Serviço Social Inter
nacional e das Agências Voluntárias Confessionais.
A preferência ora referida se aplicará, naturalmente, à i-
migração dirigida, dando-se, pois, prioridade, na seleção
feita no exterior, à mão de obra qualificada ou semi-quali
ficada, para a indústria e a agricultura e aos casos de
reunião de família, sem prejuízo dos demais tipos de imi -
grantes que, através da imigração espontânea, desejem vir
para o Brasil, por conta própria, cumpridas as exigências
de nossa legislação imigratória.

5.5.3. - Acha que a imigração espontânea deve ser facilitada a todos sem distinção de credo, raça ou nacionalidade ?

Resposta - Sim, pois a história da humanidade comprova que o valor do homem, como pessoa, independe do seu credo, de sua raça ou de sua nacionalidade, e a melhor prova da veracidade desta nossa afirmação é o próprio exemplo do desenvolvimento só - cio-econômico de nosso país.
Creio, também, que a imigração espontânea deve ser estimula da, ressalvados o interêsse nacional e a própria segurança do país.

0066

tensão territorial, como, por exemplo, a do café, trigo, cana de açucar e outras. Por outro lado, a horticultura, a pomicultura, a produção de gêneros de subsistência podem ser organizadas econômicamente, em áreas menos extensas. Desde que a grande propriedade não se confunda com o latifúndio improdutivo ou que a pequena propriedade não signifique o minifúndio anti-econômico, incapaz de produzir renda razoável ao produtor e servir à sociedade, ambas devem subsistir no meio rural, assim como, na atividade industrial, cabe lugar à grande, à média e mesmo à pequena emprêsa.

5.4.3. - Julga V. Sa. que o fim específico e principal de uma reforma agrária seja aumentar a produtividade agrícola, ou seja criar uma classe média rural ?

Resposta - Considero que os dois objetivos se completam. A Reforma Agrária deve ser estudada e executada em bases científicas sérias, envolvendo um conjunto de providências relacionadas com a distribuição mais justa da terra, estabelecendo-se os princípios de mais racional utilização do solo em benefício comum.
A Reforma Agrária deve ter por objetivo não só assegurar ao homem do campo uma vida mais digna como fornecer-lhe os meios indispensáveis ao aumento da produção e produtividade.

I M I G R A Ç Ã O

5.5.1. - Qual o tipo de emigrantes que acha mais necessário ao Brasil ?

5.5.2. - Acha que o Brasil só deve desejar o imigrante técnico ?

Resposta - Devido ao íntimo relacionamento entre estas duas perguntas prefiro responder a âmbas simultâneamente.
Creio que, nas atuais condições do país, a imigração que o Brasil deve desejar é a de carater eminentemente qualitativo e não mèramente quantitativo, e que vise apenas o

0065

hoje, reconhecidamente, os fatores principais do progresso ?

Resposta - Penso que se torna necessário estabelecer uma verdadeira meta de ensino técnico e científico, de vêz que um dos índices mais significativos do desenvolvimento é a capacidade de criação técnica e científica e não apenas a mera transplantação das técnicas que vêm do exterior. Para que êsse ideal se torne efetivo, evidentemente, terão que ser realizadas modificações na atual estrutura do ensino técnico e universitário, a fim de se obter o máximo de proveito dos investimentos realizados.

REFORMA AGRÁRIA

5.4.1. - Acredita ser necessária uma revisão do estatuto da propriedade agrária, ou julga uma simples assistência ao agricultor sob a forma de créditos e recursos técnicos seja bastante ?

Resposta - A assistência técnica ao agricultor e a maior facilidade de crédito incluem-se entre as providências indispensáveis ao desenvolvimento agrícola. Contudo, em diversas áreas do País, a revisão do estatuto da propriedade ou a solução do problema da terra assume igualmente a maior importância. Não é possível apontar uma única fórmula para o problema em tôdo o território nacional. É necessário, porém, evitar que a exagerada concentração territorial e o baixo gráu de aproveitamento das terras impeçam a adequada utilização do solo em benefício comum.

5.4.2. - É favorável a uma reforma agrária que distribua a terra desapropriada em pequenas propriedades familiares ou em grandes propriedades mecanizadas ?

Resposta - Encaro o problema da pequena ou grande propriedade essencialmente sob o ponto de vista técnico, em função do tipo de exploração. O objetivo a alcançar na agricultura é a modernização, a elevação do padrão tecnológico e melhoria do nível de vida do agricultor. Há determinadas explorações que não se compadecem com a pequena ex-

0064

Resposta - Creio que o Estado deve reservar-se, no ensino universitário, a sua função suplotiva, deixando à congregação da escola e cuidado de resolver seus problemas internos e culturais. As altas finalidades do ensino superior, que consistem no desenvolvimento da cultura e da pesquisa científica, só serão atingidas num regime de liberdade, em que a universidade seja livre de estabelecer as normas sôbre a criação de novas cátedras, a abertura de concursos, seus métodos pedagógicos e os critérios de avaliação dos seus resultados.

A N A L F A B E T I S M O

5.2.1. - Diante da enorme e vergonhosa proporção de analfabetos que tem estado invariável, estacionária, enquanto outros assuntos merecem o carinho do govêrno qual é a disposição de V. Sa. e quais os seus planos ?

Resposta - Considero o combate ao analfabetismo a mais alta prioridade de uma política educacional. É bom não esquecer, entretanto, que os índices de analfabetismo estão ligados à condição de sub-desenvolvimento em que se acha grande parte da população brasileira. O analfabetismo é problema acentuadamente rural. As cidades são poderosos redutores de analfabetos. Creio que, ao lado de processos mais maduros de alfabetização, estaremos combatendo essa endemia do espírito na medida em que ampliemos nossa assistência às pequenas cidades e vilas, promovamos o levantamento dos níveis de vida das populações rurais, melhoremos a agricultura e realizemos a reforma agrária.

E N S I N O T É C N I C O

E

P E S Q U I S A C I E N T Í F I C A

5.3.1. - Que medidas pensa V.Sa. adotar para o desenvolvimento rápido e eficaz do ensino técnico e da pesquisa científica que são

0063

blica e a particular, de modo a atender ao interêsse da nação. A situação inflacionária atinge diretamente as escolas particulares que são obrigadas a elevar as suas mensalidades, onerando o orçamento dos pais de família, além de tôda medida. O Estado pode incrementar a educação indiretamente, mantendo estável a moeda, e diretamente, concedendo a particulares bôlsas de estudo e facilidade para a aquisição de equipamentos. A mercantilização do ensino será combatida através da fiscalização mais rigorosa. Cabe ao órgão executivo da política educacional do país, que é o Ministério de Educação e Cultura, estabelecer os critérios de auxílio às escolas particulares, de modo a eliminar aquêles estabelecimentos de ensino, que fogem à sua finalidade precípua e mercantilizam a distribuição de diplomas.

5.1.3. - Como considera V. Sa. uma escola de nível primário ou secundário: será um prolongamento da prefeitura ou do Ministério da Educação, uma espécie de serviço público ? Ou será antes uma delegação da sociedade familiar ?

Resposta - A escola de nível primário ou secundário nunca poderá ser um prolongamento de órgãos públicos, nem uma espécie de serviço público. Tal concepção aberra de nossa tradição democrática, elevaria a uma burocratização do ensino, prejudicial à formação de homens livres, que desejamos numa democracia. A escola deve manter-se em comunicação com a família, da qual é um prolongamento. Os problemas da criança e do adolescente devem ser discutidos e resolvidos por pais e mestres. O projeto confere à escola essa independência, e aí reside, sem dúvida, um dos seus aspectos positivos.

5.1.4. - No ensino universitário, acha V. Sa. que o Estado tem autoridade e competência para legislar sôbre a abertura de cátedras, sôbre normas de concursos, métodos de ensino, critérios de exames e provas ? ou acha que o Estado deveria ficarm em sua função supletiva deixando à congregação da Escola o cuidado de resolver os seus problemas internos e culturais ?

0062

dos os demais, a finalidade social é marcante e deverá estar sempre presente no espírito do segurador, a conter quaisquer excessos do espírito de lucro.

EDUCAÇÃO

5.1.1. - É favorável ao projeto de lei de Diretrizes e Bases de Educação ? Quais as restrições que faz ?

Resposta - Sou favorável, de um modo geral, ao projeto de lei de Diretrizes e Bases da Educação na forma em que se encontra, isto é, tal como saiu da Câmara dos Deputados, após o exaustivo trabalho das suas Comissões. Acredito que o projeto apresenta pontos positivos, que vão libertar nossa educação dos empecilhos burocráticos e proporcionar-lhe maior rendimento. Um dos pontos positivos do projeto é, por exemplo, a faculdade que confere aos estados de organizar seus sistemas de ensino. Outro é a autonomia das Universidades, e outro ainda o papel que atribui ao Conselho Federal de Educação. Entretanto, lamentàvelmente o legislador omitiu o preceito constitucional da liberdade de cátedra que nunca será demais reiterar. O projeto deixa de explicitar também que a educação deve ser a todos conferida, sem distinção de raça ou classe. Afóra essas restrições, o projeto seria passível de críticas de detalhe, mas confio que na sua tramitação pelo Senado sofrerá transformações que irão melhorar sua redação final.

5.1.2. - Como explica V. Sa. a campanha que tem sido lançada contra o referido projeto sob a alegação de que defende "a mercantilização do ensino" e pretendem, os autores do projeto, "acabar com a escola pública" ?

Resposta - Nada encontro no projeto que justifique a alegação de que pretende acabar com a escola pública. Cabe, entretanto, ampliar a rêde do ensino público primário, rêde tão deficiente em número de estabelecimento, e em número e qualidade de problemas. Ao legislador não compete tais medidas, mas sim distribuir os favores do Estado entre a escola pú

Previdência Social que entregam aos contribuintes, isto é, aos empregadores, aos segurados e ao Estado, em bases paritárias, a direção tanto dos órgãos de contrôle como dos órgãos de administração. E não externei sòmente o meu aplauso. Manifestei igualmente a minha confiança no êxito do futuro sistema. Respondendo, particularmente, à presente pergunta, cabe-me acrescentar que nenhuma fórmula de administração, em si mesma, é essencialmente bôa, nem essencialmente má. A administração depende sempre da qualidade pessoal do administrador, de seu teor de espírito público e sobretudo de um clima de probidade, comum a todo o aparelho administrativo estatal.

O bom exemplo deve vir de cima para baixo, da cúpula para as unidades subordinadas.

O regime atual, de livre escolha dos administradores, revelou-se mau porque, devido às injunções políticas e à falta de bons exemplos, premiou as incapacidades e consagrou a impunidade.

Reafirmo por isso a minha convicção de que deverá trazer excelentes resultados a experiência de fazer participarem da direção dos Institutos, em pé de absoluta igualdade com o Estado, os demais contribuintes da Previdência Social, e espero que os representantes escolhidos pelas classes produtoras e trabalhadoras saibam cumprir sua tarefa com elevação, competência e probidade.

4.5.3. - É a favor do monopólio dos Institutos quanto ao Seguro de Acidentes ?

Resposta - A aprovação da futura Lei Orgânica encerrou a controvérsia sôbre a conveniência, ou não, do monopólio dos Institutos, quanto ao seguro de acidentes do trabalho.

Resta agora confiar em que as emprêsas seguradoras, que triunfaram na campanha contra aquêle monopólio, procurem esmerar-se nos serviços garantidos pelo seguro, a fim de que seu carater competitivo resulte numa assistência cada vez mais eficaz para o trabalhador acidentado.

Trata-se, realmente, de um ramo de seguro em que, sôbre to

incalculáveis desperdícios de verbas e de esforços que atualmente se verificam, trazendo destarte decisiva contribuição para o saneamento da situação financeira, realmente assustadora, das instituições de previdência. Sei que a Câmara, ao votar as emendas do Senado, desacolheu o propósito dessa casa do Congresso, de não ir além dos benefícios que atualmente são prestados. Sei igualmente que para a consecução do novo plano de benefícios, é julgada insuficiente a cobertura financeira prevista na futura lei. Mas, acredito que a participação das classes produtoras e trabalhadoras na supervisão e na administração dos Institutos, desempenhará papel altamente coadjuvante na melhoria das condições financeiras da previdência.

É fato inconteste que o descalabro das finanças acompanha necessàriamente o descalabro administrativo. Um segue os passos do outro. E ninguém por enquanto calculou o quanto concorreram para o assustador desfinanciamento da Previdência Social a inépcia e a prodigalidade dos administradores que nos últimos anos têm passado pelos Institutos, arrogantemente surdos às advertências e protestos dos contribuintes, da imprensa e do povo, porque acobertados, se não prestigiados, pela conivência dos governantes.

Julgo, por isso mesmo que, não obstante a generosidadedo plano de benefícios da futura lei e a inadequação de suas bases atuariais, não de se temer a falência dos Institutos. Uma administração eficiente e honesta, que aplique com rigorosa exação as receitas da previdência, facilitará, sem dúvida o exato equacionamento do problema financeiro e concorrerá valiosamente para a sua solução racional, de modo a afastar todo e qualquer receio de malôgro.

4.5.2. - É a favor de que a direção dos Institutos de Previdência seja entregue aos próprios contribuintes, isto é, aos empregados e empregadores ?

Resposta - Na resposta ao quesito anterior consignei o meu aplauso às disposições já aprovadas do Projeto da Lei Orgânica da

0059

o Projeto, em definitivo, tendo aceito quase uma centena das emendas do Senado. Acha-se, presentemente, a proposição na fase da redação final, esperando-se a sua breve sansão.

Na apreciação das emendas do Senado, a Câmara acolheu quase tôdas as emendas que diziam respeito à organização administrativa da previdência. De acôrdo com os resultados da votação, já publicados, entendo que muito se conseguiu no sentido de afastar da previdência a ruinosa intromissão da política. No regime atual, é a política quem faz os presidentes, os diretores, os sub-diretores, os chefes e sub-chefes dos órgãos previdenciários. Ela, ainda, quem nomeia a seu bel-prazer grande parte do funcionalismo, graças à perpetuação das interinidades e ao desprêzo dos concursos. Assim tomados de assalto, os órgãos de supervisão e administração da previdência social passam a servir primordialmente aos apetites partidários e mui secundàriamente aos interêsses da previdência. Êsse quadro lamentável deverá mudar com a futura lei. O novo Conselho Diretor do Departamento Nacional da Previdência Social e os novos Conselhos e Juntas dos Institutos são colocados em pé de absoluta igualdade com os representantes do Estado, estão munidos de poderes suficientemente amplos, capazes de os situarem acima e aquem das injunções políticas.

Penso que a lei a ser pròximamente sancionada irá inaugurar na Previdência Social, uma fase de renovação, de moralidade, de eficiência, de plenitude realizadora, por isso que aos diretos interessados - empregadores e segurados - será confiada a parcela maior de responsabilidade. Se os representantes classistas estiverem à altura de sua nobilitante tarefa - e não duvido que estarão - , seu exemplo, sua ação, sua vigilância farão com que, em pouco tempo, seja levado de vencida e definitivamente erradicado o descalabro administrativo ora imperante.

Administrações, que a futura lei permite e reclama sejam não só hábeis como enèrgicamente ativas e moralizadoras, encontrarão nela os meios de evitar ou impedir os

0058

P O L Í T I C A S I N D I C A L

4.4.1. - Qual a posição de V. Sa. em face da liberdade sindical ?Qual o papel que reserva aos sindicatos em seu govêrno ? Em que medida deve o govêrno intervir nos sindicatos ?

Resposta - A nossa Constituição muito sàbiamente garante, em seu artigo 159, a liberdade sindical. Assim, não é mais possível , nos dias que correm, pensar-se em têrmos de sindicatos oficiais. No meu govêrno, serão garantidas a liberdade e a autonomia sindicais. Como órgãos técnicos consultivos do Estado colaborarão decisivamente para o acêrto das medidas que forem tomadas nos respectivos setores de atividade.

4.4.2. - Os círculos comerciais e produtores estão alarmados com o projeto de lei que visa dar exclusividade para a carga e descarga, mesmo as de natureza particular, aos sindicatos dos estivadores. Se êste projeto fôr convertido em lei, não representará uma verdadeira ditadura dos estivadores ? O que pensa V. Sa. a êsse respeito ?

Resposta - A questão versa sôbre a organização dos serviços dos portos brasileiros.
Sempre que os projetos de lei confiram condições de eficiência a qualquer setor de atividade, devem êles merecer a mais cuidadosa atenção dos legisladores, para que do seu resultado haja um real benefício para a economia do país.

P R E V I D Ê N C I A S O C I A L

4.5.1. - É favorável ao projeto sôbre previdência social que se encontra no Senado ? Êsse projeto aumenta grandemente os benefícios todos sem a respectiva compensação no aumento das contribuições. O projeto, portanto, não levará fatalmente à falência os Institutos ?

Resposta - O Projeto da Lei Orgânica da Previdência Social, que se encontrava no Senado quando da elaboração do questionário, foi posteriormente aprovado, com numerosas emendas, e restituído à Câmara dos Deputados. Essa casa do Legislativo votou

0057

tripulações o dôbro dos números anotados em outros países. Que pretende fazer V. Sa. para remediar tão alarmante situação ?

Resposta - Nossa legislação trabalhista, sendo uma das mais evoluídas apresenta falhas, que precisam e devem ser corrigidas. O poder legislativo vem se preocupando com a questão.
Tramita pela Câmara Federal um projeto de lei que visa instituir o código nacional do trabalho. Ao lado dêsse aperfeiçoamento da legislação trabalhista deve o poder público adotar uma política salarial que atenda plenamente às necessidades do país, possibilite ao trabalhador uma justa remuneração, vabrize o trabalho atenta a sua utilidade social.
Quanto ao restante, reporto-me ao que expus em outra parte do questionário, a propósito das reivindicações de duas classes de trabalhadores, os marítimos e os portuários.

4.3.2. - O que pensa V. Sa. do atual sistema chamado de "estabilidade" que só funciona para compelir os patrões a despedir os empregados no ano nono de serviço ?

Resposta - Não penso, absolutamente, que o sistema chamado de "Estabilidade" só funcione para compelir patrões a despedir os seus empregados no nono ano de serviço.
Em tôdas as atividades há bons e maus patrões e bons e maus trabalhadores. Há os que se valem da estabilidade para ameaçar ou prejudicar a produção, visando a dupla indenização e, há os patrões que,para não arcarem com o ônus duma indenização dupla, dispensam um trabalhador honesto e capaz, à porta da estabilidade. Esta, de qualquer maneira, é uma conquista do trabalhador brasileiro que não lhe pode ser subtraída.
O Conselho Nacional de Economia, estou informado, estuda êsse conflito.
A criação de um fundo de indenização, instituído pelos órgãos da Previdência Social, talvez lograsse extinguir um antagonismo imputável menos à lei do que a tendências primárias que a educação findará por solver.

0056

Resposta - Sim, porque o texto da Constituição assegura êsse direito a todos.

4.1.5. - Acha compatível com o regime democrático a idéia de greve geral ?

Resposta - Sim, desde que se trate de uma greve deflagrada para a reivindicação de direitos comuns a tôdas as categorias profissionais. Excluo, portanto, a greve geral de cunho político, com o que dou por respondida também a pergunta seguinte.

4.1.6. - Acha V. Sa. admissível a idéia de greve como instrumento político ?

P O L Í T I C A S A L A R I A L

4.2.1. - Os dissídios coletivos, com os consequentes aumentos gerais de salários, nivelam bons e maus trabalhadores. Não lhes parece que isto, além de ser uma gritante injustiça, contribui para o desestímulo dos bons trabalhadores, para a consequente queda de produtividade, para o declínio da qualidade, e de um modo geral para o tão falado sub-desenvolvimento do país ?

Resposta - Os apontados inconvenientes dos dissídios coletivos, nivelando por baixo os bons e os maus trabalhadores, decorrem primacialmente da constante elevação do custo da vida e da inflação. A crescente diminuição do poder aquisitivo do trabalhador enseja os referidos dissídios. Combatendo as causas, isto é, a elevação do custo de vida e a inflação, evita-se o mal.

P O L Í T I C A T R A B A L H I S T A

4.3.1. - Muitos proclamam que um dos mais impressionantes aspectos da situação brasileira é dado pelos disparates salariais produzidos por leis trabalhistas improvidas, e como exemplo citam a legislação marítima, de estiva e capatazia, que dá aos taifeiros salários iguais aos dos professôres universitários, e que estabelece para as

0055

D I R E I T O D E G R E V E

4.1.1. - Acha V. Sa. que o direito de greve, como instrumento de defesa dos assalariados contra os empregadores, é irrestrito e ilimitado ?

Resposta - Não, porque não há nenhum direito absoluto, ilimitado em detrimento do bem comum. O preceito constitucional deve ser regulamentado sem mais demóra.

4.1.2. - Como concilía essa forma de reivindicar com a instituição da Justiça do Trabalho ?

Resposta - Tudo consiste exatamente em conciliar os dois dispositivos constitucionais: o do artigo 158 (Direito de Greve) e o do artigo 123 (Competência da Justiça do Trabalho). O acôrdo operar-se-á pela abreviação dos prazos processoais nos conflitos coletivos de interêsses, fazendo com que todos os litígios desta natureza sejam, de pronto, submetidos à Justiça pelos interessados ou de ofício. O processo de conciliação e a instrução se fariam em curto prazo, por exemplo o de 48 horas. Tenho por preferível o pronunciamento normal da justiça do que o recurso à greve.

4.1.3. - Ainda na hipótese de ser V. Sa. favorável ao mais amplo direito de greve, porque não estendê-lo ao funcionalismo público ? Poderá alguém alegar que as injustiças sejam previlégio das emprêsas privadas ?

Resposta - A natureza jurídica do emprêgo público é diversa do emprêgo privado. Como patrão o Estado coloca-se em nível diferente ao do simples particular. Sua posição, diante do funcionário, é estatutária, unilateral. O contrato de trabalho, ao contrário, apesar das suas numerosas limitações, permanece no campo do direito privado.

4.1.4. - Admite V. Sa. que os empregados de um serviço público como luz, transporte, etc., entrem em greve ?

0054

3.4.3. - Pretende V. Sa. ampliar a atual meta de energia elétrica de forma a que o Brasil todo possa vir a ter a média geral do consumo "per capita" que ora se observa na região Rio-São Paulo ?

Resposta - É claro que tal meta tem um sentido mais simbólico do que real, pois embora seja desejável aumentar ao máximo o consumo "per capita" de energia elétrica, as disparidades geográficas e regionais sempre existirão. O que importa é reduzí-las, e não pensar que é possível eliminá-las.

3.4.4. - Considerando que os cofres públicos estão praticamente exauridos pela drenagem de recursos concedidos como subvenções para a cobertura de déficits dos serviços públicos como estradas de ferro, transportes marítimos, portos, correios e telégrafos, etc., quais as providências que V. Sa. pretende adotar para que os serviços essenciais de energia elétrica mantenham, dentro de limites legais, rentabilidade capaz de assegurar-lhes estabilidade financeira ?

Resposta - Em primeiro lugar não existe, como parece indicar a pergunta, concorrência entre os recursos atribuídos aos setores acima, e os que foram destinados à expansão do potencial gerador, cuja fonte principal é o fundo de eletrificação. A modificação da legislação sôbre a produção e distribuição de energia elétrica e uma utilização racional e econômica dos recursos do fundo de eletrificação permitirão uma captação melhor de recursos para que se atinja êsse objetivo. Sem dúvida, na medida em que, através de melhor administração, se reduzam os déficits dos outros serviços públicos do Estado, disporá o Govêrno de maior capacidade de investimento, que poderá ser aplicada seja em energia elétrica, seja em outros setores básicos. Inexiste, em realidade, no Brasil, o problema de optar exclusivamente pela emprêsa pública ou privada, em matéria de eletricidade. É tão voraz a demanda de energia e tão escassos os recursos de investimentos, que convém manter e incentivar as emprêsas privadas já existentes, ao mesmo tempo que o Govêrno exerce seu papel promocional criando novas emprêsas.

0053

rios defeitos que precisam ser sanados. Entre êles vale notar o insuficiente aparelhamento dos órgãos de contrôle quer de concessão, quer de tarifas; a imprecisão das definições legais de ítens componentes do custo reconhecido na tarifa; a ausência de regulamentação realista dos dispositivos sôbre correção monetária do valor ativo, com vistas a preservar a capacidade própria de investimento das emprêsas de eletricidade públicas e privadas.

Outro problema importante é o do levantamento de recursos para a eletrificação do País, de vez que a inflação erosou gravemente os obtidos através do Fundo Federal de Eletrificação. É grave registrar que mesmo as leis existentes não estão sendo cumpridas: por exemplo, as parcelas do Fundo Federal de Eletrificação representadas por quota, parte do impôsto de consumo e pela taxa de despacho aduaneiro, se bem que arrecadadas pelo Ministério da Fazenda, têm sido retidas para ocorrer ao desequilíbrio financeiro do erário, ao invés de serem empregadas nos investimentos em energia elétrica. O resultado foi que, à mingua de recursos financeiros para atender à inflação de custos, a taxa efetiva média de incremento cumulativo da capacidade instalada não excederá de 8% a.a., no quinquênio 1956/60, quando no quinquênio anterior fôra de 10% a.a.

3.4.2. - Considerando a crescente demanda de energia elétrica para o desenvolvimento das atividades produtoras de todo o país, pretende V.S. assegurar prioridade de recursos para a continuação dos programas de expansão de energia elétrica ?

Resposta - Certamente. Além de restaurarmos um nível de crescimento de pelo menos 10% a.a., na geração de energia, é necessário dar mais atenção ao problema de transmissão e distribuição, que, em conjunto, representam mais de metade do custo da energia consumida. A distribuição dos investimentos nos últimos tempos tem sido desequilibrada, com o resultado de que não raro após a conclusão das usinas geradoras, ficam as mesmas impedidas de entrar em serviço por falta de linhas de transmissão e sistemas de distribuição.

0052

necessidade de financiamento de emergência.
Existe ainda a resolver o problema relacionado com a fabricação local de equipamento em face das dificuldades de importação com que lutamos. Não se trata apenas de aumento de tarifas.
Sòmente um estudo global do problema aliado à análise minuciosa das diversas situações locais fornecerá os elementos indispensáveis para a superação da crise de comunicações que estamos atravessando.

3.3.3. - Não lhe parece que o esquecimento em que ficaram as comunicações nas obras de Brasília exprimem um grave atrazo cultural de nosso povo e de nossos dirigentes ?

Resposta - Inegàvelmente, o que caracteriza um centro civilizado é a disponibilidade de comunicações eficientes e baratas. O episódio evidencia inadequado planejamento.

3.3.4. - Que medidas conta V. Sa. empregar para estimular os serviços de comunicações ?

Resposta - Em resumo seriam: Reorganização do D.C.T. em bases modernas e produtivas e empenho junto às autoridades locais para que a prestação de serviços telefônicos não seja encarada apenas do ponto de vista tarifário, devendo promover-se também a criação de bases realistas para sua expansão.

ENERGIA ELÉTRICA

3.4.1. - Considerando a política do atual govêrno e de seus antecessores, no sentido de aperfeiçoar a legislação sôbre energia elétrica, de molde que não só a iniciativa governamental mas principalmente a privada possam desenvolver o máximo de esforços para dotar o país de sistemas de geração e distribuição de energia, essenciais a um progressivo e estável desenvolvimento industrial, pretende V. Sa. atualizar e aperfeiçoar essa legislação ?

Resposta - A legislação atual, atinente à energia elétrica contém vá

0051

C O M U N I C A Ç Õ E S

3.3.1. - Um país com a extensão do Brasil tem seu desenvolvimento prêso às comunicações. Ora, as comunicações telegráficas são pou - cas e péssimas, com exclusão das linhas exploradas por companhias estrangeiras. As comunicações telefônicas são de boa qualidade,mas poucas por habitante. Diante dêsse estado de coisas a nós parece que o serviço telegráfico funcionaría melhor se fôsse explorado por companhia privada nacional ou estrangeira; e que o serviço telefô - nico só se desenvolverá quando a emprêsa puder cobrar a tarifa ra - zoável, e puder modificar essas tarifas à medida que variar o po - der da moeda. Tem V. Sa. outra idéia para o mesmo objetivo, isto é, para por em funcionamento as comunicações no Brasil ?

Resposta - A maneira pela qual a pergunta foi formulada parece in - dicar que a única solução possível seria transferir o serviço telegráfico interno do Departamento dos Correi - os e Telégrafos para as mãos de emprêsas privadas, onde a produtividade seria maior. No entanto, penso que há uma outra alternativa que é a de habilitar o Departamen to dos Correios e Telégrafos e competir com as emprêsas privadas. Quanto às emprêsas telefônicas, a resposta à pergunta seguinte conterá a minha posição.

3.3.2. - Sabe V. Sa. que as tarifas telefônicas pagas no Rio são cêrca de sete e oito vêzes menores do que as que se cobram nos Es - tados Unidos ? Acha possível, uma emprêsa se manter e se desenvol - ver nesta base ? Acha impossível, para o Govêrno, enfrentar a onda de nacionalismo e demagogias anti-estrangeiras, ou melhor, anti-a - mericanas, para por em funcionamento um serviço decente de comuni - cações ?

Resposta - Realmente, a inflação não poupou as emprêsas de servi - ços públicos. Permanecendo fixas as tarifas e sendo mó - veis e ascendentes os componentes de seu custo, não ha - veria como fugir a uma situação de verdadeira calamida - de.
Daí a precariedade em que se encontram êsses serviços , entravando nosso rítmo de progresso. O atrazo que se ve rificou na expansão dos serviços telefônicos impõe a

3.2.2. - Diante do evidente abandono em que a deixaram sucessivos governos, não seria tempo de entregar a exploração dos serviços da navegação costeira a emprêsas idôneas, capazes de pôr em funcionamento os nossos 7.000 quilometros de litoral, que qualquer país do mundo consideraria uma benção dos Céus, de inestimável valôr econômico ?

Resposta - A política no setor de navegação deverá se voltar principalmente para o estímulo da iniciativa privada, que, nêsse setôr como em outros, se converterá na grande colaboradora do programa de reconstrução e desenvolvimento. As nossas atenções se voltarão desde logo para o exame da situação em que se acham as emprêsas de navegação oficiais, especialmente o Loide e a Costeira, colocando-as em situação administrativa, econômica e financeira capaz de, em colaboração com as emprêsas privadas, assegurar eficientes serviços de cabotagem em nosso vasto litoral.

Procuraremos também disputar uma parcela apreciável dos transportes internacionais, quer através das emprêsas oficiais, quer das emprêsas privadas que o desejem, com o objetivo de levar a nossa bandeira, com a nossa mensagem de paz ao maior número possível de portos do mundo, ao mesmo tempo em que pouparemos ou ganharemos divisas.

3.2.3. - Muitos consideram que a paralização de nossa Marinha Mercante é dos mais clamorosos erros ou crimes cometidos contra a economia, a cultura e a felicidade do povo brasileiro; e muitos ainda acrescentam que o Brasil está esperando que tenha a coragem de enfrentar os tabús nacionalistas e trabalhistas que tolhem a vida de nossos portos. Poderá V.Sa. dizer-nos o que pensa e o que desejaria realizar nesta matéria ?

Resposta - A política geral de navegação examinará tôda a legislação pertinente, para modificar o que constitua óbice e assegurar o necessário à eficiência e ao espírito competitivo que deve possuir êsse setôr da economia, visando ao mesmo tempo as reivindicações justas das duas grandes classes de trabalhadores, marítimos e portuários, e aos superiores interêsses do país.

0049

Resposta - Sempre que possível dever-se-iam substituir os ramais deficitários das estradas de ferro por rodovias. Ao contrário, a estabilidade financeira da Rêde Ferroviária ficaria sempre comprometida.

3.1.4. - Que pensa V.Sa. sôbre o problema de dragagem dos nossos portos e como solucioná-los ?

Resposta - A dragagem inadequada tem sido sério fatôr de encarecimento do transporte, provocando atrasos e avarias, e, em alguns casos, impedindo a utilização de navios de tonelagem mais econômica. Consta-me a encomenda, no exterior, de uma nova frota de dragas, mas isto será de pouco valôr, se não criarmos organização capaz de executar o serviço de dragagem, com a necessária flexibilidade financeira e administrativa. A organização de uma sociedade de economia mista para a execução dêsses serviços seria uma solução a considerar.

N A V E G A Ç Ã O

3.2.1. - Dizem uns que o progresso do Brasil está na "marcha para o Oeste" (da qual a nova capital é um dos frutos). Dizem outros que os primeiros passos de um verdadeiro progresso devem ser dados de modo a evitar que apodreçam no Rio Grande do Sul as mercadorias que faltam no Rio Grande do Norte. Ou reciprocamente. Qual dos dois pontos de vista, inconciliáveis, merece o principal empenho do Govêrno ?

Resposta - Só há que lamentar o estado de abandono a que ficou relegada a Marinha Mercante nos últimos 20 anos, durante os quais um programa de renovação bem orientado teria atendido a nossas necessidades mínimas. Acho que a atualização é indispensável ao programa de integração nacional que meu govêrno empreenderá. Ela não é inconciliável com a "marcha para o Oeste".

Há porém, que coordenar e executar tais planos em época e estensão que as necessidades e as possibilidades do país o aconselhem e permitam.

0048

Sa. dessa ordem de prioridade ?

Resposta - Talvez seja um pouco precipitada a opinião de que nos últimos vinte anos o desenvolvimento dos nossos sistemas de transporte obedeceu à escala de prioridade indicada. O fato de o transporte aéreo se ter desenvolvido num ritmo mais intenso, não surpreende, eis que se trata de um processo novo. Quanto às rodovias, não há dúvida de que elas hoje absorvem uma bôa parcela de transportes que, normalmente, se deveriam destinar à navegação e às ferrovias. Também não parece correto afirmar que as ferrovias tiveram prioridade sôbre a navegação. Ambos os sistemas têm sido bastante abandonados nos quatro últimos lustros. A meu vêr, uma política de transportes não se deve formular em têrmos de prioridade e sim de coordenação. Cada sistema tem o seu papel legítimo a desempenhar não havendo sentido na hipertrofia de alguns e na atrofia de outros. É indispensável, por igual, uma revisão da política de fretes da qual resulte a melhor coordenação dos diversos sistemas. Nêsse particular, um dos absurdos mais flagrantes da situação atual é o regime de fretes discriminatórios das Estradas de Ferro, subsidiando os transportes de matérias primas e procurando gravar artificialmente os transportes de produtos acabados. O resultado é que êstes se escoam pelas rodovias, enquanto as Estradas de Ferro se especializam no deslocamento deficitário de produtos primários.

3.1.2 - Que pensa V.Sa. sob o ponto de vista da prioridade, da estrada Belém-Brasília quando não está siquer pavimentada a estrada Rio-Bahia ?

Resposta - Não se pode, quer do ponto de vista político, quer econômico, afirmar que a estrada Belém-Brasília teria prioridade sôbre a pavimentação da Rio-Bahia.

3.1.3. - Que pensa V.Sa. sôbre o problema dos ramais ferroviários deficitários, quando são êles um dos principais responsáveis pelo déficit de 12.986 bilhões de cruzeiros da Rêde Ferroviária S.A. ?

0047

tado na resposta a ítens anteriores, e nas referentes à política cambial.
Quero, contudo, reafirmar que representa êle, uma grave anomalia de nosso sistema cambial, que precisa ser corrigida no menor lápso de tempo possível.

L E I D O I N Q U I L I N A T O

2.5.1. - Qual a sua opinião sôbre as restrições trazidas pela leido inquilinato com a provocação das pertubações sociais e econômicas que a mesma vem ocasionando, favorecendo desmedidamente a uns e espoliando outros ?

Resposta - A lei do inquilinato surgiu entre nós para regular uma conjuntura difícil durante a última guerra.
Não se tomaram, a devido tempo, as providências indispensáveis para a solução do problema, que todavia perdura.
Para tanto, a meu vêr, além de medidas de ordem geral saneamento de nossa moeda, contenção da inflação, impõem-se estímulo ao mercado imobiliário, tais como financiamentos à casa própria, isenção de imposto de renda aos que construirem moradias de aluguel, etc.
De qualquer forma, a lei do inquilinato permanece em nossa legislação cívil, como um diploma de exceção.
É mister, portanto que cessemos de postergar, indefinidamente, o exame do assunto que tornou feros de questão social, mas que se está convertendo, igualmente numa polvorosa espinha irritativa para vários setores da economia privada.
A solução definitiva só será obtida dentro de certo prazo, indispensável para reconduzir o problema à uma situação de normalidade tranquilidade social.

T R A N S P O R T E S

3.1.1. - A atenção dos governos, no problema de transportes, nos últimos vinte anos, obedeceu à seguinte ordem de prioridades: 1º - aviação; 2º - rodovias; 3º - ferrovias; 4º - navegação. Que pensa V.

0046

os princípios da técnica moderna, por novos cafezais plantados ou por outros produtos, por matérias primas, inclusive reflorestamento, devidamente financiado.
Não haverá, com esta mudança, nenhum prejuízo para os nossos agricultores, que serão assistidos pelo Govêrno.

2.4.2. - Considerando-se que, assegurando o Govêrno Federal determinado preço médio em cruzeiros, suficientemente elevado para ser remunerado o trabalho e o capital do cafeicultor, não haverá interêsse da parte dêste na diversificação da produção, indaga-se: não julga perigosa a acumulação crescente, no país, de excessos invendáveis ? Em caso afirmativo, tem V. Sa. planos para prevenir os inconvenientes resultantes dessa acumulação de estoques invendáveis ?

Resposta - A pergunta está pràticamente respondida no ítem anterior, quando afirmei que o meu govêrno criará os estímulos indispensáveis, inclusive o de subsídios se fôr necessário, para diversificar a nossa produção, bem como tomará as providências para a ampliação do nosso mercado de café.

2.4.3. - Considerando-se que o "quantum" das moedas estrangeiras obtidas por saca na exportação do café é função do preço FOB, o qual, por sua vez, depende essencialmente da intervenção do Govêrno Federal nos centros de produção e de exportação e não resulta ùnicamente do livre jôgo dos fatores de mercado, indaga-se: existe, em verdade, "confisco cambial" quando o exportador entrega ao Banco do Brasil as moedas estrangeiras à taxa de conversão fixada pelo Govêrno Federal assegurar nível de preços para a totalidade de safra colhida, qualquer que seja o seu volume ? Porque deve o Govêrno Federal ser o comprador dos volumosos excessos não absorvidos pelos centros de consumo ?

Resposta - O café, por ser o esteio de nossa economia, deve merecer do govêrno, um tratamento especial.
A defesa do café implica na defesa da nossa estrutura econômica . O meu govêrno dedicará todo o seu esfôrço no sentido de amparar a lavoura e de defender a receita cambial que o café proporciona a todo o país.
O chamado "confisco cambial" já foi suficientemente tra-

0045

eficiência dos investimentos. O planejamento adequado, o corte ao supérfluo, a aplicação rigorosa dos recursos em projetos que proporcionem elevada taxa Produto/Capital na agricultura poderão elevar, de forma considerável, a eficiência dos investimentos já canalizados para o setor agrícola.

C A F É

2.4.1. - Considerando-se que as plantações existentes no Brasil podem fornecer durante muitos anos safras de volume substancialmente maior que as nossas possibilidades de venda aos mercados consumidores: pergunta-se: se eleito, pensa prosseguir na atual política de manutenção de determinado preço médio em cruseiros para a totalidade da safra, qualquer que seja o seu volume ?

Resposta - Não há negar que a formação de grandes estoques de café invendáveis e ainda a perspectiva de volumosas safras constituem um dos mais sérios problemas da economia brasileira. Isto, porque o café continua a ser e será, por muitos anos, a maior fonte de divisas de que dispomos. A superprodução, no entanto, gera males de tôda natureza. Duas providências reputo essenciais para a solução do problema cafeeiro. A primeira diz respeito ao aumento das exportações. A segunda deverá representar um desestímulo às novas plantações de café.

O aumento das exportações deve ser feito principalmente pela abertura de novos mercados tanto europeus como asiáticos. Tenho dito diversas vêzes que sou favorável ao restabelecimento das relações comerciais com todos os países, sem qualquer excessão. Assim, conseguiremos expandir o mercado cafeeiro e também o de outros produtos.

No tocante ao desestímulo de novas plantações, procuraremos alcançá-lo mediante um plano que será convenientemente estudado em conjunto com as diversas associações de produtores. Analisaremos também a substituição de lavouras de baixos níveis de produtividade, de acôrdo com

0044

2.3.4. - Como julga que deve ser planejada a articulação harmônica do desenvolvimento da agricultura e da indústria ?

Resposta - A pergunta está bem colocada desde que elimina a hipótese de conflito entre a expansão dessas duas atividades básicas. Realmente, o ponto fundamental é o adequado planejamento. Não há nenhuma razão para que o desenvolvimento da agricultura venha a prejudicar o da indústria e viceversa. São atividades que se complementam e deve desenvolver-se paralelamente. Como conseguiu, porém, que a inversão de novos capitais na agricultura, de forma a elevar o seu padrão tecnológico, a produção e a produtividade agrícola, se processe sem prejuízo dos investimentos básicos no setor industrial ?

Desejo, antes de expor o meu pensamento a respeito, salientar, que parto do princípio, hoje por todos reconhecido, da existência de um verdadeiro descompasso entre o desenvolvimento industrial e agrícola, entre os padrões de vida nas cidades e nos campos. Êste fato, além de injusto sob o ponto de vista social, encerra, igualmente, aspectos puramente econômicos, não igonorados pelos próprios líderes da indústria. A limitação do mercado interno vem constituindo séria preocupação ao setor industrial brasileiro. Por outro lado, a oferta insuficiente de produtos agrícolas, notadamente gêneros alimentares, traduz-se na aflitiva e angustiante situação do proletariado urbano, com profundos reflexos desfavoráveis no próprio meio empresarial.

É essencial que se encontre meio capaz de elevar os investimentos no setor agro-pecuário sem prejuízo da expansão industrial que deve ser estimulada. Esta fórmula pode ser alcançada, não só pela elevação da taxa global de investimentos do País que, nos últimos anos tem sido relativamente baixa, girando em tôrno de 15%, podendo-se admitir que venha a alcançar 18 ou 20%, e nesse caso aplicar o acréscimo no desenvolvimento agrícola. Além disso, cabe atentar para outro aspecto, também fundamental, e de mais fácil e rápida aplicação. Refiro-me à questão da

0043

zonas de produção com a rêde de transporte e o sistema bancário, a fim de se tornar possível a emissão de "certificados de depósito e transporte" que possibilitassem ao produtor acesso mais fácil e direto ao crédito bancário. O instituto do seguro agrícola precisa ser ampliado e vitalizado, não só para proteger o agricultor das incertezas climáticas, como também para facilitar a expansão dos financiamentos bancários à agricultura, hoje desencorajados pelo excessivo risco.

Sem se chegar necessàriamente à idéia de um Banco Rural , que talvez exigisse investimentos exagerados simplesmente na criação de uma rêde de agências que duplicariam a já existente, é necessário pensar na criação de um organismo de refinanciamento do crédito agrário, dotado de recursos especiais, ao qual poderiam recorrer o Banco do Brasil e os Bancos privados, em caso de perda de liquidez ou risco excessivo, desde que concordassem em ampliar os financiamentos à agricultura, dentro das normas de crédito supervisionado e condições financeiras requeridas para acesso ao refinanciamento.

A criação de um Banco de Crédito Agrícola expandindo os serviços oficiais de crédito ora existentes, e centralizando-os num só organismo, parece-me medida oportuna e urgente. Êsse Banco que teria inclusive as características de um Banco de Desenvolvimento da Agricultura e Pecuária poderia subdividir-se em várias Carteiras: a dos Produtos de Exportação, a de Produtos Alimentares; a do Pequeno Produtor, na qual seriam abrandadas as exigências legais para a obtenção do crédito; a do Crédito Supervisionado, sistema ao qual se alia a assistência técnica e social ao homem do campo. A legislação creditícia seria reformulada de sorte a atender a tôdas as categorias de produtos agrícolas , preservadas as garantias mínimas indispensáveis. O Banco de Crédito Agrícola possuiria ramificações nos Estados e zonas produtoras e sua ação se entrosaria à política global de expansão da economia agro-pecuária, no programa de desenvolvimento econômico do País.

0042

ção, inexiste, em nosso país, um sistema eficiente, com a necessária amplitude, capaz de levar a técnica aos produtores. O Ministério da Agricultura encontra-se desaparelhado para essa tarefa essencial de transmitir aos 2,5 milhões de produtores agrícolas, a técnica moderna. Encaro, pois, o problema sob êsse duplo aspecto: primeiramente, a necessidade de incentivar a pesquisa e experimentação agronômica e zootécnica, o que envolve não só maiores recursos financeiros, como também a formação de pessoal habilitado, devendo-se aumentar e estimular o quadro de agrônomos e veterinários do Ministério da Agricultura. Em segundo lugar, a criação de adequados serviços de assistência técnica e social ao homem do campo.

2.3.3. - Pensa que os agricultores presentemente dispõem de adequada possibilidade de financiamento para estimular o aumento da produção? Em caso negativo, qual o programa de financiamento que pretende instituir e quais as condições ?

Resposta - Não só é reduzido o volume de fundo destinado ao crédito agrícola, como os serviços de crédito oficiais carecem da necessária descentralização, a fim de garantí-lo ao maior número possível de produtores. É necessário salientar, ainda, que o crédito agrícola limita-se pràticamente às grandes lavouras de exportação e matérias primas, aos grandes proprietários e criadores. Êstes têm, evidentemente, necessidade de crédito, mas cabe, também, suprir o pequeno produtor cuja possibilidade de obter financiamento é hoje das mais reduzidas. Observe-se, ainda, que o crédito agrícola é pràticamente inacessível ao agricultor não proprietário pelos obstáculos impostos pela legislação creditícia, deixando à margem em consequência, cêrca de meio milhão de produtores, entre arrendatários e parceiros responsáveis por elevada parcela da produção de subsistência, que poderia ser grandemente incrementada se se usasse o crédito agrícola como instrumento de estímulo à produção.

Várias medidas devem ser tomadas a respeito. É urgente, por exemplo, a melhor articulação do armazenamento nas

0041

Resposta - A situação da agricultura brasileira é, de um modo geral desfavorável. Irregularidade da produção pela extrema dependência aos fatores climáticos em decorrência do baixo padrão tecnológico; oferta reduzida de produtos alimentares; má distribuição do crédito agrícola; deficiente sistema de armazenagem e de transportes; baixa produtividade na agricultura e pecuária.

A falta de um plano global para o desenvolvimento da atividade agro-pecuária foi uma das mais graves lacunas do programa de metas do atual govêrno. É indispensável promover a modernização da agricultura; incrementar a produção de gêneros alimentícios, adotar medidas capazes de elevar a produvidade na atividade agro-pecuária, mecanizando-a, difundindo as modernas práticas agrícolas, não só com o objetivo imediato do aumento da produção como , também, de melhorar os padrões de vida e bem estar das populações rurais que, em sua maioria, ainda não se integrarem no processo de desenvolvimento do país.

Resumo, pois, a resposta, afirmando que a situação da agricultura não é favorável sendo de urgente necessidad e a modificação do panorama atual, o que deve resultar de um plano global de ação conjugado à política de expansão da economia brasileira, a ser adotada no próximo quinquênio.

2.3.2. - Acha que os agricultores estão recebendo suficiente assistência técnica ? Em caso negativo, quais as medidas que pretende adotar para ampliar tal assistência ?

Resposta - Respondo negativamente. No tocante a êsse problema, considero haver dois pontos fundamentais a salientar. Primeiramente, o desenvolvimento da pesquisa e experimentação agrícola, tarefa precípua do Poder Público, tal como ocorre, de um modo geral, em todos os países. No Brasil, os órgãos federais de pesquisa e experimentação, quase todos vinculados ao Ministério da Agricultura, não tem tido o necessário apôio. Faltam-lhes verba, aparelhamento, pessoal e um plano de trabalho entrosado a um esquema geral de modernização agrícola. O segundo ponto é que, além da deficiência dos recursos para a pesquisa e experimenta -

0040

cuidasse das medidas fundamentais que estimulam a produção e elevam o nível econômico e cultural do povo ?

Resposta - O tabelamento de preços já provou ser medida inadequada inclusive porque limita a produção que deve ser estimulada, amparada, protegida de forma a responder pelas necessidades de abastecimento do país, e, porque não, proporcionando possibilidades de exportação de eventuais excessos ? Ao mesmo tempo devem ser criadas condições para o exercício da livre concorrência para que o mecanismo dos preços possa conduzí-los a níveis realistas e accessíveis.

2.2.4. - Nós acreditamos na livre concorrência, nos ajustes de oferta e procura, nas regulações inteligentemente acertadas entre o consumidor e produtor. Os homens do govêrno, dos últimos anos, ao que parece só acreditam em medidas restritivas e em ação policial. Quererá V. Sa., dizer-nos o que pensa a êsse respeito ?

Resposta - Evidentemente que as práticas restritivas à liberdade de produção e de distribuição, e sobretudo a ação policial, só podem impedir o processo natural da produção. Creio que dentro da prática da livre concorrência, encontrarão, consumidores e produtores, os meios adequados de produzir e de se abastecerem sem intervenção do govêrno.

2.2.5. - Depois dos espantosos fracassos da COFAP, achamos que qualquer cidadão brasileiro tem o direito de duvidar que seja ternura pelo povo que mantém de pé tal aparelho. Teria V. Sa., o gôsto ou a coragem de aceitar o cargo de presidente de tal entidade ?

Resposta - Não posso aspirar ao exercício de um cargo, que me proponho extinguir.

AGRICULTURA

2.3.1. - Qual a opinião de V. Sa., a respeito da atual situação da agricultura no Brasil ?

0039

C O N T R Ô L E D E P R E Ç O S

2.2.1. - Dizem uns que os institutos como a COFAP e o conjunto de leis chamado "economia popular" formam um sistema de fundo totalitário, destinado a distrair a atenção do povo das verdadeiras causas da subida de preços. Pretendem outros, ao contrário, que sem êsses órgãos tutelares o povo seria cada vez mais explorado pelos negociantes. A qual das opiniões dá V. Sa., seu assentimento ?

Resposta - Parece-me exagêro dizer que a COFAP é uma impostura de fundo totalitário. Ela é uma grande farsa com pretensões a invalidar a lei da oferta e da procura. É óbvio que nenhum órgão, COFAP ou similar, pode deter a alta dos gêneros alimentícios quando persistem ativamente tôdas as causas e efeitos da inflação. Também não há dúvida de que a COFAP procura distrair a atenção pública das verdadeiras causas da subida dos preços, atribuindo-a à ganância dos comerciantes. Isto não significa, parece curial, que inexistam comerciantes inescrupulosos, merecedores do desfavor público e da atenção da Justiça Penal.

2.2.2. - Negam uns que possa ser favorável ao consumidor uma medida como a COFAP, tão desatenta aos interêsses da produção. Respondem outros que a solução do impasse criado pelo desestímulo da produção se resolverá com a gradativa encampação de tais atividades pelo govêrno. Que pensa V. Sa., dessa questão ?

Resposta - É desnecessário repetir que a COFAP fracassou nos seus intentos de proteger o consumidor. Até hoje a sua única preocupação resumiu-se em impedir o mecanismo do mercado, violando a lei da oferta e da procura, através de tabelamentos artificiais que só alcançavam o último élo da distribuição. Quanto à encampação de tais atividades pelo govêrno, ela foge aos mais elementares princípio s do bom senso.

2.2.3. - Não seria melhor que, em vez de regulamentar preços de ovos, tomates, cebolas e mais de cem mil outros artigos, o govêrno

Quanto ao problema específico dêste ítem, devo esclarecer que é do interêsse nacional o fornecimento de energia elétrica a baixo preço, pois ela servirá de escudo à ampliação do parque industrial, maneira de se obter maior volume de produção, a custos mais reduzidos.
Para a economia da Nação é muito mais importante o crescimento de nossa indústria e o aumento de produção do que a lucratividade no fornecimento de energia.
Esta diretriz torna o investimento no setor de energia, pouco atrativo para as emprêsas privadas. Daí, a minha impressão de que, mais cedo ou mais tarde, o Estado arcará, sòzinho, com os ônus da sua produção.
Todavia, enquanto houver particulares que, dentro da orientação geral, produzam energia elétrica, só os estimularei.
O que fiz em São Paulo, como governador, farei no Brasil, como Presidente.

2.1.7. - Estamos convencidos de que a dilatação das atividades só se faz à custa da ignorância em que o povo é mantido sôbre o custo do serviço prestado ao da mercadoria distribuída pela máquina no Estado. Concorda V. Sa., conosco ou defende o ponto de vista oposto pelo qual estatização é sinônimo de progresso e amadurecimento de um povo ?

2.1.8. - Quais as emprêsas privadas quererá V. Sa., passar para o campo de atividade estatal ? Ou quais, das ditas atividades quererá V. Sa., devolver a iniciativa privada ?

2.1.9. - A intervenção estatal no domínio econômico deve ser, ordinária e normalmente, efetivada por meios indiretos como estimulantes, suplementos, restrinções ou deve ser, normal e ordinàriamente, efetivada por meios indiretos, substituindo-se o Estado ao empreendedor privado ?

Resposta - Nem subscrevo a sua tese, nem me ligo à antítese. A propósito dêste assunto, faço a síntese que deriva das minhas respostas aos demais itens do questionário.

0037

Os esforços que empreenderei, se eleito, para evitar as desastrosas consequências de uma inflação incontrolável, sem dúvida dificultarão sobremaneira a possibilidade de preços exagerados. Os aumentos de produção e de produtividade, pelos quais me baterei incansàvelmente, acrescidos da estabilização que conferirei ao valor da moeda, restabelecerão o equilíbrio no mecanismo dos mercados e os preços sofrerão o reajuste natural decorrente da livre concorrência.

No que diz respeito às emprêsas governamentais, conhecida é a minha luta pela moralização, pela austeridade e pelo combate à corrupção.

Em assim sendo, está implícita a minha resposta à pergunta formulada.

2.1.5. - Noticiaram os jornais que o Partido Socialista da Alemanha reformou seus estatutos, abandonando a estatização sistemática dos meios de produção, e passando a defender a iniciativa privada. Pelo mesmo motivo o Partido Trabalhista Inglês está dividido entre os "ortodoxos" e os que seguem Hugo Gaitskel. Como encara V.Sa., êsses fatos ?

Resposta - Aos partidos e aos políticos de cada país cabe a responsabilidade de apresentarem as soluções que melhor consultem aos interêsses nacionais.

Quanto ao Brasil, já externei meu pensamento sôbre o alcance da iniciativa privada e a intervenção do Estado na ordem econômica.

2.1.6. - Acha V.Sa., que para o Brasil de hoje e do próximo amanhã seria melhor estender o monopólio estatal à energia elétrica a acabar com as Companhias particulares ?

Resposta - Em um país como o nosso, como em todo o país subdesenvolvido, o problema da energia elétrica é dos que mais devem preocupar os responsáveis pelo Govêrno.

Responderei, no momento próprio, às perguntas específicas sôbre o tema "energia elétrica".

0036

2.1.2. - Abstração feita de qualquer valor ético ou político, na opinião de V.Sa., quem contribuirá mais para o desenvolvimento do país: os produtores particulares ajudados pelo govêrno, ou se o govêrno diretamente empenhado em tais atividades ?

Resposta - Esta indagação já foi respondida no ítem anterior.

2.1.3. - Dizem uns que sòmente o Estado, diretamente empreendedor, poderá tirar o país do sub-desenvolvimento. Dizem outros que o Estado que se sobrecarrega das mil e uma funções que normalmente deviam estar distribuidas pelos diversos grupos da sociedade, só poderá funcionar com alguma eficiência tomando feição totalitária e eliminando qualquer veleidade de oposição e de liberdade cívica. Que pensa V.Sa., a êsse respeito ? Acha que vale a pena recurso tão extremo para atingir um alto nível econômico ?

Resposta - Meu pensamento a êste respeito é meridiano. Sou democrata por formação e por convicção. O que penso dos regimes totalitários é do conhecimento geral e a minha vida pública sempre foi pautada por uma rigorosa obediência aos princípios democráticos.
Ademais, a nossa Lei Maior nos outorga direitos e garantias individuais e consagra amplas liberdades, razão pela qual impossível seria cogitar-se de soluções totalitárias.

2.1.4. - Alegam os socialistas e seus simpatizantes que as emprêsas privadas não servem ao povo tão bem como o Estado, porque visam o lucro. Alegamos nós, que o Estado assim considerado em abstrato não existe e que os homens públicos que existem também frequentemente só visam o proveito e o prestígio do cargo. Entre um negociante que força a mão no preço da mercadoria, e um homem público que pendura seus parentes em cargos bem remunerados, qual dos dois, na opinião de V.Sa. lesa mais gravemente o interêsse comum ?

Resposta - A emprêsa econômicamente considerada, pela sua finalidade que é a de produzir ou distribuir riqueza, sempre está a serviço do povo e do país.

0035

I - a dificuldade de se lançarem no mercado ações de Sociedade Anônima;

II - a dificuldade de se constituir um mercado de crédito a médio e longo prazo;

III - a impossibilidade de se constituirem os fundos de depreciação necessários à reposição dos equipamentos;

IV - a dificuldade de acesso dos empresários nacionais a financiamentos estrangeiros, ante a queda do crédito do País no exterior como resultado da inflação e da estagnação de nossas exportações.

LIVRE EMPRÊSA E ESTATIZAÇÃO

2.1.1. - Pretendem uns que o desenvolvimento econômico e cultural do Brasil será conseguido na medida em que se alargar o campo de ação do Estado como produtor, comerciante, administrador de serviços públicos, etc... Pretendem outros, ao contrário, que sòmente a defesa da iniciativa privada, e até o recuo do Estado em muitos domínios já indevidamente ocupados, poderá promover um progresso real, duradouro e compatível com nossa filosofia de vida. Qual das duas tendência prefere V.Sa. ?

Resposta - A resposta a êste ítem já foi dada ao proferir minhas palavras iniciais, quando afirmei que a livre iniciativa representa um postulado fundamental da nossa ordem econômica e social.

Sòmente quando a iniciativa particular se demonstra incapaz, insuficiente ou omissa, ou, ainda, quando sua ação contrariar os interêsses da comunidade, os altos interêsses da Nação ou ainda a Segurança Nacional, é que se justificará a intervenção do Estado no domínio econômico.

É êste o principio adotado em nossa Constituição e eu, se eleito, aplicarei e exigirei a máxima obediência aos preceitos de nossa Carta Magna, pois só assim, defenderei, realmente, os superiores interêsses do povo, ao mesmo tempo que estarei lutando pelo engrandecimento da Nação.

0034

se, um industrial cuja produção seja de valor de 100 e que disponha de um crédito bancário de X, que lhe permita negociar suas duplicatas e obter o numerário indispensável à continuidade dessa produção. Entretanto, se, em razão do aumento da matéria prima e dos salários, sua produção passar a ter um valor de 200, caso seu crédito bancário não seja elevado na mesma proporção, êle ficará impossibilitado de continuar trabalhando no mesmo rítimo. O aumento de crédito de que precisa decorre de má gestão de seus negócios. Origina-se de uma política financeira governamental que, ao mesmo passo, lhe nega os recursos para sobreviver a uma crise por ela mesma gerada. Que acha V.Sa., a êsse respeito ?

Resposta - É evidentemente absurda uma política de austeridade creditícia privada quando o Govêrno se permite a maior orgia financeira. Essa, aliás, uma das formas pela qual a inflação vem, nos últimos anos, sufocando a iniciativa privada. O aumento dos tetos de crédito na proporção das elevações de custos é justa, desde que tais expansões de crédito não excedam êsse limite.

1.4.4. - Levanta-se, nêsse momento, uma grita contra o número de indústrias brasileiras que estão passando para o contrôle de capitais estrangeiros. Como, porém, culpar os homens de emprêsa brasileiros ? Lutando contra a falta de crédito bancário em disparidade com a elevação de preços e, diante de ofertas tentadoras - pois a desvalorização do cruzeiro torna irrisórias, para as moedas fortes, as inversões no Brasil - é obrigado a capitular a passar comodamente a posição de diretor bem remunerado da organização que foi sua, agora livre de problemas financeiros, ao invés de continuar atormentado pelo problema do crédito que lhe é peremptóriamente negado, como nocivo à economia nacional. Que pensa V.Sa., sôbre isso ?

Resposta - Não parece lógico colocar a questão nos têrmos da pergunta. A inflação - que durante algum tempo pode ter iludido as classes produtoras - transformou-se hoje num instrumento de opressão para a economia privada. Isso não decorre apenas da relativa contenção do crédito comercial no presente momento, mas de raízes mais profundas ligadas ao próprio processo inflacionário, quais sejam:

0033

Em consequência, perguntamos: Julga V.Sa., que, pelo fato de ser novamente, lançado na circulação, pelo Banco Oficial, o numerário recolhido compulsòriamente, deixa de ter, êste numerário, o carater inflacionário que lhe atribuem quando é distribuido pela rêde bancária privada ? Julga que isso ocorre quando se sabe que o Banco do Brasil vem elevando suas aplicações no setor das atividades produtivas em escala infinitamente menor do que a do incremento que vêm tendo os recursos que êle fornece ao Tesouro ?

Resposta - Não há nenhum divórcio entre a teoria e a prática no caso dos Recolhimentos à Ordem da Sumoc. Êsses recolhimentos serão desinflacionários quando sejam esterilizados. A circulação dêsses depósitos - emissão de papel moeda disfarçada - é inflacionária. Se supusermos o mesmo volume de papel moeda em giro, a recirculação dos recolhimentos é fator de agravamento da pressão inflacionária, aumentando a relação entre meios de pagamento e papel moeda em circulação (essa relação que era de 2,57 em 1955 passou para 3,24 em 1959).
Não adiantaria, porém, esterilizar êsses depósitos, se, em compensação, se emitisse um adicional equivalente de papel moeda. A inflação deve ser corrigida por suas causas autênticas e não por simples manipulação do sistema de crédito.

1.4.2. - Crê V.Sa., seja justo subtrair aos bancos privados uma parte substancial de seus depósitos, cujos ônus de captação lhes cabem, entregando-a ao Banco do Brasil, sem qualquer compensação, para que êste lhe usufrua os proventos?

Resposta - Quando os recolhimentos ficarem esterilizados, não há cogitar-se de justiça ou injustiça em o Banco do Brasil aplicar tais recursos adicionais em proveito próprio.

1.4.3. - Tem o govêrno como ponto incontroverso que a expansão do crédito bancário é um dos grandes responsáveis pelo atual surto inflacionário e que lhe cumpre evitá-la antes de mais nada. Ocorre, porém, que o aumento do preço das matérias primas e a elevação dos salários vêm onerando tremendamente a produção. Admita-se por hipóte

0032

1.3.4. - Admitindo que V.Sa., seja favorável aos capitais estrangeiros perguntamos: tolerá-los-á apenas como capital financiador ? Admití-los-á como capital empreendedor sujeito aos contrôles de retorno e de remessa de lucros ? Ou recebê-los-á com simpatias e restrições mínimas ?

Resposta - Sou favorável ao capital estrangeiro, já o disse, desde que útil ao País, desde que se acomode às condições em que sua vinda nos aproveita.
Não me impressiono com os rótulos que, porventura, lhe aponham.
O critério para importação de capitais há de ser seletivo, e nosso, pelo menos, enquanto perdurar a atual situação de penúria cambial, de forma a evitar o agravamento de compromissos que não correspondam a atividades necessárias ao nosso desenvolvimento econômico.

POLÍTICA BANCÁRIA

1.4.1. - Os recolhimentos que os bancos fazem, compulsóriamente, à SUMOC (11% sôbre os depósitos a vista e 7% sôbre os depósitos a prazo) destinam-se, teóricamente, a atenuar os efeitos da inflação. Através dessa providência, o Govêrno retiraria da Circulação uma parte do numerário emitido, impedindo, assim, uma expansão mais acentuada do crédito bancário, tido como um dos fatores mais importantes para agravamento da inflação.

Durante certo tempo se verificou, na prática, o que visava a teoria. Os depósitos compulsórios eram recolhidos aos cofres da SUMOC onde permaneciam esterelizados. Depois, êsses depósitos passaram a ser recolhidos no Banco do Brasil que dêles dispõe livremente, como de qualquer depósito. Haja visto que em fevereiro de 1960 êsses depósitos no Banco do Brasil somavam 28.304 bilhões de cruzeiros ao passo que o encaixe daquele Banco era, apenas, de 4.608 bilhões. Verifica-se, portanto, que tais recolhimentos deixaram de ter finalidade primitiva. Passaram a ser, simplesmente, uma forma de o Govêrno obter recursos para o banco oficial de forma ainda mais cômoda do que mediante emissões porque, assim, subtrai-se ao conhecimento da opinião pública a origem dêsses recursos.

0031

Concluindo:

a) o capital estrangeiro não deve ser evitado;

b) o capital é de ser procurado, sempre que dêle necessitemos.

Em ambas as hipóteses, a sua vinda, a remessa do que frutifique e o seu retôrno obedecerão a condições prèviamente estipuladas, sempre em obediência dos superiores interêsses nacionais.

1.3.2. - Como vê V.Sa., no passado recente de nossa história, o papel do capital estrangeiro ? Na maior parte das vêzes terá sido benéfico ? Ou terá sido, ao contrário, maléfico ?

Resposta - Não se pode negar que o capital estrangeiro, nas suas atividades globais, tenha sido benéfico ao País. Se nos demorarmos em alguns casos específicos, encontraremos certamente exemplos de capitais de especulação, nocivos à nossa economia. A observação não invalida, porém, a assertiva de que, em conjunto, o capital estrangeiro tenha sido benéfico para o Brasil. Convém assinalar que semelhante conclusão deriva do confronto entre as ventagens e desvantagens que o capital estrangeiro nos trouxe. Se de um lado colocarmos os efeitos negativos dêste, isto é, o desvio da poupança interna, oriundo de remessa de lucros dos movimentos de retôrno, e se de outra parte situarmos os aumentos de estoque de capital e o consequente incremento de produção da poupança, a balança penderá, creio, na conformidade do que apresentei.

1.3.3. - Qual será a preocupação principal do seu govêrno; a de atrair capitais estrangeiros ou a de filtrar aquêles que se oferecem?

Resposta - Qualquer das posições extremas - atrair indiscriminadamente ou filtrar obstinadamente - fica fora de cogitação. O Govêrno firmará nórmas capazes de carrear o capital estrangeiro, sem prejuizo das ressalvas atrás expressas.

CAPITAL ESTRANGEIRO

1.3.1.- Encara V.Sa., na atual conjuntura, o capital estrangeiro como coisa a ser evitada ? Ou como coisa a ser procurada ?

Resposta - Capital é trabalho acumulado, disponível em dinheiro, que se inverte com o propósito de obter uma remuneração.
É um fatôr de produção que, isoladamente, pouco significa, mas, aliado a outros fatores, como mão de obra e técnica, cria uma atividade nova ou aumenta as existentes.
A êsse acréscimo de atividade que logo se reflete na renda nacional, chamamos progresso ou desenvolvimento.
Se no País existem fatores de produção disponíveis, mas há carência de capital, só com o obtido no estrangeiro é que se faz possível o aproveitamento daquêles fatôres. Os benefícios daí decorrentes parecem-me intuitivos. Ao País interessa a atividade criada por êsses fatôres de produção, pois, uma vez criada, ela se incorpora à economia, como quaisquer outras atividades e, com estas, participa do seu desenvolvimento. Aos investidores estrangeiros importa encontrar no País do investimento, fatôres de produção, mercado, estabilidade normal, rentabilidade e conversibilidade.
Nos dois últimos objetivos do investidor, aqui relacionados, situa-se a reserva que faço à convocação do capital estrangeiro.
Entendo que precisamos fixar limites de rentabilidade e normas de conversibilidade, conforme o caso, para impedir que o capital alienígena se converta em bomba de sucção da economia nacional.
Adiro à justa remuneração e reconheço o direito de retôrno nos têrmos, porém, que a legislação estipule, e que os convênios fixem.
Devemos garantir, claramente, o envestimento e retribuir o benefício que nos proporcione.
Não podemos, contudo, tolerar que lese e exaura a economia da Nação.

0029

nhas convicções expressas, desde quando governei o Estado de São Paulo.
Os cafeicultores, aliás, merecem ser consultados sôbre a conveniência de um deságio especificamente destinado à compra dos excedentes imediatos.
O que o café e o cacau não devem e não podem é continuar alimentando, em prejuízo dos produtores, os orçamentos paralelos e as fantasias econômicas e financeiras da República.
A liquidação gradativa dos estoques acumulados, com o aproveitamento de parte do confisco, fornecerá ao govêrno os recursos para a constituição de um Fundo Especial, quiçá a cargo do I.B.C., o qual forneceria os elementos indispensáveis ao duro período de transição, a transferência as de terras cafeeiras pobres para outras culturas, ao encorajamento de pesquisas e iniciativas para a utilização industrial de sub-produtos do café.

1.2.4.- Parece-lhe que a reforma cambial seja independente da atual política de defesa do café ?

Resposta - A reforma cambial deve harmonizar-se à política cafeeira.
Os princípios fundamentais daquela seriam os seguintes:
a) restauração da verdade cambial, através da equalização das taxas de importação e exportação com a taxa do mercado livre, mantida a atual categoria especial e no caso dos produtos de exportação, preservados os princípios atrás expostos, enquanto, do interêsse geral;
b) eliminação do sistema de leilões da categoria geral de importação;
c) estudo de medidas, talvez subsídios, que atenuem o impacto da supressão do câmbio de custo, sôbre a estrutura dos preços internos.

0028

Resposta - A defesa dos preços do café demanda, antes do mais, uma revisão básica da política de valorização.
Supunha-se que os preços da demanda do café eram inelástico . Cultivava-se a convicção de que quando os preços baixavam o aumento do volume da exportação era insuficiente para conservar a receita cambial anterior.
Na realidade, não é bem isto o que sucede.
Já não desfrutamos posição monopolística no mercado internacional e, é notório, a demanda para um produtor só, torna-se mais elástica do que para o conjunto dos produtores.
Ademais, em diversos países, nomeadamente os da Europa Ocidental, a queda de preços tem provocado um rápido incremento do consumo, o que significa elevação de receita cambial para o exportador.
Nem devemos, por outro lado, esquecer o que nos custou a política de valorização. Será pouco hábil que continuemos a empilhar estoques encalhados de café, para que as estatísticas não assinalem uma queda nas relações de troca.
Destarte, sou decididamente favorável a uma agressiva política de vendas, respeitados os limites impostos por convênios internacionais. Está claro, no entanto, que precisamos reenvidicar uma elevação das cotas que nos foram atribuídas.

1.2.3. - Considera exequível a eliminação imediata do chamado "confisco cambial", concedendo-se ao dólar proveniente das vendas de café e do cacau o mesmo valor de compra já atribuído aos demais produtos de exportação ?

Resposta - O desequilíbrio existente entre a oferta e a procura do café, carece de tempo para ser eliminado.
Considero porém exequível e necessária a eliminação do confisco cambial. Não a promoverei abruptamente, tornando caótica uma situação tão artificiosamente enrendada. pelo govêrno. Agirei com a cautela indispensável ao administrador, mas com a determinação imposta pelas mi-

0027

produtivos, aperfeiçoando a arrecadação, corrigindo os "déficits" das emprêsas públicas; na medida em que o faça precisará interferir menos na distribuição de crédito às atividades produtivas;

2. -um intenso esfôrço de aumento de produtividade é fundamental para a cura rápida da inflação; a composição dos investimentos públicos devo ser melhorada, eliminando-se os de execução demasiado lenta e de restrita significação econômica; outra medida essencial está na reorganização dos investimentos em prol da agricultura, da melhoria dos transportes, da distribuição dos alimentos;

3.- a política orçamentária e a creditícia não podem descoordenar-se da de salário, desdenhando a produtividade do trabalhador; traduzindo-se a política salarial em melhoria do poder aquisitivo e não em incrementos nominais, logo anulados pela alta de preços.

C Â M B I O

1.2.1. - Será V. S. favorável à manutenção de atual sistema de câmbio, pelo qual as moedas estrangeiras obtidas com a exportação de café e outros produtos são vendidas ao Govêrno em taxas e por êle mesmo fixadas; ou é favorável a uma reforma em que as divisas sejam vendidas no mercado da taxa livre ?

Resposta - Sou, em princípio, favorável à unificação das taxas cambiais de importação e exportação. Ressalve-se, porém, que a equalização das taxas não se improvisa, sem riscos imensos. Cuido de esquematizar aquêle nivelamento, atingindo-o por etapas.

1.2.2. - Se é favorável à reforma cambial, que medidas tomaria na ausência de recursos para a compra de café, que hoje provém dos ágios a fim de evitar que os preços internos baixem, eliminando assim a vantagem acenada aos lavradores, e ao mesmo tempo reduzindo, com a consequente baixa dos preços externos, a renda do país em divisas ?

0026

que a receita agrária ascenda num rítmo mais lento do que o dos seus custos. Sofrem os serviços públicos - energia, transportes, comunicações - impedidos de reajustar ràpidamente as suas tarifas, com o consequente desencorajamento de investimentos, em setores vitais. Sofrem, inclusive, as indústrias de base que demandam largos períodos de construção e montagem, durante os quais os custos se alteiam e os riscos se agravam.

Por fim, o desassocego social leva a greves e interrupções da produção, reduzindo-se, automàticamente, a produtividade econômica.

De resto, hoje, no Brasil, temos menos uma inflação de investimentos do que uma simples inflação de custos.

Nestas condições, para promover o desenvolvimento é mister lograr ràpidamente um gráu razoável de estabilidade de preços.

O lema "Ordem e Progresso", da nossa bandeira, não é apenas normativo. É também profético. Porque a desordem criada pela situação ameaça interromper o progresso do país!

1.1.2.a - Caso pretende combater a inflação, que medidas concretas a adotar ?

1.1.2.b - Caso contrário, gostaríamos de V.S., nos explicasse o mecanismo pelo qual a inflação e a crescente emissão de papel moeda, não controlada pelo Congresso, podem promover o progresso econômico e até melhorar a atmosfera moral do Brasil.

Resposta - A inflação prolongada distorceu e viciou os investimentos que se efetuam no Brasil. Corrigir tais êrros demanda prudência e firmeza. Cabe recorrer às medidas tradicionais de disciplinamento do crédito e de saneamento orçamentário, evitando-se que a expansão dos meios de paga excedam o incremento da produção realizada.

Para estabilizar a moeda, ater-me-ei às seguintes normas:

1. - o combate à inflação não deve revestir-se, predominantemente da forma de restrição do crédito bancário privado, como resultado da incapacidade governamental de controlar as próprias despesas. Cabe ao govêrno disciplinar-se primeiro, cortando gastos im

0025

inevitáveis sacrifícios em vista da futura grandeza do Brasil.

Resposta - Não detenho títulos que me habilitem a doutrinar sôbre o grave assunto que se obriga no item nº 1 do temário.
Não acredito, entretanto, que a inflação contribua para a harmonia social, preserve os costumes, proteja a poupança dos indivíduos e beneficie a riqueza comum.
Os que porventura adotam opinião contrária, solveriam todos os problemas humanos mediante a simples aquisição de máquina impressora de papel moeda!
No nosso caso concreto, o brasileiro, parece manifestamente superada a fase em que fôra lícito cuidar-se de uma contribuição positiva da inflação para o nosso bem estar, presente ou futuro.
No que tange ao Brasil, tornou-se evidentemente necessário combater com a maior urgência o surto inflacionário que o asfixia e destrói.
Há quem sustente que uma inflação curta e moderada é capaz de auxiliar o desenvolvimento econômico. Também não falta quem proclame as excelências de uma ligeira embriaguês. Todavia, a nossa inflação revela-se estensa e imoderada. Concebida como mecanismo desenvolvimentista ela se me afigura cruel e ineficiente. Baseia-se na espoliação dos grupos de renda fixa, cujo consumo real seria sacrificado, a fim de se transferirem recursos para os empresários, sob a forma de lucros, ou para o atendimento de obras do govêrno, o qual, incapaz de se disciplinar, cobra, por via dela, além dos tributos legais, a contribuição ilegal representada pelas emissões. Assim, o que é subtraído de alguns, da maior parte, passa a financiar os investimentos de outros. Ao cabo de certo tempo, contudo, os espoliados aprendem a se defender. A chamada poupança compulsória é anulada por uma redução da poupança voluntária.
De outra parte, a inflação é ineficiente porque desencadeia a composição dos investimentos.
Exemplifiquemos.
Sofre, com ela, a agricultura na medida em que o contrôle de preços, o confisco cambial, ou ambos, determinam

0024

ciam - ai de nós! - dos generosos temas acadêmicos, tão fáceis de equacionar e deduzir.

Antes, porém, que verse o âmago dos problemas propostos, permitam-me algumas palavras de explicação preliminar.

Dentro do regime democrático em que vivemos e cuja excelência proclamamos, a livre iniciativa se insere não como uma concessão ou transigência do Estado, mas sim como um princípio básico da nossa ordem econômica e social.

Liberdade de pensamento, liberdade de credo e livre iniciativa congregam-se, completam-se num todo que se traduz por liberdade humana.

Não há suprimir a livre iniciativa, sem mutilar o homem na sua engonhosidade, nas constantes irremovíveis de seu espírito.

Não existe democracia, sob ditadura econômica.

Por igual inexiste regime democrático, se ao homem lhe cerceiam o direito de pensar, a liberdade de crer e a capacidade de agir.

O que cumpre é disciplinar o livre empreendimento, impedindo-o de ferir ou de se contrapor aos superiores interêsses da comunidade.

Esta linha divisória, a Constituição delineou-a em seu título V, jungindo a livre iniciativa aos princípios da justiça social.

Isto posto, passemos ao questionário.

INFLAÇÃO

1.1.1. - Pretendem uns que a inflação seja intrinsecamente má, pertubadora da harmonia social, geradora da corrupção de costumes, destruidora da poupança individual e nociva à riqueza nacional, chegando êsses a dizer que a moeda forte é um dos direitos do homem.

Pretendem outros, ao contrário, que a inflação seja apenas a consequência inevitável de uma crise de crescimento de um povo que empreende a tarefa de seu desenvolvimento, chegando êsses a dizer que os iludidos sofrimentos do povo devem ser tomados como

0023

CONSELHO SUPERIOR DAS CLASSES PRODUTORAS

RUA MÉXICO 90, GRUPO 610, RIO DE JANEIRO, E. G.

I N T R O D U Ç Ã O

Meus senhores,

Convocado para êste encontro com os homens da livre emprêsa, entendí que não devia recusá-lo, muito embora as solicitações e as canseiras da campanha não me tenham concedido os vagares indispensáveis a um exame mais profundo do extenso questionário que me foi remetido.

Benza-os Deus, meus senhores, pela magna amplitude das questões com que distinguiram o candidato.

Da elite que me acolhe, espero que a benevolência iguale o justo interêsse pela coisa pública, revelado em indagações de tanta monta econômica, financeira, social e político administrativa.

Relevem-me os que me ouvem as inevitáveis imperfeições das respostas. São teses de candidato. E o homem do govêrno, digo-o francamente, talvez esbarre na necessidade, imposta por incontornáveis situações de fato, de rever ou retardar a execução de suas idéias, as mais caras.

Explico-me.

Em primeiro lugar, não se governa sòzinho. Se lograr o mandato que pleiteio, hei de valer-me sempre, máximemas conjunturas relevantes, das luzes e da colaboração dos cidadãos de notável idoneidade e saber que não faltam a esta República.

Ao depois, é óbvio que as imposições da continuidade administrativa compelem o Presidente a não traumatizar o organismo da Nação com a cirurgia perigosa dos esquemas rígidos e drásticos.

As tarefas de govêrno invariàvelmente nos distan-

0022

Enclosure 2
Despatch 261
Rio de Janeiro

CONSELHO SUPERIOR DAS CLASSES PRODUTORAS

ARA Divulgação Proibida

QUESTIONÁRIO APRESENTADO PELO

CONSELHO SUPERIOR DAS CLASSES PRODUTORAS

C O N C L A P

R E S P O S T A S D O

D E P U T A D O J Â N I O Q U A D R O S

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0021

Brilhante Comemoração do Dia da Constituição

EM COMEMORAÇÃO ao 14º aniversário da Constituição Brasileira, realizou-se, ontem, à tarde, na Lagoa Rodrigo de Freitas, um grandioso desfile estudantil, ao qual também estiveram presentes diversas corporações militares, representadas por suas bandas marciais. A festa, que foi marco inicial da Campanha Permanente de Educação Cívica, que visa este ano, promovida outras solenidades com o intuito de cultivar na mocidade brasileira o verdadeiro sentido de amar a Pátria e o culto a suas tradições e instituições.

O Desfile

As 18 horas, já presentes no palanque oficial o Ministro da Educação, Sr. Pedro Paulo Penido, o Secretário da Educação, Sr. Celso Cunha, o Sr. Zózimo Muhlmann, presidente da Federação das Indústrias do Estado da Guanabara, além de outras autoridades, iniciou-se o desfile propriamente dito. O primeiro estabelecimento secundário a apresentar-se foi o Ginásio Teljeri Monteiro, da Companhia Nacional de Estabelecimentos Gerais. Mais outros, ainda da C.N.E.G. que compareceu com todos os seus colégios, desfilaram na seguinte ordem: Ginásio Cecília Meireles, Ginásio Ivaí, Ginásio Tiradentes, Ginásio Pasmado, Ginásio José do Patrocínio, Ginásio Coronel Nunes do Canto, Ginásio Jacarepaguá, Ginásio do Comércio e os Ginásios Gerais: Mário Quintana, Instituto Nossa Senhora do Rosário, Instituto Nacional de Educação de Surdos-Mudos, Instituto Nacional de Surdos, Ginásio Laranjeiras e mais 400 alunos de vários cursos de aperfeiçoamento técnico e comercial, mantidos pelo SENAI e SENAC.



A cerimônia do hasteamento da bandeira, na festa de ontem na Lagoa

Escoteiros

Um numeroso grupo de escoteiros, representando as mais importantes tropas da Vila Isabel, compareceu à solenidade. Como sempre, os discípulos de Baden Powell foram um ponto alto do desfile, prestando valiosos serviços sempre que se apresentava a oportunidade. Também algumas bandeirantes constituíram atração.

Outras Atrações

O povo aplaudiu as bandas de música de oito corporações militares: Corpo de Bombeiros, Polícia Militar, Escola de Aprendizes, Aviação Naval, Regimento de Cavalaria de Guarda, Banda de Música da Base Aérea do Santa Cruz e da Base Aérea do Galeão. Outras atrações despertaram o interesse do nosso popular: o Corpo de Bombeiros de Alunos do Instituto Nacional de Surdos e o marcante do Ginásio José de Patrocínio, o clarinho amadorista "Dingue", além da garotada de fogos de artifício que durou mais de dez minutos.

Entrega de Bandeiras

O Sr. Pedro Paulo Penido fêz a entrega de bandeiras distribuída a todos os colégios presentes. E, em seu discurso, disse: "A campanha cívica à qual nos programamos, nas inicio mesmo sôbre uma data e seu caráter permanente. O culto da Pátria, o respeito à Constituição e o civismo, hoje têm a expressão nova na imponente transformação do cenário nacional e na grandeza das conquistas que o homem brasileiro está realizando, na criação de um desfecho vitorioso. Traçase da mais poderosa arma: a potência popular. De uma consciência do povo que, dominando e conhecendo, passa a agir e a criar. E um brado de otimismo brasileiro que mede (a passado um repercussão e assume um compromisso com o futuro. Num momento como este, de exaltação cívica, anseiamos uma ordem que se projete no Governo, nessa convocação ao patriotismo dos brasileiros. A glória do Brasil espera o seu grande povo".

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Para que a cidade melhore

Chegou da Europa a Nossa Menina Pianista-Revelação

O Júri Escocacou-se de Regulamento e Aplaudiu-a Entusiàsticamente — Voltará em Breve ao Velho Mundo, e Convite, Para Apresentações Nos Principais Capitais Européias

DESEMBARCOU, ontem, no Galeão, procedente de Lisboa, a menina Rosana Maria Martins, pianista de 12 anos que em Berlim, concorrendo com oito candidatos de sua classe (menos de 13 anos), obteve o primeiro lugar no Concurso Internacional das Juventudes Musicais. A jovem-revelação viajou em companhia dos pais, o Coronel Paulo Martins e Sra. Vanda Martins, em cuja presença, recebeu o regozijo que trouxe consigo aos parentes, amigos, mestres e colegas da Escola Duque de Caxias, que a foram receber em bravo, atendendo a convites, apresentar-se-á as plateias da Áustria, Suiça, Bélgica, Alemanha, França e Portugal.

Aplausos Entusiásticos

Vencedora do Concurso Musical da Juventude Musical Brasileira, Rosana Maria partiu para Berlim Ocidental. Ali, tocou páginas de Bach, Debussy e Schumann, tocando o primeiro lugar na competição, após merecer entusiásticos aplausos que puseram-na em pé em, emocionados com a atuação da menina, prestigiam ignorar os regulamentos e aclamá-la freneticamente. No mesmo dia foi exercício por um representante da Telefunken para gravar um concerto de Beethoven, numa face, e de um recital, no outro. A menina, porém, não pôde atender logo ao convite, porque o Sr. Iberê Nicolau, diretor da Juventude Musical Internacional, a convidara em Paris, onde gravou na Radio Difusão Televisão Francesa, todos na Rádio do Brasil, e no EXPRESSO para o corpo diplomático e ortum. Em Lisboa, última cidade que visitou, fazia parte o radio e a imprensa, recebendo convites para inúmeras outras exibições.

Voltará

Em janeiro, deverá voltar a Portugal, onde, no Teatro São Carlos, dirá dois recitais, um dêles com orquestra. O jornal berlinense "Der Kurrier" assim se manifestou a seu respeito: "Parece-nos incrível como esta menina de idade tão tenra e tão acima de sua idade sabe executar os "Papillons" de Schumann, num equilíbrio milagroso, apenas comparável àqueles em cenas que recebeu, em poucos dias, uma orientação especial, quanto a Schumann, de parte do Prof. Puchelli". A "Journée" de Rosana deverá durar 3 meses.



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O GLOBO ☆ 19-9-60 ☆ Página 6

JÂNIO QUADROS PROCLAMA AS SUAS DIRETRIZES DE GOVÊRNO

RECIFE, 18 (Especial para O GLOBO) — O grandioso comício do Sr. Jânio Quadros, nesta capital, teve uma característica que empolgou os pernambucanos: a apresentação das diretrizes gerais e dos pontos básicos da plataforma de govêrno do candidato oposicionista. A escolha de Recife para o lançamento dêsse documento da maior importância no momento político nacional destaca o apôrço que o Sr. Jânio Quadros tem pelo Nordeste. E o seguinte o texto completo das "Diretrizes de Govêrno" com que o Sr. Jânio Quadros se apresenta perante a opinião brasileira:

DIÁLOGO COM AS POPULAÇÕES

CANDIDATO à Presidência da República, não sou mero postulante de votos no encalço do favor eleitoral. Procurei sempre, nesta campanha e no longo da minha carreira política, o diálogo direto com as populações. Detendo os quadros partidários, porque na competência dêles e de seus programas e que se estruturou e se assentou a democracia. Não me seduzem, porém, as contabilizações de cúpula, nas quais, por certo, os interêsses de grupos se sobrepõem à vontade da maioria. Perfiro as ruas e as praças públicas, no exercício legítimo do regime democrático, em que todos se igualam na busca do ideal comum de progresso e cultura, interpreta da vontade de um povo que combate a grandeza das possibilidades nacionais, ser-me-á cerrado, uma vez eleito, o encargo de mobilizar todos os recursos intelectuais e materiais, a fim de apressar o advento de uma realidade cada vez mais consentânea do progresso exulta e se define dia a dia, na consciência e na emoção de cada um.

Não há opção nacional entre desenvolvimento e estagnação. A luta pelo crescimento é a aspiração primeira do povo Govêrno.

PRIMAZIA DA SAÚDE E EDUCAÇÃO

NÃO pode haver, contudo, programa de desenvolvimento econômico sem que se cogite, em fórmula realística, da valorização do homem que compõe os poderosos podêres e sobretudo do País. Estamos-se-me no espírito e convicção de que não é mais imperiosa e urgente de que iniciar a luta pela redenção de nossos irmãos que, no campo ou na cidade, trabalham em condições econômicas e de salubridade incompatíveis com o mínimo de conforto a que a espécie humana tem direito.

A saúde e educação do povo exigem sagrada primazia na aplicação de nossos recursos.

A insalubridade e as endemias, a fome e o analfabetismo devem ser vazidos, de vez de todo o território brasileiro.

A responsabilidade que nos cabe, do govêrno e povo-nenhum do território pátrio, impõe como preliminar de nova política de comunicação e integração o estabelecimento imediato de condições de sobrevivência para o elemento nacional, a redenção de uma abissima de mortalidade infantil e o elevação do nível de vida dos brasileiros.

Só um povo físico e espiritualmente forte é capaz de assimilar outras culturas e prevalecer-se contra ideologias incompatíveis com as componentes históricas da sua formação. Pátria que é um conglomerado humano, menos um acompanhamento geográfico, é uma convivência a fraterna, perene e soberana. A recessão de afirmadores que não se desmentem pois se constituem. E um processo que se entre nas raízes da tradição, para projetar-se no tempo. Assim, o indivíduo, a quem tudo se nega, deve transformar-se em cidadão na plenitude de seus direitos.

INTEGRAÇÃO NACIONAL

NÃO temos o vulto enorme do conquistamento que simbolize se complementará com a mobilização geral dos recursos ancedenda pela vontade unânime dos brasileiros de encontrar a nossa predestinação, aquela predominante que compete à maior nação latina do mundo contemporâneo. Vem nos instruindo, unica nos encoraja, a extensão continental do Brasil, que nos cumpre inserar na expressão de sua grandeza.

Integração nacional diz respeito não só à fixação dos diversos centros populacionais entre si, com o ajuste e ampliação de seu complexo de sul desenvolvimento, mas também ao melhor aproveitamento de território, pela levantamento científico não mais reservas e o aproveitamento racional das suas riquezas.

A natureza nos foi pródiga em metais e minérios valiosos. Demanda, porem, enorme esforço levantamento, em curto prazo, tais reservas em instrumentos de progresso. Desde a remessa que o trator, as chapas, os trilhos, as drogas e as locomotivas. O Brasil está tergente a primeira-lei, criando vias e meios que dêem a perspectiva se apresente, na industria, na agricultura, no armazenação.

Cruzará os seus industrios e não se encara a nenhum acréscimo para estrito de subsolo quantidades sempre mais relevantes de petróleo, mediante a identificação e prospecção de áreas ainda em outro negro.

Não podemos relegar ao abandono os inconvenientes custos de seria que serpenteiam pela superfície do País, estradas quase ou aparentemente abertas, e produtos, sobretudo, de inestimável potência industrial. Caberemos de energia, técnica ou mormes, provida por vastos recursos em mananes, que animem as nossas fábricas, levem conforto às cidades, mas determinem, contemporâneamente, o desencantamento de zona rural.

Tudo se faria, abrindo as portas do nordeste para o mundo, sem distinção de credo político ou ideológico e aplicando a todos dos mesmos recursos, dentro de um critério honesto, para que na luta pelo desenvolvimento não se processem das gerações presentes os benefícios que a ciência e a técnica vem conquistando.

LIVRE INICIATIVA, PRINCÍPIO BÁSICO

NUM plano de govêrno, por mais detalhado que seja, não há lugar para as especificações de ordem prática, indispensáveis aos esquemas administrativos. As parcelas compõem o total; representam-se não. Tabelas, valores específicos, embora programas, não perdem a categoria de premissas dos quais o plano de govêrno é a conclusão amplo.

Não pretendo, por isto, estipular aqui, em detrimento das demais, algumas categorias de prioridades. Por igual, não quero correr com a distribuição de serviços, com o atendimento de reivindicações.

Os compromissos que tomai, nos diversas regiões do País, confrangido pelo espetáculo de omissões imperdoáveis, de erros inconstrutíveis, e até de crimes cometidos contra o povo e contra a economia nacional, nunca os esquecerei.

Devem observar a impossibilidade de coexistência entre a propriedade privada, a pobreza e a democracia. Os que nada possuem, os que não têm acesso a mais elementares utilidades, facilmente se deixam embair pela ilusão de que lhe uma permuta possível entre a liberdade e o conflito.

A fome, em verdade, é a grande calde de cultura dos regimes distorcidos. É imperativo que dele, e dos seus corolários de medo e insegurança, paupemos os indivíduos e as provincias do Brasil.

Não faz muito, afirmei que dentro dos quadros democráticos eu que vivemos, e cuja excelência proclamamos, a livre iniciativa só tinha, nas zonas em que transplantada do Estado, mas, sim, como um princípio básico de nossa ordem econômica e social. Liberdade de pensamento, liberdade de credo e livre iniciativa congregam-se, completam-se num todo, que se traduz por liberdade humana. Não há suprimir a livre iniciativa, sem suprimir o homem, na sua engenhosidade, nas constantes irrenováveis do seu espírito. Não existe, regime democrata sob dilatura econômica. Inexiste, por igual, Pégime démocratico, se ao Homem lhe são cerceados o direito de prever, a liberdade de criar e a capacidade de agir. De maneira idêntica, não há calar de um sistema de liberdades, se a miséria rói as entranhas de materia que trabalha, enquanto poucos se locupletam, ociosos e inúteis. O que cumpre é disciplinar a livre empreendimento, impedindo-o de ferir ou de se confrapar aos superiores interêsses da comunidade. Esta tem dividade, a Constituição defende-a em seu título V, jungindo a livre iniciativa aos princípios da justiça social. Anteciparão-se e como que integrando-a Teste Segal, Laski escreveram "...a meste humana rebelava-se com a idéia de defender a posse de propriedade, sem que se tenham em conta os fins a que o poder se destina".

As diretrizes gerais do govêrno, que passo a enunciar agora, encerram uma programação global, a ser oportunamente pormenorizada em programas específicos que nos permitam atingir o objetivo de acelerar o desenvolvimento do País, com as grandes desequilíbrias reveladas pelo atual conjuntura nacional.

VALORIZAÇÃO DO HOMEM

TODO brasileiro tem direito indeclinável à saúde, à educação e ao bem-estar. Assim, o que pretendemos autoutilizar, dentro, coopera, analfabeto, marginal do progresso. É um dever do Estado e de tôda a coletividade. Ao Govêrno, pois, que impere sente a Nação, incumbe assistí-la nas diversas áreas e dar-lhes condição de existência condigna. Para tanto, e nesse propósito pretendemos:

SAÚDE

1 — Enriquecimento da nossa cultura alicerçar pela ação-vão das diversas regiões do com prazo, compatível com uma dieta adequada às suas populações.

2 — Campanha intensiva contra a desnutrição infantil em todas as regiões do País.

3 — Combate sistemático às endemias que assolam vastas áreas demográficas do território nacional.

4 — Criação de uma rêde de hospitais e ambulatórios das casas de saúde mantenedor, para prenta assistência ao homem em sua própria comunidade.

5 — Implantação de serviços de abastecimento de água e de rêde de esgotos nos municípios do interior.

6 — Elaboração dos serviços de assistência médica ao trabalhador rural.

7 — Expansão e reorganização dos serviços assistenciais a cargo dos institutos autarquicos e utilização de entidades privadas para o apoio fim.

EDUCAÇÃO

1 — Aumento da cota destinada à educação nos orçamentos da União.

2 — Campanha contra o analfabetismo para erradicá-lo do território nacional.

3 — Assinalamento do ensino nos diversos graus, dando-se relevo à orientação vocacional para a perfeita formação intelectual do estudante.

4 — Prestigio e encarecimento ao ensino privado, como atividade complementar à dos Governos.

5 — Incentivo às pesquisas científicas em todos os setores do conhecimento.

6 — Reorientação e difusão do ensino técnico, para suprir de mão-de-obra especializada a metalurgia, a indústria, o comércio e a agricultura nacional, com apoio à cooperação da iniciativa particular, bem como das entidades privadas criadas para tal fim.

7 — Difusão do ensino superior, mediante a sua interiorização, dando-se especial relêvo à Física, à Química, à Engenharia, à Agronomia, à Medicina e à Veterinária.

8 — Criação do Fundo de Livro Escolar, junto aos estabelecimentos de ensino, para atender aos estudantes.

9 — Fomento à criação de bibliotecas públicas e bancos de estudo.

LEGISLAÇÃO SOCIAL

1 — Extensão das leis sociais e todos os trabalhadores, incluindo os rurais, atendendo-se às peculiaridades de cada setor de trabalho.

2 — Elaboração do Código Nacional do Trabalho, refundindo e atualizando a legislação trabalhista, com especial atendimento ao espírito de justiça social, para colher, sempre e valorização do trabalhador nacional.

3 — Fortalecimento dos mecanismos para que, diante de injunções políticas, fiquem os responsáveis diretos e interesses integrados mais poderosos não constituam das forças de produção.

4 — Reajustamento do direito de greve.

5 — Adoção de uma nova política salarial que proporcione justa remuneração, valorize o trabalho e atenda a sua utilidade social.

a) garantindo ao trabalhador o recebimento proporcional do crescimento do produto interno bruto, a fim de que êle se beneficie integralmente do fruto do desenvolvimento nacional; b) — assegurando ao trabalhador de salário-mínimo, dentro de uma política de estabilização monetária, reajustamentos proporcionais à elevação do custo de vida, para que êste seu direito elementar não se torne ilusório; c) — assegurando a participação dos trabalhadores qualificados, e as classes médias em geral, nas vantagens que lhes advierem do desenvolvimento econômico nacional, para subtrai-los ao empobrecimento de que vêm sendo vítimas.

POLITICA NACIONAL DE DESENVOLVIMENTO ECONÔMICO

1 — Intensificar o dinamismo da nossa economia com o objetivo de, no menor espaço de tempo, superar o atraso econômico do País.

2 — Proporcionar ao povo brasileiro nível de conforto compatível com as existências nas nações economicamente fortes e liberar o País da condição de «economia reflexa», cuja dinamismo depende exclusivamente de fatores situados fora de nossas fronteiras; e — atender à responsabilidade internacional que nos cabe, como a maior país latino com pela amplitude de seu mercado e abundância dos seus recursos naturais apresentar melhores condições para liderar a luta pelo desenvolvimento.

3 — Promover, como base de uma Política Nacional de Desenvolvimento, a consecução dos seguintes objetivos:

a — taxa de formação interna de capital capaz de proporcionar um ritmo satisfatório de desenvolvimento; b — ampliação da nossa parte de exportação, quantitativa e qualitativamente, para ocorrer às necessidades de divisas oriundas de um elevado ritmo de desenvolvimento.

3 — Estabelecer Programa Geral de Desenvolvimento com o objetivo de:

a — integrar os planos setoriais, tornando-os compatíveis entre si e mutuamente complementares; b — promover a formulação racional e integração de uma política social, de estabilização monetária, de equilíbrio do balanço de pagamentos e de desenvolvimento regional; c — harmonizar as políticas setoriais com as políticas globais supra mencionadas, orientando-as todas para o objetivo central de elevação do nível econômico do País.

4 — Na quadro do Programação Econômica Geral, estimular e apoiar a iniciativa privada, limitando a ação direta do Estado aos casos de:

a — desinteresse ou marasmo da iniciativa privada; b — ação anti-social de empreendedor particular; c — monopólio estatal exigido pelo interêsse público.

POLITICA DE DESENVOLVIMENTO REGIONAL

1 — Promover a integração econômica do País, essencial, sob vários aspectos, às excessivas diferenças de renda "per capita" e de outros indicadores do nível de vida, atualmente observadas entre as várias regiões do País. Para atingir esse objetivo as seguintes medidas básicas deverão ser tomadas:

a) — política de remuneração do Nordeste, incluindo o aproveitamento de plenos e estudos já existentes, com o aumento dos recursos atualmente disponíveis para esse fim, e sua aplicação dentro dos princípios de eficácia reconhecidos em matéria de valorização; de uma vez por todas da aplicação política, que vem sacrificando os esforços em prol da região; b) — planejamento e ampliação dos esforços destinados à eliminação do Amazonas; c) — transformação de Brasília em verdadeiro centro irradiador de progresso para a região Centro-Oeste do País; d) — adoção de medidas especiais de incentivo à atividade econômica dos Estados, que, apesar de possuírem grandes mananciais de riqueza do País, vem revelando, nos últimos tempos, sério enfraquecimento no seu processo industrial; e) — assistência técnica e apoio aos programas econômicos empreendidos por governos estaduais, incluindo a assistência financeira em bases de desenvolvimento e não de simples socorro a compromissos de governos estaduais; f) — valorização das zonas fronteiriças do País e da bacia Paraná - Uruguai; g) — redistribuição da renda tributária, segundo critério de eqüidade, entre a União, os Estados e os Municípios.

POLITICA INDUSTRIAL

1 — Intensificar a expansão do novo Parque Industrial, visando principalmente a criar as suas bases. Nesse sentido:

a) — criar condições propícias ao desenvolvimento da Indústria mecânica, a fim de: a-1 — aliviar a pêso das importações de equipamentos e de outros artigos essenciais; a-2 — criar as bases indispensáveis para o reequipamento da indústria tradicional; b) — realizar uma política de substituição de importações tradicional de certos setores, como, particularmente, a indústria têxtil; c) — ampliar as indústrias de base ao máximo exigido pelo desenvolvimento harmônico de nossa parque manufatureiro.

2 — Criar, por meio de revisão da política de crédito, mercado financeiro compatível com a integração do novo parque industrial, tendo em vista principalmente a necessidade de mercado de crédito médio prazo para o financiamento das vendas e exportações de equipamentos.

3 — Criar estímulos fiscais para o desenvolvimento da indústria:

a) — instituindo de impôsto: adunamiro as importações de equipamentos com similares nacionais acessórios à instalação das indústrias prioritárias; b) — isenção de impôsto de renda aos lucros reinvestidos nos setores prioritários e permitindo adequadas taxas de depreciação para facilitar a renovação de equipamento.

POLITICA AGRO-PECUARIA E DE ESTOCAGEM

1 — Integrar a agropecuária no processo de desenvolvimento econômico do País, com a adoção das seguintes providências básicas:

a) elevar o nível tecnológico no meio rural, facilitando a aquisição de máquinas e implementos agrícolas e elet rificação rural; difundir a assistência técnica na que toca ao emprego de sementes melhoradas, de fertilizantes, de solo, de adubação, de combate às pragas e doenças, do uso de sementes selecionadas; b) estabelecer o crédito rural, descentralizando e simplificando a concessão de forma a assegurar-lo no maior número possível de produtores, não só proprietários, mas, também, arrendatários e meeiros; c) encorajar sistemas de cooperativismo e articular a rêde de armazenamento com o sistema de crédito; d) estabelecer estreito vínculo entre os órgãos de pesquisa e fomento e os produtores agropecuários, que devem utilizar os técnicos modernos em benefício do povo em geral, com a difusão da prática do extensionismo agrícola e institucionalização dos serviços de extensão rural; e) estimular o espírito de justiça social, para colher, sempre e valorização do trabalhador nacional.

a) — aumentando a produção, com o aperfeiçoamento de suas técnicas, fiscalização e industrialização do produto, incluindo, também:

a) — aumento na pecuária e as colônias de pesca; b) facilitação de crédito aos pequenos e médios produtores e à criação de indústrias de construção de barcos e motores pequenos.

POLITICA MONETÁRIA

1 — Procurar a estabilização real dos preços por meio de medidas que, preservando a continuidade do desenvolvimento econômico, sofram as menores repercussões possíveis no nível ocupacional. Para tanto:

a — combater a inflação nas suas causas primárias e não nos seus sintomas; b — eliminar o déficit governamental, procurando: b-1 — comprimir as despesas correntes do Govêrno; b-2 — criar condições para a operação econômica das autarquias; b-3 — melhorar os preços de arrecadação, com o combate vigoroso à sonegação tributária; c — adotar gradativamente medidas para que a taxa de interesse de mora de pagamento se conforme com o acréscimo possível do produto real; d — obter um aumento da poupança voluntária interna em volume suficiente para cobrir todos os investimentos que, até o momento, vem sendo financiados por emissões ou por créditos inflacionários à produção.

2 — Rever os critérios de distribuição do crédito por meio da despolitização do Banco do Brasil; b — de ampliação das vantagens do crédito a médio e a pequeno prazos; c — do fomento ou criação de instituições de crédito a médio prazo para o financiamento das exportações e das vendas de equipamentos; d — da adoção de critérios mais justos para a distribuição regional de crédito; e — regulamentação dos empréstimos de investimentos e financiamentos.

POLITICA DE COMÉRCIO EXTERIOR

1 — Ampliar exportações tradicionais e abrir caminhos para produtos novos, principalmente manufaturados e semimanufaturados. Para atingir esse objetivo:

a — estabelecer relações comerciais com todos os países que as disputam e adquirir nossos produtos em condições satisfatórias; b — garantir as exportações brasileiras uma remuneração justa e que se adapte ao aumento interno de custos resultantes da surto inflacionário; c — flexibilizar, através de substituições do crédito específicos, as exportações brasileiras, principalmente nos setores em que os fatores concorrenciais, sendo e potenciais, ameaçam ignais facilidades; d — reorganizar e ampliar nossos serviços consulares no exterior a fim de assegurar, efetivamente como instrumento de penetração dos produtos brasileiros em novos mercados; e — simplificar os clandestinos burocráticos vigentes para a exportação.

2 — Reestruturar a política de sustentação de preços dos diversos produtos agrícolas a fim de torná-la mais eficaz e reduzir os prejuízos advindos para o Brasil de uma participação maior que proporcionam nos mercados internacionais.

3 — Assegurar uma política adequada de substituição de importações com o fim de:

a — estudar o surgimento interno dos produtos, cuja importação seja impossível dentro dos limites da nossa receita normal de divisas; b — dotar o País daqueles bens de produção essenciais ao seu processo dinâmico, cuja importação seja obstaculizada pelo seu especial armamento em dificuldades cambiais.

4 — Apoiar os esforços na sentido de maior integração da economia da parte meridional da América Latina, reconhecendo que essa região possui excelente sistemática para nossa desenvolvimento econômico, desde que as medidas propostas ao adotadas:

a — não interfiram com a marcha de integração do Brasil; b — não se tornem instrumento de investidores estrangeiros que, localizados em países participantes, venham a assenhorear a produção nacional brasileira.

5 — Eliminação do cambismo existente, visando:

a — obter a unificação das taxas cambiais de exportação e importação; b — eliminar a saída dos ágios sôbre bonificação para fins de receita do Govêrno, a título de certificado das exportadores e das importadores de produtos essenciais.

6 — Consolidar, para prazos a longo prazo, os compromissos comerciais atualmente.

INVESTIMENTOS ESTRANGEIROS

COM base na Política Nacional de Desenvolvimento que visa possibilitar a eliminação do nosso atraso econômico pelo aumento da poupança interna:

1 — Admitir a contribuição do capital internacional, sob a forma de investimentos ou financiamentos, pelo fato de que este poderá colaborar, eficazmente, para intensificação do dinamismo do País e, portanto, para mais pronta superação do nosso atraso econômico.

2 — Condicionar essa contribuição aos interêsses fundamentais de desenvolvimento econômico brasileiro e da soberania nacional.

3 — Oferecer ao capitalista estrangeiro condições justas de concorrência e assegurar-lhe as garantias que a nossa legislação concede às empresas privadas.

4 — Proporcionar ao empreendedor brasileiro condições de concorrência com os capitalistas estrangeiros, com a abolição ou modificação de leis e regulamentos que o coloquem em nítida situação de inferioridade.

5 — Disciplinar a remessa de rendimentos para o Exterior, que se processa de forma inadequada, irracional e intermitente e se constitui num fator permanente de descapitalização e sangria de divisas.

POLITICA DE ENERGIA

1 — Dar referência ao petróleo:

a — rigoroso cumprimento da lei nº 2.004, de 3 de outubro de 1953, que institui o monopólio estatal do petróleo por meio da Petrobrás; b — levantamento da exploração, a fim de que o País se torne auto-suficiente no tocante a petróleo bruto e seus derivados essenciais; c — aumento da produção e do refinamento nacional de petróleiros até o limite das nossas necessidades; d — elevação da capacidade refinadora pela ampliação ou construção de novas unidades a cargo da Petrobrás; e — intensificação dos programas de pesquisas; f — encaminhamento paralelo da indústria petroquímica e a industrialização de subprodutos; g — estímulo especial à produção de fertilizantes nitrogenados e de amônia.

2 — Dar referência à energia elétrica:

a — incrementar, por todos os meios hábeis, o potencial gerador de energia elétrica, a fim de assegurar a excessos previstos para os próximos anos; b — evitar a preponderância exclusiva com as grandes projetos, levando em conta a importância das unidades geradoras de porte médio para o desenvolvimento das economias regionais; c — providenciar para que as rêdes de transmissão e distribuição sejam instaladas nas épocas devidas, evitando-se o estrangulamento resultante da descoordenação entre os investimentos em geração e investimentos em transmissão e distribuição; d — fortalecer, de maneira orgânica, a presença do Poder Público no terreno e distribuição da energia.

3 — Dar referência aos cursos:

a — reformular o Plano Nacional de Carvão, para abastecimento das usinas termoelétricas no máximo de combustível e intermitirias as pesquisas de combustível sólido; b — intensificar esforços para a produção de carvão metalúrgico, para atendimento, pelo menos parcial, do consumo das novas usinas siderúrgicas do País; c — estudar e desenvolver projetos que permitam utilizar carvão, no mais alto grau racionalmente possível, junto à própria zona carbonífera, para a geração de energia e o desenvolvimento das indústrias siderúrgicas e químicas.

TRANSPORTES

1 — Criar Conselho de Coordenação de Transporte, a fim de que as inversões nesse setor sejam disciplinadas e hierarquizadas, com especial atenção à necessidade de melhor disciplinar os investimentos nos setores rodoviário e ferroviário.

2 — Reestruturar as emprêsas governamentais de navegação, modernizando-as e desenvolver a indústria da construção naval.

3 — Aperfeiçoar as ferrovias federais, da sorte a evitar abandonos às exigências da economia nacional e às justas reivindicações dos seus servidores.

4 — Proporcionar condições para o desenvolvimento das transportes marítimos e fluviais.

5 — Aparelhar convenientemente os portos nacionais.

6 — Consolidar a indústria automobilística, e de tratores a a dos implementos agrícolas, com interêsse particular na fortalecimento da Fábrica Nacional de Motores.

7 — Implantar a indústria aeronáutica.

POLITICA ADMINISTRATIVA

1 — Eliminar a excessiva burocratização e atualizar o sistema fiscal.

2 — Descentralizar os serviços públicos, atendendo-se aos interêsses da Federação.

3 — Vitalizar os órgãos de planejamento e coordenação, tornando-os, cada vez, subordinados à ação ministerial e autárquica.

4 — Despolitizar e tecnificar ao máximo, especialmente a financeiro

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only be accepted if it does not (1) interfere with Brazilian development nor (2) damage national industry. Also repeated from past campaign speeches is Quadros' proposal to "strengthen . . . the presence of the Public Power in the creation and distribution of energy."

Obviously, too, Quadros' proposal to create a single exchange rate for both exports and imports would have considerable political as well as economic repercussion.

Also included with this despatch is a Portuguese-language text of candidate Quadros' written replies to the questionnaire of the Superior Council of the Producing Classes (CONCLAP) which, as the Department is aware, was submitted to all three presidential candidates. (The replies of Marshal Lott have already been submitted to the Department--see Embassy Despatch 123 of August 8, 1960.) Though several of these questions pertain directly to foreign policy, Quadros' replies are so equivocal as to be meaningless.

For the Ambassador:

Harry A. Quinn
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

Enclosures:

1. Article from O Globo, dated September 19, 1960.
2. Quadros' Replies to CONCLAP's Questionnaire.

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0017

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

DESP. NO. 261

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE September 23, 1960

SEP 27 1960

REF : Embassy Despatches No. 104, 8-8-60 and No. 123, 8-12-60

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SUBJECT: JANIO FORMALLY ANNOUNCES HIS PLATFORM Lab-6 air-6 [redacted]-10 IN-7 TR-3 FRB-3 XMB-4 NSA-2 AG-8 R ME

On September 19, opposition presidential candidate Janio Quadros made public the formal platform of his putative government-- a Portuguese-language text of which is enclosed. Almost entirely economic in character, the Quadros platform follows the campaign pattern developed to date by Janio in that it promises something to everyone: to the poor, expanded public health services and more schools; to the industrial worker, a minimum wage tied to the cost of living; to the entrepreneur, a regime devoted to the principle of free enterprise; to the rural worker, extension of social security and wage benefits now granted only to urban laborers; to the farmer and the fisherman, expanded production via better machinery, more credit and new marketing facilities; to the impoverished Northeast, Far North and Far West, increased economic development; to the industrialist, more capital reequipment and creation of new basic industries; to the coffee grower, an end to artificial exchange rates; and, of course, to all, a promise of economic stabilization, continuing economic development in all fields, trade with all countries, more oil via Petrobras, higher coal production, more electric power, and more and better transportation.

Though the Quadros platform does not speak specifically of politics (either internal or external), several of his proposed policies are of considerable political relevance. As might be expected, Janio comes out four-square for Petrobras, promising change only in that the state petroleum monopoly will receive more funds for exploration purposes. Janio also rings the changes on another theme that has figured prominently in his electoral campaign: he again stresses the need for limiting the remittance abroad of profits earned by foreign enterprises. Also mentioned prominently is the "trade with all countries" theme--though Quadros' treatment of it is considerably restrained inasmuch as he asserts that such trade can take place only under "satisfactory conditions." He also deals rather equivocally with the proposed Latin American Common Market--asserting that it can

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1960 OCT 3 AM 8 35

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0016

On the basis of support from the majority of the PSD, which has an effective organization to back him up, (i.e. state administration and control of many important municipalities); from the PTN and from considerable segments of other parties it seems reasonable to estimate that Borges Teixeira will emerge the winner. While Ludovico de Almeida has a formidable array of parties supporting him, he does not in all cases have their unanimous support. Their collective strength would not appear to be sufficient to elect him.

The Vice-Governor Race

Only fragmentary information is available on the contest for the vice-governorship. José Fleury is the UDN candidate (he is also vice-president of the UDN regional directorate), and is endorsed by the same political factions that are supporting Ludovico de Almeida.

Registration Figures

According to the latest figures from the Regional Election Tribunal (TRE) the number of registrants in Goiás total 407,667. Out of the state's 82 electoral zones it is interesting to note that only 10 have more than 10,000 electors, 3 more than 15,000, and 2 more than 20,000. The electoral district of Goiânia leads with 30,765. Total registration during the 1958 elections have not been announced by the TRE. However, 291,409 voted in the 1958 election, which compares with 225,406 who exercised their franchise in the elections of 1954 out of 363,728 eligible to vote. In the latter year 61% expressed their voting preference. Some sources have speculated that about 60%, or 244 thousand, will vote in the current elections.

William P. Cochran, Jr.
Consul General

18

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It is to be noted that the governor to be elected on October 3 will serve a five year term in contrast to the present incumbent, José Feliciano Ferreira, who was elected in October 1958 for a two year term, in accordance with an electoral reform enacted by the Goiás State Legislature, providing for coincidence in the presidential and gubernatorial elections.

Mauro Borges Teixeira is reported to have the support of the majority of the PSD, which enhances his chances of success because of the strong position the party enjoys in Goiás as the result of the elections of 1958. The PSD won the governorship and the vice-governorship, elected a federal senator, five federal deputies, and 18 state deputies. While the party has never lost an election in Goiás, elections held prior to 1958 were won by a relatively small number of votes. The PSD substantially increased its strength in the elections of 1958 over that of 1954. The party's extensive control of the state legislature, as indicated above, and of a number of the larger and more important municipalities should provide it with a more effective political machine than that of the opposition. The PTN is allied with the PSD, and the latter has support from a considerable faction of the UDN, PTB (a consistent PSD ally prior to the election of 1958), and the PSP. In the elections of 1958 the UDN, PTB, and PSP were members of the losing alliance. One informed source recently stated that many UDN leaders and two-thirds of the PSP are presently supporting Borges Teixeira.

During his election campaign, Borges Teixeira has attempted to capitalize on the theme that the PSD is the "constructor of Brasilia" and on support of President Kubitschek's policies. Teixeira has advocated free trade with all countries, possibly with a view to attracting leftist support.

The expulsion in the early part of 1960 of the dissident PSD group headed by José Ludovico de Almeida, resulted from differences of opinion that arose between Ludovico de Almeida and senator Pedro Ludovico Teixeira in 1958 over the latter's insistence on José Feliciano Ferreira as the PSD-PTN backed candidate for governor. While Ludovico de Almeida accepted Ferreira's nomination, he did little to further his campaign. Following the election Almeida became the leader of a PSD dissident group. His failure to support his party in 1958 may be one of the reasons why many people in Goiás consider that he is a better administrator than a politician.

In addition to the dissident PSD element, Ludovico de Almeida is supported by the PRP (a member of the successful PSD-PTN alliance of 1958), the PDC, the PSB, the PL, the PSP, the UDN, the PR (who registered his name as a gubernatorial candidate), and a faction of the PTB. According to reports of his campaign speeches, Almeida has not expressed his views on foreign policy.

0014

to estimate that Lott will have a majority in Goiás, due to the effective organization of the PSD and the support of the PTB. Janio's strength, however, has recently been reported to be on the increase. Many people in Goiás are reported to feel that Lott, because of his stability, would make the better president. Others, particularly the younger voters, are attracted to Janio. The latter may also receive some benefit from the various Jan-Jan (Janio-Goulart) movements which have made their appearance in various towns of the state.

Competent observers of the Goiás political scene generally agree that Goulart will emerge victorious in the vice-presidential race. There are indications that Goulart is buying support and making various "deals", just as he has done elsewhere. This factor, coupled with support from nationalist, leftist and labor forces, would seem to assure that he would carry the state. Second place is much harder to determine. There is a sparsity of information about who may be the runner-up in the vice-presidential race. On balance, however, it would appear to be Milton Campos, who is highly regarded by many people in the state. Ferrari, seemingly, is less well known, has been more removed from Goiás than Milton Campos, but does have some following in intellectual and middle class circles.

The Gubernatorial Race

Two cousins, members of one of the best known and prominent families in Goiás, former state governor (1954-1958) José Ludovico de Almeida, and PSD federal deputy Mauro Borges Teixeira (son of federal senator Pedro Ludovico Teixeira, the builder of Goiânia) are opposing each other in the gubernatorial contest. Senator Pedro Ludovico Teixeira, who is serving his second term as senator, having held that position from 1945-1950, and that of governor from 1950-1954, is president of the PSD in Goiás and played a considerable rôle in having his son named as the PSD candidate at its convention in March 1960, thus culminating a fight of many months between pro-Borges Teixeira forces and supporters of ex-governor Ludovico de Almeida. Senator Pedro Ludovico Teixeira and his son's opponent, José Ludovico de Almeida, are considered to be two of the most powerful politicians in Goiás. It would appear that Senator Pedro Ludovico Teixeira seeks to make his son his political heir. If Mauro Borges Teixeira is successful in winning the governorship, and most informed observers feel that he will, he will certainly be in a powerful position for five years, by virtue of the power of his office and his control of state patronage, to increase the already strong position which the PSD enjoys in the state. Certainly the PSD would be in an advantageous position to contest the elections of 1962, when Senator Pedro Ludovico Teixeira's term expires, and federal and state deputies, as well as some local officials, will be chosen.

0013

attending the PSD convention which nominated Borges Teixeira in Goiânia on March 6, 1960, declared that Brasilia (and Petrobras) were "untouchable". During the PSD convention Lott stated that Brasilia gave Goiás a larger significance on the national scene; he pointed out that the future food supply for Brasilia would come from Goiás, and he promised farmers easy longer term loans at lower interest rates should his candidacy be successful. Janio Quadros, campaigning in Goiânia on August 29, 1960 (attracting a very large crowd) stated that he intends to continue to support Brasilia; that he had never opposed moving the capital to Brasilia.

The members of the PSD are generally expected to support Lott, even though a dissident group of PSD members (who were expelled in 1960) are supporting José Ludovico de Almeida for the governorship. While the latter gave indications some time ago that he would support Lott, he is now believed to favor Janio. At the same time he has also attended political meetings held on behalf of Adhemar de Barros. Ludovico de Almeida's presence at Adhemar rallies, however, are likely to have resulted from his desire to attract PSP support for the governorship, inasmuch as PSP members will generally support Adhemar for the presidency. Janio, doubtlessly attempting to capture as many votes as possible, declared in Goiânia on August 29 that he had friends on both sides of the gubernatorial fight. While Janio added that he could not sponsor either candidate for the governorship, he expressed sympathy for Ludovico de Almeida. Janio, a realistic politician, may have taken the viewpoint that he was likely to obtain few votes from the majority PSD group and its allies, but might attract some votes from the supporters of Ludovico de Almeida.

Lott, in addition to the majority PSD group, with its control of many important municipalities, is supported by the PTB. Lott may also pick up a few votes from the members of party factions (UDN and PSP) supporting Mauro Borges Teixeira for the governorship. In addition, he can probably count on the support of the members of the illegal Communist Party of Brazil (PCB). The PCB has an effective Party organization in the two most important economic centers, Goiânia and Anapolis. Janio Quadros has the support of the PTN, UDN, PR, PL and the PDC. The PSP, a minority party in the state, will support Adhemar.

Although there is a scarcity of reliable information regarding the electoral campaign in Goiás, informed observers unanimously agree that Lott will carry the state. They do not agree, however, on Lott's margin of victory. A number of sources have stated that Lott will secure from 50 to 60% of the vote for president, that Janio will receive from 38 to 45%, and Adhemar from 5 to 8%. The latter has enjoyed a good press and does have a number of followers, particularly in Goiânia. Several sources have expressed the opinion that Lott would have a plurality of 40,000 votes. It seems reasonable

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FOREIGN SERVICE DESPATCH

FROM : Amconsul, São Paulo

115
DESP. NO.

September 22, 1960
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : São Paulo OM dated August 16, 1960 to Embassy Rio (copies to Department); Subject: Politics: Goiás and Mato Grosso State Elections

For Dept. Use Only	ACTION REC'D	DEPT.	INFO	OTHER
	ARA-4	RM/R-2	INR-7	SP-2
	9/27			CIA-10 USIA-10 FBI-1 COM-10

SUBJECT: The Election Contests in Goiás AG-8

RM/R

Index:
The Presidential and Vice-Presidential Contest
The Gubernatorial Race
The Vice-Governor Race
Registration Figures

Political activity in preparation for the October 3 election has accelerated to a marked degree in Goiás during the past several months, with the electorate not only concerned with the presidential and vice-presidential races, but with a gubernatorial contest which promises to be particularly hard fought, between two opposing members of a prominent Goiás family. Popular interest in the race for the governorship has also been increased by the fact that the two candidates were both members of the PSD until a dissident faction, headed by one of the candidates, was expelled in 1960. Latest registration figures now show a total of 407,667 eligible voters for the state, of which perhaps 60 to 70% will vote.

The Presidential and Vice-Presidential Contests

The construction and inauguration of Brasilia has made a considerable impact on political affairs in Goiás. Despite the fact that it is not a heavily populated state, and doubtless because of its proximity to Brasilia, presidential and vice-presidential contenders have attempted to woo the electorate more ardently than in past presidential campaigns. At the same time candidates for public office, on both the federal and state level, as well as political parties, have attempted within Goiás to capitalize upon the building of Brasilia. Thus the PSD poses as the "constructor of Brasilia", which redounds to the benefit of Lott and to the PSD gubernatorial candidate, Mauro Borges Teixeira. It is interesting that Lott,

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BUREAU OF INTER-AMERICAN AFFAIRS
OCT 3 1960

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-2- 427, September 20, 7 p.m., from Rio de Janeiro

and dramatic appeal by President or De Barros withdrawal, Quadros will likely win with substantial plurality despite expected ballot stuffing and manipulation in rural areas (Quadros with apparent large funds available has himself taken measures along same lines).

Unless Ferrari or Campos withdraws from vice presidential race, Goulart likely win again as first two contenders will tend split opposition vote with Ferrari unable take enough PTB dissident votes to swing election. Goulart has improved his position by variety alliances and maneuvers some amounting betrayal Lott. In any event Quadros at least tacit acceptance Quadros-Goulart electoral committees suggests former's willingness have Jango as his vice president, perhaps as added insurance against ouster by army.

Evidence indicates bulk army, particularly upper echelons, strongly favor Lott over Quadros and one report says army pressuring Kubitschek and PSD work harder his behalf. Nevertheless, despite reported willingness several important generals prevent Quadros taking power if wins, this possibility discounted unless Quadros gives further evidence instability so strong as to lead general fear for welfare country.

CABOT

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INCOMING TELEGRAM *Department of State*

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10:21 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 427, September 20, 7 p.m.

SENT DEPARTMENT 427; REPEATED INFORMATION SAO PAULO, BRASILIA UNNUMBERED.

Two weeks before presidential elections Brazil is calm, with little interest shown many parts country and feeling running relatively high only where state elections being held. Quadros now campaigning in relatively low key seeking create least possible controversy promising all things all men but having adopted fairly strong anti-Communist line while maintaining nationalist line.

While Lott continuing campaign unchanged with occasional restrained attacks on Quadros, his supporters have begun apparent major effort discredit Quadros as drunken, anti-religious, pro-Communist, over-sexed psychopath which may have some effect particularly in back country.

Elections expected be held as scheduled with minimum disturbances despite some fear Quadros supporters that ultra-nationalists or die-hards may create enough trouble have elections called off. While President Kubitschek who still much more popular than any contenders has begun to throw his weight to Lott and Goulart in public appearances, his support not yet sufficient to make appreciable difference in pro-Quadros sentiment largest voting centers. While PSD machines, particularly in north, beginning get funds, in several key places that party and PTB wracked with dissidences will react unfavorably for Lott. Lott has made little headway with local politicians in contrast to Quadros adroit exploitation every dissatisfaction uncovered.

Barring some spectacular last minute surprise such as determi
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0009

in the new government, on the part of one who makes a great "to-do" about his not having any political commitments.

William P. Cochran, Jr.
Consul General

cc: Amembassy Rio de Janeiro

0008

government of the ex-War Minister. This theses, held by some Paulistas, that the Communists would be able to infiltrate and maneuver and get away with more with Lott as president, was a major point presented in this post's recent analysis of the presidential contest (see São Paulo despatch 90, September 6, 1960).

6. The Vice-Presidential Contest (Official Use Only)

While the supporters of UDN vice-presidential candidate Milton Campos were busy campaigning in the state, and while the PDC supporters of Fernando Ferrari have become more active (including a sudden spate of political newspaper advertizing linking Ferrari to Quadros), the big drive in the past week appears to have come from Goulart forces. In the past week or so Goulart representatives have been busy opening up federal emergency medical services in various municipalities. Also the Adhe-Jan (Adhemar-Goulart) committees have been organized and have started active campaigning.

Comment: (Confidential) At this stage it would appear that the race is between Milton Campos and João Goulart in the state of São Paulo. If the trend continues, Goulart could be the winner in this state.

7. Socialist Party Formalizes Split (Official Use Only)

The Socialist party had two conventions in São Paulo in the past week. One, a national convention, was held by the dissident wing which supports Janio Quadros and which calls itself Socialist Action. Its convention was attended by Janio Quadros who was accompanied by São Paulo senator Lino de Matos and by PTN national president Emilio Carlos. Quadros, in addressing the convention, invited them to participate in the future Quadros government through the person of dissident leader Alipio Correia Neto, former regional president of the PSB before the dissident break and former cabinet officer with Quadros when the latter was governor of São Paulo. The new political organization selected eight of its directorate from the state of São Paulo and seven from other states.

The local orthodox PSB, such as it is since the dissident break, held a regional convention for São Paulo to select a new regional directorate. It will be recalled that the Regional Electoral Tribunal recently refused to recognize the local directorate designated by the party national command. It is expected that Febus Gikovate, who took over when Alipio Correia Neto and others walked out, will be the party's new regional president.

Comment: (Confidential) Notice the openly admitted commitment to give Alipio Correia Neto and his supporters participation

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Carvalho Pinto's statement of facts anent agrioulture may be true but Janio's record on behalf of agriculture as governor has been admitted, directly or indirectly, even by Carvalho Pinto and other responsible Quadros supporters, to be negative.

4. Kubitschek's Non-Support (Official Use Only)

In the past week there were increasing indications of non-support for Lott from Juscelino Kubitschek, at least in São Paulo, despite Kubitschek's pro-Lott pronouncements elsewhere in Brazil. A much-heralded and much-anticipated presidential visit this month, accompanied by Lott, to inaugurate the São Paulo-Curitiba highway, is no longer mentioned. Even the presence during the week of PSD national president Amaral Peixoto seemed to reflect the national administration's disinterest in the Lott campaign here. In the Paulista municipality of Pindamonhanga, Amaral Peixoto, according to reports, inaugurated a telegraph building and a highway with only one fleeting mention of Lott, to regret his absence.

Comment: President Kubitschek's reappointment of Armanda Affonseca to the presidency of the São Paulo federal savings bank lends support to this post's previously expressed suspicion that the recent large scale opening of bank branches in São Paulo, with emphasis on loans to build private homes, appeared directed more to the benefit of Juscelino Kubitschek and Affonseca than to Lott. Affonseca will hold office until 1965 at which time he can join the second Kubitschek campaign for the presidency.

5. Communist Leader Prestes' Campaign (Official Use Only)

Brazil's Communist party leader Luis Carlos Prestes did some campaigning in São Paulo this past week for presidential and vice-presidential candidates Lott and Goulart. In Bauru earlier in the week he called President Kubitschek an entreguista (one who works for foreign interests). Quadros he called the greatest demagogue of recent times. In Bauru and later in the week in Tabuté, Prestes urged supporters of Adhemar de Barros to persuade the latter to withdraw from the presidential race. At Tabuté, Prestes is reported to have said that Kubitschek is supported by two wings--the true nationalists headed by Lott and the "entreguistas" headed by (foreign minister) Horacio Lafer, the "lackey of the American trusts". Prestes made his usual attacks against foreign trusts, especially American. Later in the week, on his way to Riberão Preto for "political" contacts, Prestes referred to Janio's claims that a move was on foot to create pre-election unrest (see item 1 above) as a desperation move.

Comment: (Confidential) Most significant was Prestes' reported assertion that despite various differences he held with Lott's views, these did not alter the end toward which Prestes is disposed--to have greater freedom of movement for his party in the

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Association, presided and at which all the ills and problems of the coffee grower were attributed to the forces supporting Quadros.

Comment: (Confidential) Lott was accompanied into the interior principally by PSD senator Auro Maura Andrade and some PSD deputies. Reports of campaigning in the interior of the state make no mention of PTB or nationalist participation nor of the presence of leading figures like Renato Costa Lime (ex-president of the Brazilian Coffee Institute) or ex-governor Lucas Nogueira Garces. Lott's intemperate attacks should do him more harm than good in São Paulo. Even Lott's protest that he had been misquoted on his criticisms of São Paulo, that he had merely called attention to errors of the state administration, for the most part constitutes an admission of anti-Paulista sentiments. Pro-Quadros federal deputy Franco Montouro, PDC leader in the national legislature, privately confided during the week that these attacks were helping Lott in the north and northeast, that Lott apparently has recognized this as worth while in view of his limited prospects in São Paulo. At present, one would have to predict that Lott will be a poor third in São Paulo, that he could easily garner less than 20 per cent of the votes in the state.

3. Carvalho Pinto's Support (Official Use Only)

Apparently the task of getting Janio Quadros elected to the presidency is going to command a large portion of São Paulo governor Carvalho Pinto's attention in the closing weeks before election day. One source reports that the governor is cancelling all near-future appointments for this reason. The "step-up" in the governor's campaigning has been noticeable in the past week. The inauguration of new water supply systems in two capital city neighborhoods was the occasion for a plea from the governor that his listeners participate in the victory of October 3. At a political rally pro-Quadros in the municipality of Marilia, Carvalho Pinto stretched things a bit on Janio's farm record as governor in saying that agriculture experienced an auspicious development after Janio took office and that more state resources were thereafter employed in the interior. The governor during the week inaugurated three airports with accompanying campaign talk for Quadros. He also went with Quadros to several political rallies in and around the large coffee port of Santos, where he characterized Janio as more than a candidate, a symbol of national redemption. Only the courageous approach of a Janio Quadros, said the governor, could bring a halt to the inflation which is causing such hardship to the people.

Comment: (Confidential) Many competent observers feel that Carvalho Pinto's enthusiasm is born in good part out of his own hopes for the presidency in 1965. A defeated Quadros would probably run for governor of São Paulo in 1962, for president in 1965.

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things the nation needs to know. I am going to tell many things". Janio, it was widely reported, will make his denunciation in Rio on September 23 in an interview with the press. At the airport too, pro-Janista UDN state deputy Abreu Sodré said that the movement to create a disturbed pre-election environment was known to Quadros forces who have their own military supporters.

Comment: (Confidential) As this post has mentioned in previous reports, Janio Quadros is quite adept at anticipating and denouncing vilification and other shabby tactics which may or may not come to pass. This sometimes creates the desired popular reaction even though the attack never materializes. In the present case, the reporting officer has heard from various sources, pro-Lott as well as pro-Quadros, that a massive assault against Janio's character will probably occur in the last days of the election campaign.

2. Sharper Lott Tactics (Official Use Only)

Not only presidential candidate Lott's political advertizing, but also some of his personal campaigning in São Paulo, appeared to take a sharper tone in the past week. In one newspaper advertizement, the reader was asked whether he preferred a military man of civilian temperament or a civilian with tendencies toward dictatorship. The advertizement recalled that Lott in November of 1955 had all powers in his hands, which he turned over to the duly elected president, Kubitschek. Another advertizement features Lott surrounded by children, a baby on his lap, and queries "To whom would you entrust your family? To whom would you entrust Brazil?" In this and other advertizing Lott is featured as the devoted son, father and grandfather--an area in which Janio Quadros would surely come off second-best.

Lott's statements against Quadros were particularly acid. At the local airport, Lott (according to pro-Lott Folha de S. Paulo) charged that a victory for his main opponent can present a "danger for democracy, with the eruption of civil war". In the interior of the state, Lott is credited with saying that "The sputterings of a contumacious drunkard like Janio Quadros" will not harm him (Lott). Also a few "licks" were gotten in against the extremely popular São Paulo governor Carvalho Pinto who, said Lott, not only "rolled up his sleeves, but also took off his shirt to suborn his mayors" to support Janio Quadros.

Lott also played the nationalist line anent mineral resources, advocating that there be export only when there is a clear superabundance. Regarding iron ore, he urged that "we should not export filet mignon and remain with neck meat". Lott's stay in São Paulo opened in the capital city with a testimonial luncheon over which Mario Rolim Teles, president of the São Paulo Coffee Producers'

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FOREIGN SERVICE DESPATCH

FROM : Amconsul, São Paulo — 108 DESP. NO. — September 20, 1960 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
SÃO PAULO, BRAZIL

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	ARA-4	RM/R-2, INR-7
	REC'D 9-27-60	INFO OTHER CIA-10 USIB-10 NSA-2 NAVY-3

SEP 21 1960

SUBJECT: Presidential Campaign Highlights, Week Ending September 17, 1960

RTDR

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 30 1960

Index:

1. Janio Counterattacks Before Attacked
2. Sharper Lott Tactics
3. Carvalho Pinto's Support
4. Kubitschek's Non-Support
5. Communist Leader Prestes' Campaign
6. The Vice-Presidential Contest
7. Socialist Party Formalizes Split

1. Janio Counterattacks Before Attacked (Official Use Only)

At a "secret" night meeting in the city of São Paulo this past week, presidential candidate Janio Quadros met with his lieutenants and leading political supporters to plan a counter-attack against an expected political assault on Janio's reputation by supporters of administration candidate Teixeira Lott. Some sources spoke of a heaping of calumnies, of a demagogy to be brought into play to create a disturbed climate before elections. Magalhães Pinto, UDN national president, flew in by special plane from Belo Horizonte reportedly to advise of a series of intrigues being contrived against Quadros in Minas Gerais, including some of a religious character. The following day Quintanilha Ribeiro, Janio's right-hand man, took off for Rio de Janeiro on "a special mission". Allegedly a counteroffensive was worked out at the "secret" meeting. In addition to various other political leaders, three governors were reported present at the meeting--Herbert Hulse of Santa Catarina, Juracy Magalhães of Bahia, and Carvalho Pinto of São Paulo.

At the local airport, before leaving for the north and northeast, Janio told reporters that "there are frightening

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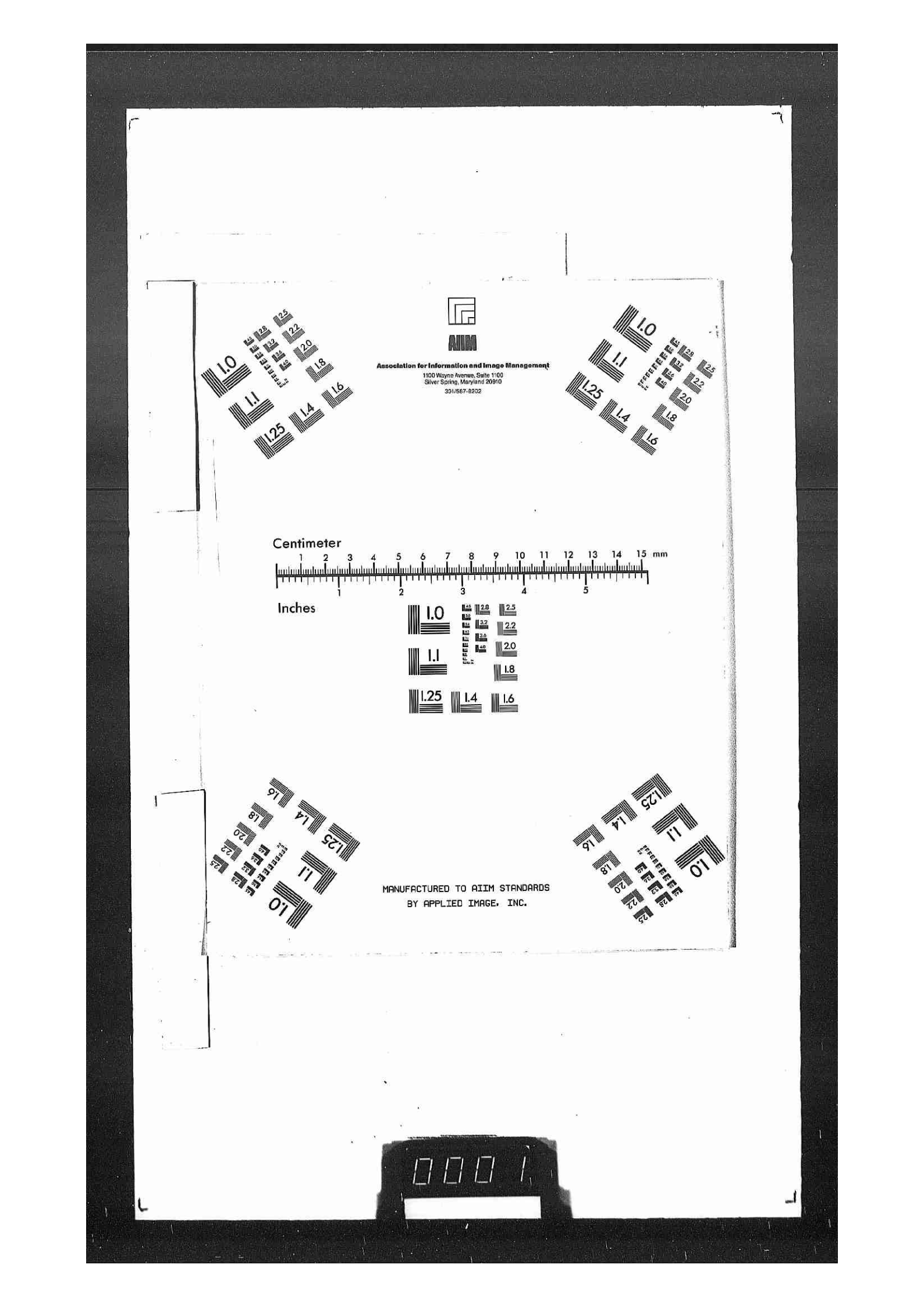
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9**.84	Medical sciences (dentistry and human reactions to environmental elements, etc.)
.841	Medical aspects of radiology, radioscopy, chemistry, and biology including warfare
.85	Electronics (communications devices, radar, sonar, etc.)
.86	Engineering
.861	Civil engineering
.8611	Sanitary and public health engineering
.862	Mechanical engineering
.863	Electrical engineering
.864	Mining engineering
.865	Ordinance engineering (propellants, pyrotechnics, etc.)
.866	Aeronautical engineering (supersonic, etc.)
.867	Engineering, Power plants
.868	Chemical engineering
.89	Other sciences, Philosophy

9**.8134 Optics
.8135 Heat and Cold
.8136 Electricity and magnetism (gyroscopes)
.8137 Nuclear physics and nuclear chemistry, Cosmic rays, Heavy water
.8138 Atomic and molecular physics
.8139 Miscellaneous, Time, Calendar, Weights and measures
.814 Basic chemistry (analytical)
.815 Applied chemistry
.8151 Liquid fuels and lubricants
.8152 Resins, rubbers, plastics, auxiliary chemicals
.8153 Pharmaceuticals and antibiotics
.8154 High performance fuels (liquid monopropellants, solid propellants and explosives, bipropellants [fuels and oxidants], combustion and flame phenomena)
.8155 High temperature materials
.8156 Fats, fatty waxes, soap
.8157 Other industrial chemical products
.81571 Industrial explosives
.81572 Gases
.81573 Agricultural chemicals
.81574 Leather and glue
.81575 Inorganic NEC (potassium nitrate, sulfuric acid, etc.)
.8158 Chemical warfare
.816 Metallurgy

.82 Earth sciences. For travels, expeditions, and explorations, see 031.**##
.821 Geography
.8211 Geographical names
.8212 Mapping, map analysis, surveying
.822 Physical geography
.823 Geography of settlements
.824 Military geography
.825 Human geography
.826 Political geography
.827 Economic and commercial geography
.828 Geology
.829 Geophysics
.8291 Geodesy (size and shape of the earth, variation of gravity, etc.)
.8292 Geophysical prospecting for location of mineral resources
.8293 Hydrology (distribution of water, underground water sources, dams)
.8294 Meteorology
.8295 Oceanography, Oceanic organizations
.8296 Seismology
.8297 Terrestrial magnetism
.8298 Miscellaneous (vulcanology, tectonphysics, etc.)

.83 Natural sciences
.831 Biology
.8311 Biological warfare
.832 Botany
.833 Zoology

9**.726 Sale, Purchase (** indicates nationality of purchaser), Charter, Registration, License, Libel

.727 Documentation and inspection, Cargo, Manifests, Bills of health, Entry and clearance

.73 Water transportation, Merchant vessels, Merchant marine, Yachts (includes all water transportation inland, coastwise or other). For water transportation reservations, see 9**.73-RES

.73## Water transportation between country or area ** and country or area ## (includes regularly scheduled steamship lines) (smaller country number for **)

.7301 Rivers, Canals, Flood prevention

.731 Laws and regulations

.732 Rates, Concessions, Contracts, Subsidies

.733 Accidents, Disabled wrecked or stranded vessels, Repairs (** indicates nationality of vessel; use name of vessel)

.734 Harbors, Docks, Ports, Port facilities, Maintenance items and services available to or rendered foreign vessels, Stevedoring

.735 Taxes on navigation, Tonnage, light, harbor and port dues, Other taxes

.736 Movements of vessels (** indicates registration of vessel)

.737 Fueling and provisioning (** indicates country fueling vessel)

.738 Documentation and inspection, Admeasurement, Cargo manifests, Bills of health, Ship's papers, Entry and clearance

.739 Sale, Purchase (** indicates nationality of purchaser), Charter, Registration, License, Libel. For construction of vessels, see 8**.3334. Use name of vessel for "libel" only

.74 Navigation (land, air, and water), inland, coastwise and other

.741 Aids and menaces to navigation, Signalling devices, Radar, Radio beacons, Light houses, Lightships. For "LORAN", see 900.741-LORAN

.75 Personnel, Crews, Seamen, Airmen

.751 Discipline, Insubordination, Mutiny, Illegal acts committed by the crew on vessels and aircraft (ill treatment of seamen, desertion, abandonment). For seamens' homes, see 8**.576

.753 Merchant marine schools and academies

.753## Admission of nationals of ## for visit or study

9**.80 Science (general)

.801 Research and development

.8011 Scientific institutions, Laboratories, Bodies

.8012 Scientific publications, Films

.8013 Scientific facilities and equipment

.8014 Utilization of scientific and technical personnel

.8015 Government's relation to science

.8016 Scientific training program

.81 Physical sciences

.811 Mathematics (arithmetic, algebra, geometry, trigonometry, calculus, differential equations, graphs, statistics)

.812 Astronomy (theoretical and practical, celestial bodies, tables and atlases, navigation)

.813 Physics, Rheology, Crystallography

.8131 General mechanics

.8132 Mechanics of fluids

.8133 Mechanics of gases

9**.40	Radio, Radio broadcasting, Radio-telegraph, Reception, Monitoring (see also 5**.##4)
.401	Concessions, Contracts
.402	Laws and regulations
.403	Censorship
.41##	Communication between country or area ** and country or area ##. Use smaller number for **
.42	Amateurs ("ham" operators)
9**.50	Television, Facsimile transmission
.501	Concessions, Contracts
.502	Laws and regulations
.503	Censorship
.51##	Communication between country or area ** and country or area ##. Use smaller number for **
9**.60	Public press
.61	Newspapers, Clippings, Items
.62	Newsgathering agencies (including news broadcasting), Commentators
.62##	Newsgathering agencies (** nationality of newspaper or magazine and ## country or area of operations)
.63	Magazines, Periodicals, Books, Book publishing
.64	Censorship of newspapers, books, and other printed material
9**.70	Transportation (land, air, and water)
.701	Laws and regulations (general)
.71	Land transportation
.71##	Land transportation between country or area ** and country or area ##. Use smaller number for **
.711	Laws and regulations
.712	Railroad, Railways, Rates, Demurrage, Accidents
.712##	Rail transportation between country or area ** and country or area ##. Use smaller number for **
.713	Street railways, Subways, Buses, Taxicabs and other land transport, Accidents, Rates
.714	Automobiles (privately owned and operated), Trucks, Motorcycles, Accidents, Rates
.72	Air transportation (all types, non-military aircraft). For air transportation reservations, see 9**.72-RES
.72##	Air transportation between country or area ** and country or area ## (smaller country number for **) (includes regularly established airlines and non-scheduled flights, private flights [non-commercial], permission for flights). For movements of military aircraft, see 7**.58##
.721	Laws and regulations (air pilot licenses)
.722	Rates (domestic and foreign), Concessions, Contracts, Subsidies
.723	Accidents (** nationality of plane), Repairs
.724	Airports, Landing fields, Landing aids, Radar, Landing rights
.725	Fueling

CLASS 9

COMMUNICATIONS, TRANSPORTATION, AND SCIENCE

9**.00	Communications (general)
.01	Concessions, Contracts
.02	Laws and regulations
.03	Censorship
9**.10	Postal
.101	Concessions, Contracts
.102	Laws and regulations
.103	Censorship
.104	Rates, Postage (domestic and foreign)
.105	Fraudulent use of the mails. For traffic in obscene matters, see 8**.541
.11##	Transportation of mail between country or area ** and ##. Use smaller number for **
.12	Parcel post
.12##	International parcel post transportation
.13	Money orders (domestic and foreign)
.14	Postal savings banks
.15	Complaints against service
.151	Nondelivery, Delay, Misrouting
.152	Loss, Theft, Damage, Tampering with mail
9**.20	Telegraph, Cable
.201	Concessions, Contracts
.202	Laws and regulations
.203	Censorship
.204	Rates (domestic and foreign)
.21##	Communication between country ** and country ##. Use smaller number for **
.22	Codes (commercial and governmental)
.25	Complaints against service
9**.30	Telephone
.301	Concessions, Contracts
.302	Laws and regulations
.303	Censorship
.304	Rates (domestic and foreign)
.31##	Communication between country ** and country ##. Use smaller number for **
.35	Complaints against service

8**.56	Correction and punishment
.561	Prisons, reformatories, jails, penal colonies, farms, etc.
.57	Charities, Philanthropic organizations
.571	Red Cross
.572	Hospitals, Asylums
.573	Salvation Army
.574	Institutional homes, Almshouses, Orphanages
.575	Soldiers' and sailors' homes (military and naval)
.576	Seamens' homes (merchant marine)

8**.45	Amusements, Sports, Recreation
.451	Theaters, Stage, Operas, Museums, Carnivals, Concerts
.452	Motion pictures
.453	Sports, Athletics, Indoor amusements
.4531	Olympic Games
.46	Societies (including social organizations)
.461	Better citizenship organizations
.4611	YMCA, YWCA
.4612	Boy Scouts, Girl Scouts, Camp Fire Girls
.4613	Military and veterans organizations
.47	Etiquette
.471	Ceremonials
.472	Precedence
.473	Salutes
.474##	Ceremonial communications, New Year's greetings, Felicitation on national anniversaries, ## country sending felicitations
.48	Entertainment in country **
.481	By the country or its officials
.482	Audience with the chief executive or sovereign
.483	Presentation at Court
.484	By private persons and societies
.485	By resident officers of the United States
.486##	By resident officers of other foreign countries, ## nationality
.49	Calamities, Disasters, Earthquakes, Tornadoes, Cyclones, Typhoons, Famines, Fire, Relief measures (see also 8**.03)
8**.50	Public order, Safety and health, Charities
.501	National and state police
.51	Municipal government
.511	Police organization
.512	Protection against fire
.52	Crime, Criminal organizations, Suspects
.53	Traffic in narcotics
.531	Liquors. For manufactures of liquors, see 8**.316
.54	Sex relations, Prostitution, Procurement, White slave traffic
.541	Traffic in obscene matters, literature, etc.
.55	Public health, Diseases
.551	Vital statistics, Birth, Marriage, Death
.552	Disposal of the dead, Cemeteries, Cremation
.556	Hygiene and sanitation, Quarantine against communicable diseases (home, school, vessels, aircraft)
.557	Supervision of food and drugs. For food and drug regulations, international trade, see 4**.##51. Materia medica
.558	Practice of medicine and surgery, dentistry, optometry, psychiatry, pharmacy, nursing, psychology

8**.395	Beautician and barber equipment and supplies Toilet preparations, Cosmetics
.396	Scientific and professional instruments and equipment (surgical, dental, optical, etc.)
.397	Chemicals and dyes, Industrial alcohol
.3971	Medicinal and pharmaceutical preparations, Drugs, Disinfectants. For illicit traffic in narcotics, see 8**.53
.3972	Fertilizers
.3973	Explosives (non-military) (see also 8**.36)
.3974	Paints and varnishes, Stains, Enamels
.3975	Soap, Cleaning compounds, Polishes
.3976	Chemical specialties, Plastics, Celluloids, Cellulose, Cellophane, Resins
.398	Notions and novelties, Flags, Pennants, Emblems, Badges, Pins
.399	Morticians' supplies and equipment
8**.40	Social matters, Conditions (general)
.401	Population, Statistics, Census
.41	People
.411	Race problems, Disturbances, Massacres, Pogroms, Displaced persons, Refugees. For political refugees, see 7**.00
.412	Language, Literature
.413	Religion, Church. For protection of religious missions, see 2**.##
.414	Manners and customs, Dress, Mode of life
.4141	Marriage, Divorce
.4142	Welfare of mother and child. For child labor, see 8**.063
.42	History
.421	Historical relics, Manuscripts
.422	Monuments, statues, memorials
.423	Public records
.424	Commemorative celebrations
.425	Holidays
.43	Education
.43A	Advisers
.431	Elementary education, Primary schools, High schools
.432	Advanced education, Universities, Colleges, etc.
.433	Technical, Commercial, Agricultural
.434	Education of the blind, physically handicapped
.435	Vocational
.436##	Reciprocal recognition of diplomas
.437	Libraries (see also 5**.##1)
.44	Fine arts
.441	Painting, Drawing
.442	Sculpture
.443	Architecture
.444	Engraving
.445	Photography
.446	Music

8**.3314 Scrap metal
.332 Building and paving materials (all types, metal, wood, glass, etc.)
.333 Transportation equipment (all types)
.3331 Automobiles, Trucks, Buses, Motorcycles
.3332 Railroad, Locomotives, Cars, Signalling devices
.3333 Aircraft. For military aircraft construction, see 7**.5622
.3334 Shipbuilding (all types, sizes, except naval). For construction of naval vessels, see 7**.5621
.334 Construction equipment (all types)
.335 Communications equipment (all types)

.34 Household, office and school furnishings and supplies. For silverware, see 8**.38; for glass and chinaware, see 8**.3931
.341 Furniture. For antiques, see 8**.38
.342 Floor coverings, rugs, carpets, linoleum, etc.
.343 Appliances (all types), Electrical and gas appliances
.344 Draperies, Curtains, Shades, Blinds, Venetian Blinds, Awnings
.345 Household linens, Beddings, Mattresses, Pillows, Cushions
.346 Other household, office and school furnishings and supplies
.3461 Kitchenware, Pots and pans
.347 Office machines, Adding machines, Calculators, Typewriters

.35 Clothing, Textile industry
.351 Wearing apparel (men's, women's, children's and infants')
.3511 Shoes, all kinds
.3512 Hats
.3513 Accessories
.352 Cotton manufactures, Thread, Piece goods
.353 Linen manufactures, Thread, Piece goods
.354 Wool manufactures, Thread, Piece goods
.355 Silk manufactures, Thread, Piece goods
.356 Hair manufactures. For beauticians' supplies, see 8**.395
.357 Jute, hemp, flax, coir yarn, reed and straw products, rope, burlap, baskets
.358 Synthetic fibers, Nylon, Rayon

.36 Sporting and athletic equipment, Recreational equipment, Toys and games, Musical supplies and equipment, Smokers' supplies, Theatrical supplies and equipment

.37 Photographic apparatus and supplies, Artists' supplies, Paintings, Pictures, Cameras, Printers' supplies

.38 Jewelry, Gold and silverware, Precious stones, Clocks and watches, Antiques. For mining of gold, silver, precious stones, etc., see 8**.253

.39 Other manufactures, Miscellaneous. For building and paving materials, see 8**.332
.391 Lumber, Wood products not otherwise classifiable
.392 Paper, Paper products not otherwise classifiable
Newsprint, Wood pulp
.393 Manufactured non-metallic minerals not otherwise classifiable
Marble, Lime and limestone, Asbestos, Slate. For mining, see 8**.25
.3931 Glass and clay products, Ceramics
.3932 Fuels and petroleum products, Refinery products. For oil, wells, oil-drilling, etc., see 8**.2553
.394 Metal manufactures not otherwise classifiable, Aluminum, Copper, Brass, Bronze, Lead, Tin, Zinc. For manufacture of iron and steel, see 8**.331

8**.256 Other mining products
.2561 Salt
.2562 Sulphur
.2563 Potash
.2564 Sodium nitrate, Saltpeter
.2565 Asphalt
.2566 Lime and cement
.2567 Phosphates
.2568 Asbestos
.2569 Bauxite
.257 Quarries, Quarrying

.26 Engineering, Architecture. For housing, see 8**.02
.261 Public works, Public construction. For harbors, docks, and ports, see 9**.734
.2611 Buildings, Markets, Market places
.2612 Roads, Highways, Bridges. For railroads, see 9**.712
.2613 Parks, Playgrounds
.2614 Public utilities, Electricity, Water, Gas, Power dams
.2615 Sewerage, Disposal plants

8**.30 Manufactures, Manufacturing

.31 Foods
.311 Meat and slaughterhouse products, Meat packing
.312 Dairy, fish, fowl and game products, Ice cream. For milk, cream, and eggs, see 8**.2423 and 8**.24224 respectively
.313 Grain products and preparations, Flour, Cereals
.314 Nut products and preparations
.315 Vegetable and fruit products and preparations
.316 Beverages and beverage materials, alcoholic and non-alcoholic
Breweries, distilleries. For liquor traffic, see 8**.531
.317 Spices, Condiments, Flavorings, Leavening products, Extracts
.318 Sugar and related products, Candy. For honey, see 8**.2424
.319 Animal, fish and vegetable oils and fats, *edible*

.32 Animal and vegetable products, *inedible*
.321 Hides, Skins, Furs, Feathers. For trapping industry, see 8**.2431; for manufacture of wearing apparel, see 8**.351
.322 Leather and leather goods. For shoes, see 8**.3511
.323 Tobacco manufactures
.324 Rubber manufactures, including synthetic. For wearing apparel, see 8**.351
.325 Animal, fish and vegetable oils, fats and greases, *inedible*. For medicinal oils, see 8**.3971
.3251 Tung oil, Palm oil
.326 Miscellaneous animal products, *inedible*
.327 Miscellaneous vegetable products, *inedible*
.328 Cork and cork products

.33 Iron and steel and related industries, Building and paving materials and equipment
.331 Iron and steel, Steel mill products
.3311 Heavy machinery. For transportation and construction equipment, see 8**.333 and 8**.334
.3312 Light machinery, including agricultural and dairy. For household and office appliances, see 8**.343
.3313 Foundry and machine shop products not otherwise classifiable

8**.239 Trees. For manufactures of wood products, see 8**.3 and 8**.391
.2391 Forestry, Fires, Fire prevention, Reforestation
.2392 Lumbering, Timber cutting
.2393 Barks, Cork, Cinchona
.2394 Saps, Resins, Gums, Turpentine, Naval stores
.2395 Rubber (includes all natural rubber). For manufactures of rubber products and synthetic rubber, see 8**.324

.24 Animal husbandry
.241 Practice of veterinary medicine, Outbreak or incidence of animal diseases where no question of exportation is involved
.242 Domestic animals
.2421 Beasts of burden
.2422 Stock raising
.24221 Cattle
.24222 Sheep
.24223 Swine
.24224 Poultry, Eggs
.24225 Ostriches, Ostrich farming
.2423 Dairying, Milk, Cream
.2424 Bee culture, Honey
.2425 Silk culture, Sericulture
.243 Wild animals, Game laws
.2431 Hunting and trapping industry
.2432 Birds
.244 Fur seals. For treaties, see 6**.##7
.245 Fisheries (including sponge fisheries). For treaties, see 6**.##6
.2451 Other products of the sea, Pearls, Pearl fishing
.246 Whaling. For treaties, see 6**.##8

.25 Mines, Mining
.251 Laws, Regulations
.252 Accidents, Prevention
.253 Precious metals and precious stones
.2531 Gold
.2532 Silver
.2533 Platinum
.2534 Radium
.2535 Diamonds
.2536 Other precious metals and stones
.254 Base metals
.2541 Iron
.2542 Copper
.2543 Lead
.2544 Tin
.2545 Zinc
.2546 Uranium, Other atomic minerals
.2547 Other base metals (chromium)
.255 Carbon, Graphite. For fuel conditions, see 8**.04
.2551 Peat, Lignite
.2552 Coal
.2553 Petroleum, Oil
.2554 Natural gas
.2555 Helium

8**.22 Pests affecting plant life, Diseases, Blights, Insects, Methods of combating. For regulations governing importation of plants, etc., see Class 4

.23 Field crops
.231 Grains
.2311 Wheat
.2312 Buckwheat
.2313 Oats
.2314 Rye
.2315 Corn
.2316 Barley
.2317 Rice
.2318 Hops
.2319 Other field crops
.232 Fibers
.2321 Cotton
.2322 Hemp, Sunn
.2323 Flax
.2324 Jute
.2325 Ramie
.2326 Sisal, Cabuya
.2327 Abaca
.2328 Kapok
.233 Alkaloidal plants
.2331 Tobacco
.2332 Tea
.2333 Coffee
.2334 Cocoa, Cacao
.2335 Vanilla
.2336 Medicinal herbs, Ipecac
.234 Forage crops
.2341 Grasses
.2342 Alfalfa
.2343 Clovers
.2344 Cowpeas
.2345 Soya beans
.2346 Vetches
.235 Sugar-yielding plants
.2351 Cane
.2352 Sugar beet
For processing or manufacturing of food, etc., see 8**.31
.236 Garden crops (vegetables, such as Lettuce, Tomatoes, Potatoes, Pepper, Nutmeg, Spices, Pulses, Dandelion, etc.)
.237 Fruits
.2371 Citrus fruits
.2372 Berries, Currants
.2373 Grapes, Raisins
.2374 Figs
.2375 Olives
.2376 Bananas, Plantains
.2377 Nuts, Coconuts (Copra), Palm kernels
.2378 Other fruits, Apples, Apricots, Cherries, Dates, Nectarines, Peaches, Pears, Persimmons, Pineapples, Plums, Quinces
.238 Flowers, Bulbs

8**.11 Taxation
.111 Land, Realty
.112 Income. For double taxation treaties, see 6**.##921
.113 Personal property
.114 Inheritance

.12 Lotteries

.13 Monetary system, Coinage, Currency, Bullion, Mint
.131 Foreign exchange, Exchange rates
.132 Currency of revolutionary governments
.133 Counterfeit, Counterfeiting (** country whose currency is counterfeited)

.14 Banks, Banking. For war-time measures, see 6**.##231
.14## Branch banks of country ** in country ##
.141 Interest, Discount

.15 Exchanges, Commodity exchanges. For currency exchange, see 8**.131
.151 Stock
.152 Cotton
.153 Wool
.154 Livestock
.155 Grain
.156 Produce
.157 Coffee
.158 Sugar
.159 Other exchanges

.16 Lands
.16## Rights of nationals of country ## to hold or acquire real property in country **
.161## Colonization in country **

.17 Intellectual and industrial property (see also 6**.##233) (** indicate country in which protection is sought). For treaties, see 6**.##95
.171 Patents
.172 Trade-marks, Trade names
.173 Copyrights

.18 Immigration, Emigration. For immigration to the United States, see 150
.18## Immigration to country ** from country ##
.181 Residence, trade and travel of aliens in **, Foreign visas, Tourism, Foreign exit permits

.19 Industrial matters, Nationalization. Classify subjectively when possible. For monopolies, concessions, franchises, contracts, etc., see 8**.054
.1901 Atomic energy peaceful purposes. Classify subjectively when possible
.191 Expositions, Exhibitions, Fairs (see also 4**. ##174 and 5**.##2)

8**.20 Agriculture
.20A Agricultural adviser
.201 Agricultural clubs (4-H, etc.)

.21 Soil, Properties, Tillage
.211 Soil conservation; Drainage, reclamation, irrigation; Irrigation dams; "Dry farming," Fertilization

CLASS 8

INTERNAL ECONOMIC, INDUSTRIAL, AND SOCIAL AFFAIRS

8**.00	Economic matters, Conditions (general)
.00A	Economic adviser
.001	Statistics (general)
.002	Conservation of natural resources. Classify subjectively when possible
.01	Cost of living, Retail prices, Black markets (general). Classify subjectively when possible
.02	Housing, Rents, Building construction (includes commercial and industrial housing)
.021	City and country planning, Elimination of congested and slum areas, "Blighted" areas
.03	Food, Food conditions, Refrigeration, Food shortage, Rationing, Black markets, Hoarding
.04	Fuel, Fuel conditions, Fuel shortage (includes coal, wood, peat, oil, coke), Black markets
.05	Capital
.051##	Investment of, or field for investment of, capital of country ** in country ##
.052	Cooperative systems, Rural credits
.053	Corporations, "Big" business (formulation, regulation, bond issues, stock certificates)
.054	Combinations in restraint of trade, Monopolies, Cartels, Trusts, Contracts. Classify subjectively when possible with XR to 8**.054
.055	Domestic trade conditions, Retail trade
.06	Labor, Labor conditions (general)
.061	Hours, Wages (for pensions, see 8**.07), Unemployment insurance and compensation
.062	Organizations, Unions, Relations with employers, Strikes, Lockouts, Slowdowns
.063	Female labor, Child labor
.064	Compulsory labor, Slave labor
.065	Hazardous employment, Accidents, Prevention of accidents
.0651	Employer's liability. For pensions, see 8**.07
.07	Pensions. For military pensions, see 7**.5512
.071	Industrial
.072	Old-age (social insurance)
.08	Insurance. For "social" insurance, see 8**.072
.081	Life
.082	Fire
.083	Accident (includes all types of accidents)
.084	Automobile
.085	Health
.086	Marine (includes war risk insurance)
.087	Aviation
8**.10	Financial matters (general), Budget, Debt, Bond issues, Loans, Public securities, Balance of payments. For war-time regulations, see 6**.##231
.10A	Financial adviser

7**.5512 Pay, Subsistence, Retirement, Pensions
.552 Marine Corps
.553 Schools and academies
.553## Admission of nationals of country ## for visit or study (includes admission for observation to war industries, airplane plants, etc.)
.554 Auxiliary services,WACS,WAVES, WRENS, etc.

.56 Equipment and supplies
.561 Armaments, ordnance, arsenals, armories, tanks, trench mortars, flame throwers. For governmental control of arms traffic, see 4**.##8
.5611 Atomic bombs, Hydrogen bombs
.5612 Guided missiles, supersonic weapons, rockets
.5613 Poison gases, bacteriologicals, chemicals. For illegal or inhuman warfare, see 6**.##26
.5614 Small arms, bombs, grenades, rifles
.5615 Helium
.562 Ships,vessels and aircraft (including construction, etc.)
.5621 Battleships, cruisers, destroyers, other naval vessels (all types) (includes construction, purchase and sale, accidents etc.) For international negotiations, treaties, etc., in limitation of armaments, see 6**.##12
.5622 Aircraft, bombers, fighters, gliders, jet-propelled aircraft, all types of military or naval aircraft (includes construction, purchase, sale, accidents, etc.)
.563 Bases and posts
.563## Country in which located ## (includes air, land, and sea bases, landing fields, fueling stations of any type, navy yards, drydocks, etc.)
.564 Uniforms, Clothing, Insignia
.564## Exchange of uniforms with country ##, smaller country number
.5641 Unauthorized wearing of uniforms of country **

.57 Hospitals, Rest centers, Recreation centers, Commissaries, Post exchanges

.58 Missions (** country in which located)
.58## Visits, etc., of military, naval, or air force personnel and/or equipment of country ** to country ##. For admission of foreigners to study in or visit military, naval and air force schools and academies, see 7**.553##
.581 Entrance of naval vessels into the Great Lakes (** nationality of visiting naval forces)

.59 Civil defenses, Civilian (non-military) defense organizations, measures (Air-raid wardens, fire wardens, blackout measures, air-raid shelters; Protection against atomic bomb attacks)

7**.60 Stockpiling

.61 Rubber (natural and synthetic)

.62 Petroleum

.63 Minerals

.64 Drugs (all types of pharmaceuticals, etc.)

.65 Fibers

.69 Other commodities not listed above

7**.20 Legislative branch of government

.21 Proceedings, Debates, Messages to legislative body

7**.30 Judicial branch of government

.31 National courts, Personnel, Rules
.311 Attorneys, Practice of law

.32 Proceedings, Judgments

.33 Jurisdiction
.331 Process issued for service abroad
.332 Rights of aliens to sue in national courts
.333 Absconding defendants and witnesses

.34 Laws, Statutes, Ordinances, Decrees, Acts, Codes
.341 Criminal
.342 Civil. For marriage and divorce, see 8**.4141
.343 Commercial
.344 Probate
.345 Bankruptcy
.346 Admiralty jurisdiction

.35 Procurement of evidence
.35## Procurement of evidence from country ## for use in country **

.36 Effect of judgments and decrees
.36## Effect of judgments and decrees of courts of country ## in country **

.37 Other judicial matters
.371 Authority to administer oaths
.372 Requirement of country regarding authentication of documents for use therein

7**.40 Mixed (international) courts

7**.50 National defense affairs, Army, Navy and Air (general)

.51 Fortifications, Defenses

.52 Intelligence activities, Subversive activities
.521 Biographical data (** nationality of individual)
.52## Intelligence activities, espionage, of country ** in country ##. For Communist activities, see 7**.001. Classify under individual cases where possible

.53 Military and naval courts, Law

.54 Maneuvers, Target practice, Troop movements (use 7**.54 if within territorial limits of country **)
.54## Movements of, and attacks upon, naval vessels and military and naval aircraft of country ## within territorial jurisdiction of country **, Overflights

.55 Organization
.551 Personnel (effectives), Commissioned and enlisted
.5511 Enlistment, Conscription, Draft, Discharge, Desertion

NUMERICAL-SUBJECT LISTING OF DOCUMENTS

IN CLASSES 7, 8, AND 9

CLASS 7

INTERNAL POLITICAL AND NATIONAL DEFENSE AFFAIRS

7**.00 Political affairs and conditions, Elections, Political parties and groups, Political refugees, Defectors, Amnesty, Revolutions, riots, disturbances, Civil war

.001 Communism, Bolshevism
.002 Fascism, Nazism
.003 Socialism
{For espionage, and subversive activities, see 7**.52##}

.01 Agents (other than diplomatic or consular)
.01## In country ##
.011## Immunities, privileges, exemption from taxation, etc. (in country##)

.02 Government, Recognition
.02A Advisors
.021 Mandates, Trusteeships
.022 Territory (including territorial waters, continental shelf), Geographical names, Maps, Aerial photography
.0221 Territory occupied by foreign military forces

.03 Constitution

.04 Flag
.041## Misuse of flag, insults and indignities to flag of country ** by nationals of country ##

.05 Seal, Coat of arms

.06 National anthem

.07 Political rights, Suffrage, Freedom of speech, Human rights

.08 Citizenship. For U.S. citizenship, see 130
.081 Passports, Certificates of identity. For U.S. passports, see 130

7**.10 Executive branch of government. For U.S., see Class 1

.11 Chief executive, President, King, Regent, Governor-General (including family)
.111 Governors of states and districts

.12 Vice president

.13 Cabinet, Ministry (including Foreign Office, and all other government agencies)

.14 Civil service, Salaries, Retirement

		INTERNAL AFFAIRS BRAZIL, 1960-1963
	Roll No.	**Roll Contents**
	Roll 1	732.00/1-160-732.00/9-1960
This Roll →	Roll 2	732.00/9-2060-732.00/7-2861
	Roll 3	732.00/8-161-732.00/5-1262
	Roll 4	732.00/5-1462-732.00/9-1962
	Roll 5	732.00/9-2062-732.001/5-561
	Roll 6	732.001/5-1261-732.13/5-3162
	Roll 7	732.13/6-262-732.563/8-362
	Roll 8	732.563/8-1662-832.00/10-1060
	Roll 9	832.00/10-1160-832.00/10-661
	Roll 10	832.00/10-1361-832.00/10-962
	Roll 11	832.00/10-1162-832.05111/12-560
	Roll 12	832.05111/2-1061-832.062/8-3160 (and: 832.05156/2-2260-832.10/4-2960)
	Roll 13	832.062/9-160-832.10/2-2161
	Roll 14	832.10/2-2361-832.10/7-1162
	Roll 15	832.10/7-1262-832.131/1-1961
	Roll 16	832.131/1-2661-832.16/3-2262
	Roll 17	832.16/4-662-832.245/1-2263
	Roll 18	832.25/1-1460-832.2614/7-1862
	Roll 19	832.2614/7-2662-832.424/9-1062
	Roll 20	832.424/9-2662-932.30/2-2862
	Roll 21	932.30/3-162-932.84/4-1962

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Records of the U.S. Department of State
Relating to Internal Affairs of Brazil, 1960-1963

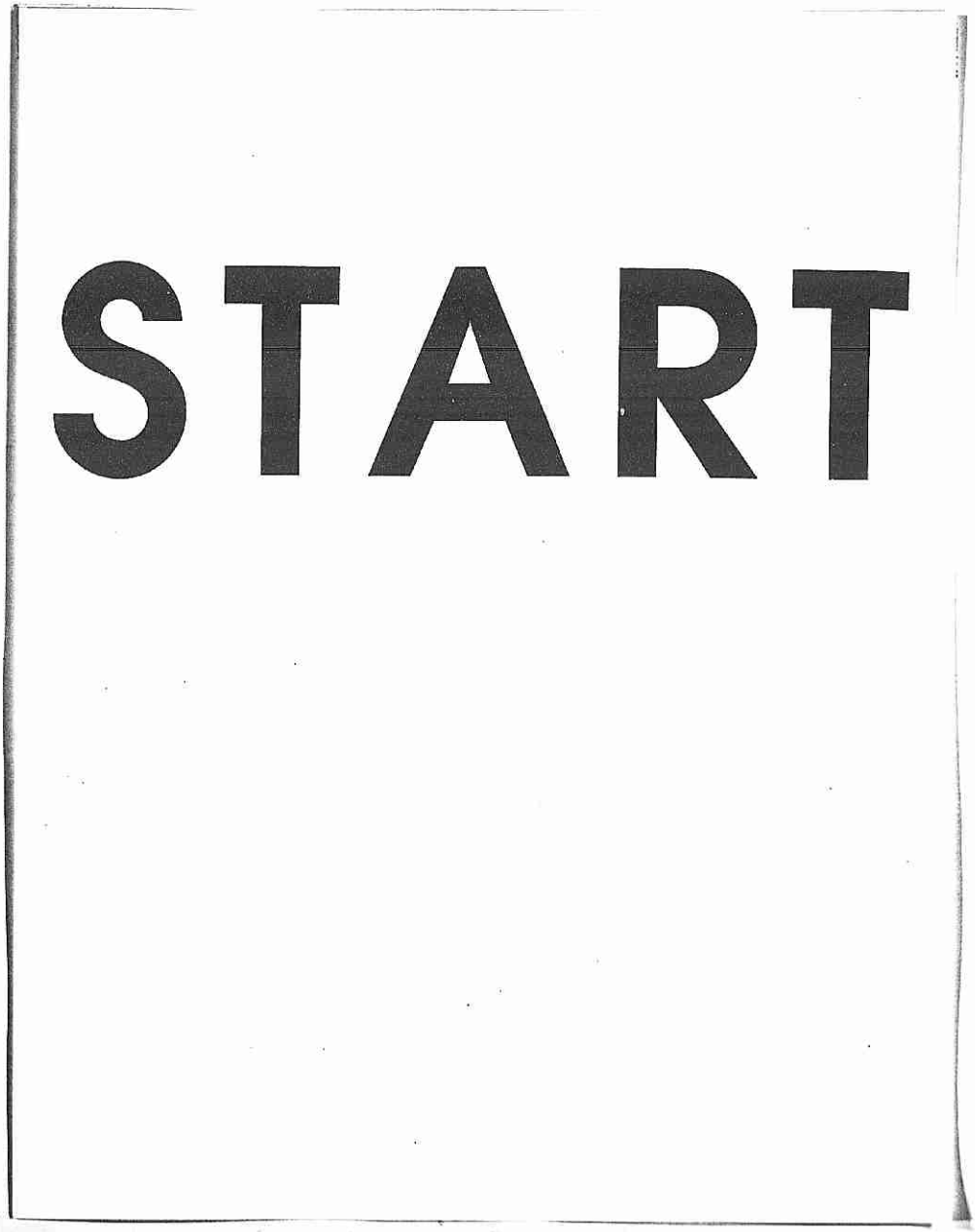
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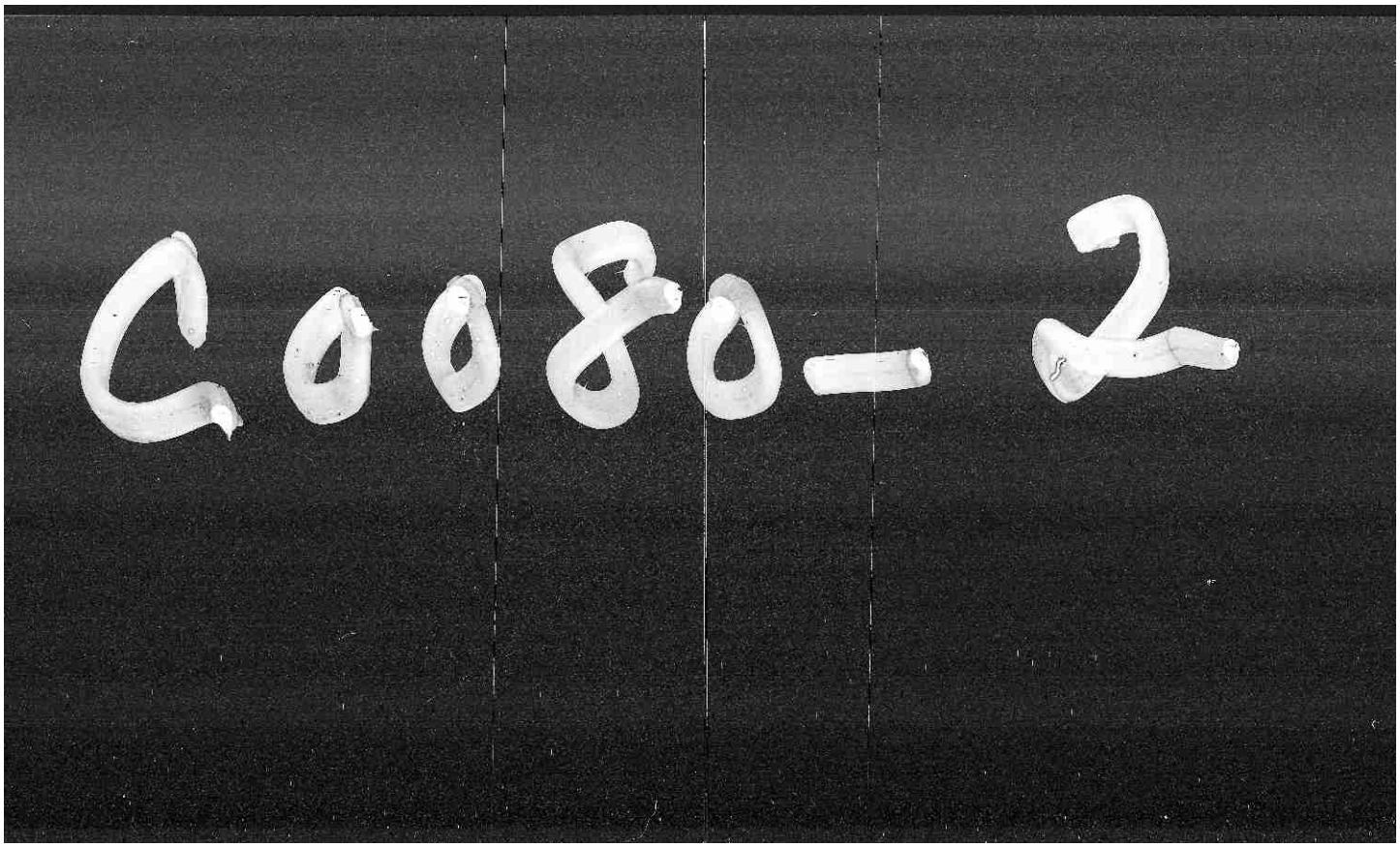
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